

Second Session - Thirty-Eighth Legislature
of the
Legislative Assembly of Manitoba
DEBATES
and
PROCEEDINGS
Official Report
(Hansard)

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MANITOBA LEGISLATIVE ASSEMBLY
Thirty-Eighth Legislature

Member	Constituency	Political Affiliation
AGLUGUB, Cris	The Maples	N.D.P.
ALLAN, Nancy, Hon.	St. Vital	N.D.P.
ALTEMEYER, Rob	Wolseley	N.D.P.
ASHTON, Steve, Hon.	Thompson	N.D.P.
BJORNSON, Peter, Hon.	Gimli	N.D.P.
BRICK, Marilyn	St. Norbert	N.D.P.
CALDWELL, Drew	Brandon East	N.D.P.
CHOMIAK, Dave, Hon.	Kildonan	N.D.P.
CUMMINGS, Glen	Ste. Rose	P.C.
DERKACH, Leonard	Russell	P.C.
DEWAR, Gregory	Selkirk	N.D.P.
DOER, Gary, Hon.	Concordia	N.D.P.
DRIEDGER, Myrna	Charleswood	P.C.
DYCK, Peter	Pembina	P.C.
EICHLER, Ralph	Lakeside	P.C.
FAURSCHOU, David	Portage la Prairie	P.C.
GERRARD, Jon, Hon.	River Heights	Lib.
GOERTZEN, Kelvin	Steinbach	P.C.
HAWRANIK, Gerald	Lac du Bonnet	P.C.
HICKES, George, Hon.	Point Douglas	N.D.P.
IRVIN-ROSS, Kerri	Fort Garry	N.D.P.
JENNISSEN, Gerard	Flin Flon	N.D.P.
JHA, Bidhu	Radisson	N.D.P.
KORZENIOWSKI, Bonnie	St. James	N.D.P.
LAMOUREUX, Kevin	Inkster	Lib.
LATHLIN, Oscar, Hon.	The Pas	N.D.P.
LEMIEUX, Ron, Hon.	La Verendrye	N.D.P.
LOEWEN, John	Fort Whyte	P.C.
MACKINTOSH, Gord, Hon.	St. Johns	N.D.P.
MAGUIRE, Larry	Arthur-Virden	P.C.
MALOWAY, Jim	Elmwood	N.D.P.
MARTINDALE, Doug	Burrows	N.D.P.
McGIFFORD, Diane, Hon.	Lord Roberts	N.D.P.
MELNICK, Christine, Hon.	Riel	N.D.P.
MIHYCHUK, MaryAnn, Hon.	Minto	N.D.P.
MITCHELSON, Bonnie	River East	P.C.
MURRAY, Stuart	Kirkfield Park	P.C.
NEVAKSHONOFF, Tom	Interlake	N.D.P.
OSWALD, Theresa	Seine River	N.D.P.
PENNER, Jack	Emerson	P.C.
REID, Daryl	Transcona	N.D.P.
REIMER, Jack	Southdale	P.C.
ROBINSON, Eric, Hon.	Rupertsland	N.D.P.
ROCAN, Denis	Carman	P.C.
RONDEAU, Jim, Hon.	Assiniboia	N.D.P.
ROWAT, Leanne	Minnedosa	P.C.
SALE, Tim, Hon.	Fort Rouge	N.D.P.
SANTOS, Conrad	Wellington	N.D.P.
SCHELLENBERG, Harry	Rossmere	N.D.P.
SCHULER, Ron	Springfield	P.C.
SELINGER, Greg, Hon.	St. Boniface	N.D.P.
SMITH, Scott, Hon.	Brandon West	N.D.P.
STEFANSON, Heather	Tuxedo	P.C.
STRUTHERS, Stan, Hon.	Dauphin-Roblin	N.D.P.
TAILLIEU, Mavis	Morris	P.C.
TWEED, Mervin	Turtle Mountain	P.C.
WOWCHUK, Rosann, Hon.	Swan River	N.D.P.

LEGISLATIVE ASSEMBLY OF MANITOBA

Monday, April 19, 2004

The House met at 1:30 p.m.

PRAYERS

MATTER OF PRIVILEGE

Mr. Kelvin Goertzen (Steinbach): Mr. Speaker, I rise today on a matter of privilege.

Mr. Speaker: Okay, the honourable member is rising on a matter of privilege.

Mr. Goertzen: Mr. Speaker, I do rise today on a very serious matter of privilege. Let me begin by recognizing that, in fact, there are a number of guests here today who have come to hear the presentation of the Budget, and it is certainly not my intention to unnecessarily delay that process. *[interjection]* Well, you know, members opposite do not think, I suppose, that a matter of privilege is important. I certainly do, and I am raising it on behalf of all Manitobans.

I realize that there are two criteria that need to be set out to prove a matter of privilege, the first being that it is raised at its earliest opportunity. This matter of privilege, Mr. Speaker, relates to comments that were made by the Minister of Labour (Ms. Allan) in this House during Question Period on Thursday of last week.

It was important, as a member, that I see the publication of Hansard to ensure that those comments could be verified. Having now seen those comments, Mr. Speaker, I raise this matter of privilege at the earliest opportunity.

The second point of course that must be shown, Mr. Speaker, is that a matter of privilege has presented a prima facie case. I would note that, in Thursday's Question Period, as previously said, the Minister of Labour, in response to a question that was raised from a member in the House regarding the existence of a project labour agreement in relation to the floodway expansion project said that there was nothing in writing.

In fact, if we are reviewing Hansard, you will see that the minister stated twice, I believe, that there was nothing in writing related to this project

agreement. Yet we find somewhat surprisingly and, I would say, disappointingly that on the weekend, on Saturday in an edition of the *Winnipeg Free Press*, we see that in fact the CEO of the floodway authority, the interim floodway authority, Mr. Ernie Gilroy, puts on the record that in fact there are details, Mr. Speaker, regarding an agreement.

Not only are there details regarding this particular agreement, but they have been sent to federal members of Parliament, Mr. Speaker. So I find it astonishing that the minister can stand on one day and tell members of this House that there is nothing in writing in regard to an agreement, and yet only a couple of days later, presumably these comments were made on Friday for the Saturday edition, a day later the CEO of the authority would stand up and say that there are details that have been forwarded to federal members.

The CEO went on to say that there had been ongoing details. These details had been provided on a regular basis, so presumably they did not just start on the Friday. I note that the member of Parliament in question who has commented said that not only were details, I suppose, now being provided, but that a review would take place of the agreement. The comments were that the federal member of Parliament responsible would now be undertaking a review of an agreement. Well, of an agreement that is not in writing, Mr. Speaker, of an agreement that apparently does not exist according to this minister only a few short days before. The contradiction is extraordinary.

For weeks organizations, municipalities, senior levels of government and hundreds and thousands of Manitobans have raised concerns. *[interjection]* Well, you know, members opposite want to laugh about this matter and they do not think that this is particularly serious. Well, I challenge them to speak to their constituents, Mr. Speaker, because this is a very serious issue regarding a very serious project.

* (13:35)

One would think that on budget day, of all days, when we are dealing with a project that is \$660 million, \$700 million, that they would be concerned

about misinformation regarding that expensive project that has been put on the books here by this Minister of Labour (Ms. Allan).

So the concerns have been raised and we have heard on varying days, some days it is a done deal, some days it is not a done deal. One day one minister says one thing. The next day another minister says something else. As a new member of this Legislature, Mr. Speaker, I would say that to do my job properly I value transparency, transparency from the information that is provided that we need to rely on from ministers opposite. I rely on a clear process being put forward and that proper information is brought forward by ministers of the Crown on a day-to-day basis.

So I submit, Mr. Speaker, that this wrong information that has been put forward by the minister, clearly wrong information, is a disservice to me as a member of the Legislature, prevents me from doing my job properly as a new member of the Legislature and it is a disservice to all Manitobans who want to know the facts about what is happening with this project.

I can imagine the disappointment that members of the public had, if they had the opportunity to hear Question Period or read the transcripts, to find the Minister of Labour one day saying that there is nothing in writing, that nothing exists, and then the next day opening up their newspaper to find out not only that something exists, but information has been flowing from the floodway authority or from the Government to the federal government on a daily or a weekly basis for some time and also, Mr. Speaker, that now an agreement was under review, an agreement that one day later previously apparently did not exist, according to the Minister of Labour.

Mr. Speaker, I am concerned. I am concerned that this Government simply does not have a handle on this important file. I am concerned that I have listened from day to day about the misinformation, the different directions that have been put forward by the Government, either within this House or outside of the House. I wonder what members of the public are left to believe. I wonder what members of this Legislature are left to believe.

This type of misinformation brought forward by the Minister of Labour makes it very, very difficult for me as a member of the Legislature to do my job.

It impedes on my ability to do the job that members of Manitoba, that members of my constituency have elected me to do.

I am very disappointed, Mr. Speaker, to have to raise this particular matter of privilege, but I feel that it is important, at its earliest opportunity, to bring it forward, to bring this misinformation that was put on the record by the Minister of Labour and then apparently corrected by the CEO of the floodway authority the next day to light, because it is an important issue. It is an issue that deals with finances. It is an issue that deals with trust in government. It is an issue that deals with process and it is an issue that deals with safety for citizens in Manitoba.

So, Mr. Speaker, I would move, seconded by the Member for Kirkfield Park (Mr. Murray), that the Minister of Labour issue to this House and to the people of Manitoba an apology for putting forward incorrect information regarding the existence of and details of a proposed master labour agreement in relation to the expansion of the floodway project, and that this matter be now referred to the Committee on Legislative Affairs and be reported to the House.

Thank you, Mr. Speaker.

Mr. Speaker: The honourable Government House Leader.

Before I recognize him, I would just like to remind the House that contributions at this time by honourable members are to be limited to strictly relevant comments as to whether the alleged matter of privilege has been raised at the earliest opportunity and whether a *prima facie* case has been established.

Hon. Gord Mackintosh (Government House Leader): Well, Mr. Speaker, our view is that this certainly is in no way a matter of privilege. I would simply remind members of the House, according to *Beauchesne* Citation 24, which has been used very often in this House: "The privileges of Parliament are rights which are absolutely necessary for the due execution of its powers."

Mr. Speaker, we go on in *Beauchesne* citations again, which are well-known to members opposite: A question of privilege ought rarely to come up in Parliament.

* (13:40)

Matters of privilege are indeed very serious, but what we have are allegations made by the member opposite relating to differences of opinion, allegations as to fact.

Now, Mr. Speaker, we have in this Legislature from time to time heard allegations that a member may have deliberately misled the House. Those are arguments that sometimes have been couched in terms of breaches of parliamentary privilege, but the member has not even so much as made that allegation in this case. The member's own words talk about misinformation or incorrect information. I would suggest, though, going one step further, that what we have here is simply some argument, some opinion and indeed I might just say using very rare moments of this Legislature to advance what seems to be a preoccupation of members opposite.

The member in Question Period said the following: The affected parties are at the table. There is nothing in writing. We will wait until we have an agreement from the affected parties. Mr. Speaker, that talks to the issue of a master labour agreement. Whether there is an agreement with the federal government as to funding is another matter.

I remind members opposite that the concerns about using matters of privilege in this House, as the Opposition has been wont to do, has been dealt with by the new rules, where we remind members at page 60, that a dispute arising between two members as to allegations of facts does not fulfil the conditions of parliamentary privilege. And not only that, in *Beauchesne* we are reminded a dispute arising between two members does not fulfil the conditions of parliamentary privilege. Finally, I will say, in Citation 31(3): "Statements made outside the House by a Member may not be used as the basis for question of privilege." We have also recognized in this House that matters arising outside of the House are not the basis of privilege.

I would conclude, Mr. Speaker, by saying that this is simply a political argument. It certainly is in no way either a point of order or a matter of privilege.

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, we, too, agree with the member from Steinbach in raising the issue that this is indeed a matter of privilege. There are cases of privilege, we believe if you look into it, where you have extraordinary circumstances

or statements that are exceptionally misleading, misleading to the degree. It is interesting, I have read the Hansard, I was the one who asked the question of the minister, and she prefixed her answer by saying that the MLA from Inkster, being myself, consistently puts misinformation on the record. And then what does she do? She then says that the affected parties are at the table; there is nothing in writing.

We have the Premier of our province, we have a minister of waterworks that are saying something in absolute—*[interjection]* Waterworks or Minister responsible for Water Stewardship. It does not change the fact. We have other ministers saying that there is—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. I would like to take this opportunity to remind all honourable members that a matter of privilege and a point of order are very, very serious matters and we need to be able to hear what the member has to say. I ask the co-operation of all honourable members, please.

Mr. Lamoureux: Mr. Speaker, I will be brief. When I raised the question, there was a great deal of concern amongst Manitobans that all Manitobans have the right to be able to work on the extension of the floodway whether they belong to a union or they do not belong to a union, and that was the core of the question.

The answer that we received from the minister, I believe, denies us the privilege of having government providing transparent answers because you have the Premier (Mr. Doer) and another minister saying something completely opposite to what this minister is saying. What is the public to think, Mr. Speaker? There is a responsibility of government to be consistent and transparent in the answers that it is providing, and where they make mistakes, and Lord knows this Government makes mistakes, then to say that you have made a mistake and rectify and correct the record. The socialist attitude of the Government on this issue has put blinders, and they do not know where they are going on this issue. That is why we raised the issue with the Minister of Labour (Ms. Allan) to get involved. On the surface, after reading her answer, one would think that the Minister of Labour has not been involved in this issue.

* (13:45)

We would just indicate, put simply, that we do believe it is a matter of privilege and it is not a dispute of the facts. It is not a dispute of the facts; it is a matter of privilege. We would ask that we look in terms of how the minister—where it has been ruled in other jurisdictions, where it has been so blatantly misleading, where it has denied a privilege of a member of the Chamber.

With those few words, Mr. Speaker, we trust that you will report back. Thank you.

Mr. Speaker: The honourable Official Opposition House Leader, on privilege.

Mr. Leonard Derkach (Official Opposition House Leader): Just to add a few words to the words that have already been put on record with regard to this issue, Mr. Speaker. The Government House Leader (Mr. Mackintosh) stood in his place moments ago and said that this is just a matter of differing opinions.

There was a direct question asked of the Minister of Labour (Ms. Allan). Although we have seen the differing opinions from the Government on this matter between the Premier (Mr. Doer), the Minister responsible for Water (Mr. Ashton) and now the Minister of Labour, the questions that are being asked by this side of the House are serious ones. When a minister of the Crown says to the House and to Manitobans that there is no such agreement in place, there is nothing in writing, we, as members of this Legislature, have to take the minister at his or her word. But a day later, when we read in newspapers that other ministers, federal minister of the Crown as a matter of fact, an individual charged with the responsibility for this entire matter in the public of Manitoba, are now saying that there is an agreement in place and that agreement is being negotiated and elements of that agreement are being discussed, it is obvious that is not a matter of differing opinions. This is a matter of fact, and I submit that members of this Legislature were misled, misled grievously by the Minister of Labour and by the Government.

Mr. Speaker, for the Government to try to get around this is simply a matter of deceit, and we cannot have this in this Legislature. It is for that matter that the member from Steinbach raised the issue in this House. I raised it as a point of order. The member from Steinbach today raises it as a matter of

privilege, and we look to you to rule on this matter and to expeditiously have this matter referred to the Committee on Legislative Affairs so it can be dealt with in a proper way. Thank you very much.

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

ROUTINE PROCEEDINGS

PETITIONS

Proposed PLA—Floodway

Mr. Kelvin Goertzen (Steinbach): I wish to present the following petition to the Legislative Assembly of Manitoba.

These are the reasons for the petition:

The Province of Manitoba has tabled legislation in the Legislature that may result in the \$660-million expansion of the Red River Floodway by the summer of 2005.

The Premier of Manitoba plans to subject all work related to the project to a Project Labour Agreement (PLA).

The proposed PLA would force all employees on the project to belong to a union.

Approximately 95 percent of heavy construction companies in Manitoba are currently non-unionized.

* (13:50)

Mr. Speaker, the Manitoba Heavy Construction Association has indicated that the forced unionization of all employees may increase the costs of the project by \$65 million.

The chair of B.C.'s 2010 Construction Leaders Taskforce has stated, "Major industrial projects built under project labour agreements from the energy sector in Alberta to off-shore development on the East Coast have repeatedly incurred cost overruns, labour disruptions and delays."

Organizations including the Winnipeg Chamber of Commerce, the Canadian Taxpayers' Federation,

the Manitoba Heavy Construction Association, the Canadian Federation of Independent Business, the Merit Contractors Association of Manitoba, the Winnipeg Construction Association, the Construction Association of Rural Manitoba and the Canadian Construction Association have publicly opposed the Premier's plan to turn the floodway expansion project into a union-only worksite.

Manitobans deserve an open and fair competition that protects taxpayers from unnecessary costs and respects workers' democratic choice.

Manitobans support the right of any company, both union and non-union, to participate in the expansion of the Red River Floodway.

We petition the Legislative Assembly of Manitoba as follows:

To request the Premier of Manitoba to consider ending the Government's forced unionization plan of companies involved with the Red River Floodway expansion.

To request the Premier of Manitoba to consider entering into discussions with business, construction and labour groups to ensure any qualified company and worker, regardless of their union status, is afforded the opportunity to bid and work on the floodway expansion project.

Signed by: Darrel Penner, Reg Penner, John Kroeker and others.

Mr. Speaker: In accordance with our Rule 132(6), when a petition is read it is deemed to be received by the House.

Minimum Sitting Days for Legislative Assembly

Mr. Kevin Lamoureux (Inkster): I, too, wish to present the following petition to the Legislative Assembly of Manitoba.

The background to this petition is as follows:

The Manitoba Legislature sat for only 37 days in 2003.

Manitobans expect their Government to be accountable, and the number of sitting days has a direct impact on the issue of public accountability.

Manitobans expect their elected officials to be provided the opportunity to be able to hold the Government accountable.

The Legislative Assembly provides the best forum for all MLAs to debate and ask questions of the Government, and it is critical that all MLAs be provided the time needed in order for them to cover constituent and party duties.

Establishing a minimum number of sitting days could prevent the government of the day from limiting the rights of opposition members from being able to ask questions.

We petition the Legislative Assembly of Manitoba as follows:

To request the Legislative Assembly of Manitoba to consider recognizing the need to sit for a minimum of 80 days in any given calendar year.

Signed by: Nestor Gamboa, Susana Gamboa and Virginia Gamboa.

Mr. Speaker: In accordance with our Rule 132(6), when a petition is read it is deemed to be received by the House.

Introduction of Guests

Mr. Speaker: Prior to Oral Questions, I would like to draw the attention of all honourable members to the loge to my right. We have with us Muriel Smith, who is a former Member for Osborne.

Also in the loge to my left we have with us Mr. Binx Remnant, who is the former Clerk of the Legislative Assembly.

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

ORAL QUESTIONS

Red River Floodway Expansion Master Labour Agreement

Mr. Stuart Murray (Leader of the Official Opposition): Mr. Speaker, the *Winnipeg Free Press* reported on Saturday that, according to the Manitoba Flood Expansion Authority CEO Ernie Gilroy, Ottawa is aware of the Province's master labour

agreement and that details have been provided on the agreement to Ottawa on an ongoing basis.

They further reported that Treasury Board President Reg Alcock is reviewing the agreement and the concerns that it may lead to forced unionization, Mr. Speaker.

Yet the Premier and his Minister of Labour (Ms. Allan) say there is no agreement. There is nothing in writing. Will the Premier apologize for not being honest with Manitobans and will he make his master labour agreement public?

Hon. Gary Doer (Premier): Rather than the Leader of the Opposition flying by the seat of the proverbial pants, perhaps he could ask for a copy of the financial agreement between Manitoba and Ottawa. It has been public for months.

* (13:55)

Mr. Murray: This is incredible, Mr. Speaker. What we need is to ensure that we start protecting Manitobans and get an agreement in place to start immediately to get to work on expanding the floodway, but what do we know? Well, we know that a master labour agreement exists. We know that this master labour agreement will automatically force unionization on non-union companies. We know that this master labour agreement will force non-union workers to pay union dues. We also know that this master labour agreement will add some \$65 million to the cost of the floodway expansion.

Perhaps that is why this First Minister will not make the agreement public, because he has already mismanaged taxpayers' dollars to the unbelievable point that he is now going to be invoking a never-before-used special clause that will allow him to legally run a deficit. That is what this Government is all about. Here, today, on budget day, why does he not do the right thing and, rather than be utterly embarrassed about his agreement, why does he not take it off the table and save taxpayers \$65 million?

Mr. Doer: Mr. Speaker, the sky-is-falling question of the day from the Leader of the Opposition really begs the question. When the member opposite says we do not know anything, he is really quite correct in that assessment. He does not know very much about this proposal. There are discussions going on.

I thought it was interesting that his former boss, Prime Minister Brian Mulroney, had a similar agreement, perhaps a tighter one, dealing with the Charlottetown bridge. Was he not aware of it when he was working for Brian Mulroney in Ottawa?

Mr. Murray: Mr. Speaker, we are only, on this side of the House, quoting what his boss, Mr. Ernie Gilroy, is telling the public, that a master labour agreement exists. This Premier is squandering \$100 million on VLTs. He is squandering more than \$20 million on building a Laundromat for hospitals. He is squandering more millions of dollars to build a hospital sandwich factory. The list of squandering under this Premier goes on and on and on.

To pay for his unbelievable spending habit, this Premier is robbing Manitoba Hydro. He has raided the rainy day fund and he continues to raise taxes and user fees. I suspect we are going to see more of that today in the Budget. Will the Premier at least do the right thing? Will he take the forced unionization agreement off the table, allow the heavy construction industry and others to get underway on expanding the floodway and save taxpayers \$65 million?

Mr. Doer: Mr. Speaker, I would note former Prime Minister Mulroney's master labour agreement which, by the way, was a closed-shop deal. His former boss, Mr. Brian Mulroney, had an agreement and it apparently came in under budget, something we have done on every major capital program we have been involved in.

The Brandon General Hospital, members opposite promised it seven times and broke their promise seven times. You go to the new Brandon General Hospital. It is on time, on budget and available to the patients of Manitoba.

I am shocked, Mr. Speaker. I am shocked that the members opposite would allow the old 1890 laundry equipment to degenerate in such a way that we would have soiled sheets in the hospitals of Manitoba. That may be their way of saving money on the backs of patients. It is not our way.

Red River Floodway Expansion Master Labour Agreement

Mr. Kelvin Goertzen (Steinbach): This weekend the Manitoba Chamber of Commerce unanimously passed—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order.

Mr. Goertzen: Mr. Speaker, while I know the members opposite are sensitive about this issue, the fact is the Manitoba Chamber of Commerce unanimously passed a motion asking the Doer government this weekend to withdraw its plan to require all workers on the floodway to join unions and to pay union dues. Now the Manitoba Chamber of Commerce joins the many groups and organizations and hundreds and thousands of Manitobans who find this plan undemocratic and unfair.

Will the Minister of Water Stewardship today recognize what so many others are saying and take off the table any plan to force unionization of floodway workers or to force union dues, Mr. Speaker?

* (14:00)

Hon. Steve Ashton (Minister of Water Stewardship): I think it is very important to note that we are committed to building the floodway. I find it rather interesting that only now members opposite have shown any interest in the floodway when, in fact, we have been working on this consistently since we came into office. Not only that, we have in place a stakeholders' process. We have had a first set of meetings with Wally Fox-Decent. I want to stress again that we have had very positive feedback from the stakeholders' process and that, Mr. Speaker, is the process we are committed to.

I wish members opposite would join with us because our commitment is to build the floodway. They may play politics with the floodway, we are building it.

Mr. Goertzen: In Thursday's edition of the *Steinbach Carillon*, a headline appeared that reads Taché council opposes forced unionization on floodway expansion. In the article, Councillor Ron Perrier from the municipality stated: "This is a free democratic society. Forcing people to join unions is counterproductive."

Mr. Speaker, I will pose my question to the Minister of Government Services (Mr. Lemieux), whose department will have some responsibility in the building of the floodway. I believe the municipality is in his riding so it will be interesting to see

if he answers, and ask whether or not he will stand up in Cabinet to stand up for the rights of municipalities like Taché who have concerns with what the Government is doing, Mr. Speaker.

Mr. Ashton: I assume that members opposite had a concern about the floodway, which, by the way, does come under the jurisdiction of the floodway authority and the Department of Water Stewardship which maintains the operation. Mr. Speaker, I am sure the member's interest had something more to do with some political context, but I can tell you one thing. This Government is headed by a Premier (Mr. Doer) who does not say to Manitobans that it is too bad you live in a flood plain. This is a government led by a Premier who says we are going to build better flood protection for Manitobans.

Mr. Goertzen: Mr. Speaker, I am disappointed the Minister of Government Services did not stand up and represent the people in his area who have been expressing concerns, Chambers of Commerce, rural municipalities, representatives of the federal government, hundreds of thousands of Manitobans, all questioning what the Government is doing by forcing members on the floodway to join unions and to pay union dues. This mess needs to be sorted out. It needs to be sorted out without delay.

Mr. Speaker, will they remove from the table forced unionization, forced dues, bring the stakeholders together and do it today?

Mr. Ashton: Mr. Speaker, having been elected to this Legislature a number of times, I always respect the views of Manitobans. I respect, Mr. Speaker, the views of the 64 Manitobans that signed the petitions that the members opposite tabled on Thursday, but before they again continue what is clearly a political agenda, our agenda is to build the floodway. We put in place a stakeholders' process. That is our commitment. We are going to build the floodway to protect Manitobans. That is far more important than this kind of politics.

Red River Floodway Expansion Master Labour Agreement

Mr. Ron Schuler (Springfield): On numerous occasions the Minister of Water Stewardship has stated that it is time for Wally Fox-Decent to get the job of settling the proposed master project agreement done. When will he remove forced unionization off

the table so that real negotiations can take place to solve the serious divisions between stakeholders in Manitoba?

Hon. Steve Ashton (Minister of Water Stewardship): Mr. Speaker, I am glad that members opposite seem finally to recognize the validity of the process that we put in place with Wally Fox-Decent because that is the response from stakeholders. I can indicate we are indeed committed to that process. We have been moving ahead with the project design and environmental assessment. We have been holding public hearings throughout the province. The members may not have noticed it until recently. We are going to build the floodway. That is the most important priority for Manitobans.

Mr. Schuler: The Premier (Mr. Doer) has stated that Wally Fox-Decent has far more experience than he has dealing with disputes. When can stakeholders in Manitoba expect to meet with Wally Fox-Decent and have the master project agreement resolved?

Mr. Ashton: Mr. Speaker, I am not sure where the member opposite has been for the last period of time but they already have met. Wally Fox-Decent has met with the stakeholders. That process is ongoing and, in fact, we should be giving that process the opportunity to work. I believe it will. I have faith in Wally Fox-Decent. I am glad members opposite finally are supporting the process we put in place.

Mr. Schuler: As minister responsible for labour issues in Manitoba, can the Minister of Labour tell us when the meetings with Wally Fox-Decent and Manitoba stakeholders have been scheduled? Is the meeting planned for today? Is there a meeting planned for tomorrow? What possible reason is there for a delay?

Hon. Nancy Allan (Minister of Labour and Immigration): Mr. Speaker, I am pleased to tell the Labour critic that there was a meeting less than a week ago, on Easter Monday, with all of the affected parties that will be negotiating the agreement. Mr. Wally Fox-Decent was at that meeting, and we have every confidence in this process.

Rapid Transit System Feasibility Studies

Mrs. Bonnie Mitchelson (River East): We all recognize that there is a significant infrastructure

deficit in our city of Winnipeg. One only has to look outside and see all of the potholes and all of the significant projects that in many instances impact safety within our communities that are going unmet because of the lack of infrastructure projects. Yet we see a Premier who has signed on to an agreement to spend \$17 million of Manitoba taxpayers' money for a rapid transit system when we have no indication whether there have been any feasibility studies done or any cost-benefit analysis.

I would like to ask the Premier today why he has placed this project as a priority. Can he table today the feasibility studies and the cost-benefit analysis that convinced him that this was a priority?

Hon. Gary Doer (Premier): The member is being selective. She will know that there were a number of governments dealing with the second phase of priorities. The second phase included priorities from the provincial government, the federal government and the civic government. The civic government's priority was the rapid transit. The priority for the federal government was the Kenaston underpass, and the priority for the provincial government was to deal with the sewage treatment issues that have been in place for a number of years.

Mr. Speaker, this is a part of the agreement that was reached. The priority for us obviously was the sewage treatment. The largest amount of money in the infrastructure agreement is for waste water sewage treatment in Manitoba. We think we now have a plan to reverse 50 years of neglect of the waterways of Manitoba and a plan to deal with some of the pollution that goes into our lakes and rivers. We think that priority was well placed and we are proud to go forward with it.

Mrs. Mitchelson: The Premier certainly did not answer my question. We support sewage treatment, and we support the Kenaston underpass but, Mr. Speaker, why would this Premier blindly spend \$17 million on a rapid transit system?

That is only the beginning. The whole project is going to cost \$400 million. Why would he move ahead and endorse and support and sign his name to a project, Mr. Speaker, when there has been no cost-benefit analysis and no feasibility studies done?

Mr. Doer: We would not have an agreement on the Kenaston underpass, which members want. We

would not have an agreement on the water sewage treatment if we did not have a co-operative agreement with the City's priority, the federal priority and the provincial priority. That is why members opposite could not get along with anybody.

Mrs. Mitchelson: So I have just heard everything. We have a Premier that will roll over and die and put \$17 million of money into a project that has no cost-benefit analysis and no feasibility study. How can this Premier sit here and say that times are tough and money is tight when he can throw \$17 million out the window without any type of accountability?

* (14:10)

Mr. Doer: I know members opposite think that any nickel or any dime for transit is throwing money out the window, and we do not agree with them. We are also working with the Flyer bus company. We are selling thousands of buses every year in North America, Mr. Speaker. We are working on new ideas, new innovations, new technologies, hydrogen fuel cell buses, to look at new buses, new transportation prototypes, in the city of Winnipeg.

Mr. Speaker, we are getting more money from the other levels of government for sewage treatment, which is the No. 1 priority of Manitoba. I think you will find that the priority for the Province of Manitoba, water sewage and treatment, on which nothing happened under their government, we are going to get it done and it is going to be part of a co-operative agreement.

Agricultural Policy Framework Provincial Commitment

Mr. Jack Penner (Emerson): Mr. Speaker, on September 5 of last year, the federal and provincial governments signed an agreement forcing farmers to put thousands of dollars into an Agricultural Policy Framework.

The federal government has committed 60 percent to cover their cost of the program, and the Province of Manitoba has not yet committed to the program to fund its fully funded 40 percent.

When will this Government commit to paying its 40 percent fully into the program to bring this program about?

Hon. Rosann Wowchuk (Minister of Agriculture, Food and Rural Initiatives): I think this is a pattern

we are seeing on the other side of the House, Mr. Speaker, where they are not putting accurate information on the record.

We did sign the APF agreement, Mr. Speaker, in September, and our money is in the Budget. It was there. The agreement we signed is funded. I would ask the member to look at the information before he puts that kind of information on the record.

Mr. Penner: Mr. Speaker, everybody in this province knows, including farmers and everybody sitting in this Chamber today, that the Province of Manitoba has yet to make a commitment to fully fund its 40 percent of this program. Yet farmers are being told that they only have until April 30 to put up their money and sign on to the agreement. Eight days they have left to sign, and this Province has yet to commit.

When will this Government commit its 40 percent to the APF program so that farmers can get on with their business?

Ms. Wowchuk: Mr. Speaker, it is too bad that this member is so misinformed. It is the same kind of comments we were getting from him during the BSE crisis. When we were putting money in, he was saying our money was not on the table.

Mr. Speaker, our money is on the table and farmers know that. Farmers know that we have negotiated the formula so that their money does not have to be put into a bank account. Those things are being worked on, but he is misleading the House when he says our money is not allocated. It was there when we signed the agreement.

Mr. Penner: What the minister has just said to this House is that her staff out at public meetings as late as last week are misinforming the farmers and the general public of this province. They were asked point blank has the province yet committed to funding its 40 percent, have they yet committed to covering negative margins, and have they committed, as other provinces have, to the \$3-million margin limits, and they said, no, the Province has not yet signed on to the agreement.

Now will this minister tell this House who is lying? Is it her staff, or is she?

Ms. Wowchuk: Well, Mr. Speaker, the member has now clarified his question.

I signed an agreement in September. There is an amendment on the table. The amendment is the one that provinces are working. As far as funding, I would ask the member to wait for the Budget.

Alzheimer's Patients Prescription Drug Costs

Mrs. Myrna Driedger (Charleswood): This Minister of Health has allowed administrative costs at the WRHA to triple under his watch, and now he is scrambling and trying to control costs by taking away special drugs from Alzheimer's patients in personal care homes.

I would like to ask this Minister of Health: How can he, if he has any heart at all, allow such a shameful assault on vulnerable people who cannot fight for themselves?

Hon. Dave Chomiak (Minister of Health): Mr. Speaker, as is often the case, the member is factually wrong and incorrect.

In fact, the administrative costs according to CIHI, which is an independent body at the WRHA, has indicated the costs have gone down since the member was in office, down in terms of administrative costs. Secondly, an independent review by CIHI showed that Manitoba had the third-lowest administrative cost in the country. An independent body that was headquartered in the East reviewed all of the administrative costs and said that we are the third lowest.

Mr. Speaker, I would also indicate that, with respect to the particular Alzheimer's drugs, we have the most generous program for provision of those drugs of anywhere in the country.

Mrs. Driedger: Mr. Speaker, that was an absolutely shameful response to all those people affected with Alzheimer's and to the Alzheimer Society, which is fighting hard for these people.

A WRHA VP has said that this is a financial necessity. However, Mr. Speaker, this is discriminatory to Alzheimer's patients, and I fear a further assault on seniors in this Budget coming up this afternoon.

Why should our seniors have to suffer because this Minister of Health cannot control his spending?

Mr. Chomiak: Mr. Speaker, I think that, if members opposite could stop fighting the 1999 election, they would find out that we have done more to improve the quality of patient and senior care in this province than during the 11 lean years of Tory government when we saw such cutbacks.

The Palliative Care Drug Program, the first of its kind in Canada, that cares for patients' palliative at home, and provides the drug free of charge, came in under this Premier and this administration. The expanded Home Care program came in under this Premier and this administration. The enhanced IV home program came in under this administration and this Premier.

Mr. Speaker: Order. Before recognizing the honourable Member for Charleswood, I would just like to remind the guests that we have in the gallery that there is to be no participation, and that is by clapping or whatever means. So I ask the co-operation of all honourable members in the gallery.

Mrs. Driedger: Mr. Speaker, this is a callous, disgraceful way to treat our elderly, but it gets even worse. This Minister of Health is prepared to allow two-tier medicine, because if families want to pay for those drugs in the personal care home they are going to be allowed to pay for it themselves.

Mr. Speaker, I would like to ask this Minister of Health: Will he commit today to reverse his heartless, discriminatory policy, a policy that comes very, very close to trampling on human rights?

Mr. Chomiak: The three drugs that the member is referring to that are covered in this province, unlike other provinces, apply to a range of people that suffer from a particular form of Alzheimer's, of low to moderate forms of Alzheimer's that have shown a benefit.

The policy the member refers to is for individuals who are in personal care homes with respect to the fact of whether or not the drug—we are trying to deal with overmedication and other medication matters—whether or not in fact the drug has an impact on the particular patient's progress, Mr. Speaker. If it is shown that the drug is effective for the patient, the patient gets the drug. If it is shown that the drug is not effective for the patient, based on clinic guidelines decided by doctors, not by the Member for Charleswood who likes to take cheap

shots, that will be determined by the doctors and by the patients with respect to clinical guidelines as to the application of these drugs.

* (14:20)

Balanced Budget Legislation Minister's Salary Reduction

Hon. Jon Gerrard (River Heights): Mr. Speaker, the March 26 third-quarter financial report projected revenues for the fiscal year just ended to be more than 300 million above the previous year, and yet even with this enormous amount of new money last year, the Finance Minister (Mr. Selinger) was still projecting a budget deficit in his third-quarter financial report.

According to the balanced budget legislation, where a deficit is projected in the third-quarter report, as it was this year, the Budget must show a 20% decrease in ministers' salaries. I ask the Premier whether he is going to squirm through the bad Tory loophole in the act, or whether he has the honesty and integrity to admit that the third-quarter report showed the deficit, and to ask the Finance Minister to reduce his salary in the Budget this afternoon.

Hon. Gary Doer (Premier): Mr. Speaker, the member last week, when he was asking questions about the supplementary spending and going back to the third-quarter report, he should note that the debt repayment that is required was made in the second-quarter report. The second-quarter report allows for a \$76-million, I believe, or \$75-million debt repayment for the pension liability.

I would note, Mr. Speaker, that we are the first government since 1962 to start dealing with the pension liabilities. That is why we have had two credit upgrades. I would ask the member opposite, I have never heard him congratulate our Minister of Finance for the two improvements in credit upgrades for the four years of fiscal management that has gone on here in Manitoba. The fact that the people at Moody's and Dominion Bond Rating agencies have upgraded the credit rating of Manitoba, the member opposite should be applauding the Minister of Finance as opposed to condemning him.

Mr. Gerrard: Mr. Speaker, my question is to the Deputy Premier (Ms Wowchuk). The Tories, when they brought in the balanced budget legislation, put

in a very strange loophole allowing your Government to run a deficit even in a year where there is more than \$300 million in new revenue, as there was last year. Now Liberals would change the legislation to eliminate that Tory loophole—

Some Honourable Members: Oh, oh.

Mr. Speaker: Order. I would like to once again remind all honourable members when a Speaker is standing that all members should be seated and the Speaker should be heard in silence. I ask the co-operation of all honourable members.

Mr. Gerrard: Mr. Speaker, I ask the Deputy Premier whether she is going to squirm through this ridiculous Tory loophole or whether she has asked the Minister of Finance (Mr. Selinger) to reduce her salary, recognizing that there really was a deficit in that third-quarter report.

Mr. Doer: Mr. Speaker, the member opposite, talking about the word "squirm," was it not the member opposite that was running around with a bowl of fudge last year in the photo opportunities after the Budget? And did he not then vote for the Budget that we presented?

He is the only one that was squirming last year when the Budget was presented.

Red River Floodway Expansion Master Labour Agreement

Mr. Kevin Lamoureux (Inkster): Mr. Speaker, I thought a better answer would have been, yes, we will take the 20% decrease.

But my question is for the Minister of Labour. We know that the Minister of Labour is supposed to represent the interests of the Manitoba workforce, being defined as both union workers and non-union workers. I am wondering if the Minister of Labour can explain to this Chamber how she feels that she can truly represent non-union workers when her Government is banning people from being able to participate unless they belong in a union.

How does she reconcile that in her own mind?

Hon. Nancy Allan (Minister of Labour and Immigration): Mr. Speaker, I would be more than delighted to answer this question again today. I

answered it Thursday, and I will be answering it exactly the same way today. The affected parties are at the table negotiating a master labour agreement and we will wait for that agreement.

Bovine Spongiform Encephalopathy U.S. Exports

Mr. Tom Nevakshonoff (Interlake): Thank you, Mr. Speaker, for finally giving me the opportunity to put a very important question to the people of Manitoba in the Legislature.

Indeed, after three days sitting in here, the Opposition has not seen fit to ask this question. Today, with members of the Manitoba Cattle Producers Association up in the gallery, I would ask the Minister of Agriculture if she could give us an update as to the border situation dealing with the BSE crisis and the drought that we faced last year. What is to be expected in the days to come, Madam Minister?

Hon. Rosann Wowchuk (Minister of Agriculture, Food and Rural Initiatives): I certainly thank the Member for Interlake for raising that issue because although the Opposition has lost interest in BSE, it is still one of the most important challenges facing our producers, Mr. Speaker. That is why our Premier (Mr. Doer) went to Washington to meet with the Undersecretary of Agriculture. That is why I have been working with the federal government and negotiating with the United States.

We are very pleased today that the United States has said that they are going to now start allowing all products from animals under 30 months from Canada. They are making a decision based on science. Mr. Speaker, this does not only affect the cattle producers. It is all ruminants. The sheep and goat and bison producers are now also going to be able to put their product into the United States. The next step is to get the border open to live animals and we will continue to work in that vein as well.

School Division Amalgamation Impact on Property Taxes

Mrs. Heather Stefanson (Tuxedo): Mr. Speaker, since the Doer government forced several school divisions in Manitoba to amalgamate, local education taxes on property have skyrocketed. In the last year alone, the taxpayers of Sunrise School Division saw an 8.5% increase. In River East Transcona, 7.94%

increase; Louis Riel, 6.9% increase; Pembina Trails, a 6.2% increase, and the list goes on and on and on. My question for the Minister of Education: When will this minister take responsibility for the education of our children and stop offloading onto the backs of taxpayers into local communities?

Hon. Peter Bjornson (Minister of Education, Citizenship and Youth): Promise: To phase out the Education Support Levy over the next five years. Action: Three consecutive years of reducing the Education Support Levy.

Promise, Mr. Speaker, promise: To fund education at the rate of economic growth or better. Action: For the last five years we have continued to fund education at the rate of economic growth or better. We have put \$105 million into the base funding for education.

This is a considerable amount more than members opposite. Their five-year record previous was minus 2 percent, minus 2.6, zero, minus 2 and zero. Their last investment in education was \$15.2 million in five years compared to \$105 million. This is a government that stands up for education. I am proud to be a part of this Government and stand up on this side of the House for its public school system in Manitoba.

Mrs. Stefanson: I am wondering if the Minister of Education could tell us where in his crystal ball the promised \$10 million in savings as a result of their forced amalgamation of school divisions is going to be found.

Mr. Bjornson: Mr. Speaker, we are committed to looking at the way education funding has been undertaken in this province. We have a working group which was started in June of 2001 to explore education funding. We will be hearing from that working group shortly.

Mr. Speaker, we have increased the property tax credit. We have reduced portioning on farmland and saved farmers \$7 million combined in education support levy and municipal taxes. We have committed to education by investing \$288 million in capital and infrastructure projects which was twice what members opposite did in the previous five years. This is a government that is standing up for education. I am proud to be a part of this Government.

* (14:30)

Mrs. Stefanson: Rather than relying on a crystal ball to fulfil his election promises, will this Minister of Education commit today to ensuring that education property taxes will not continue to rise in these communities as a result of this Government's forced amalgamation scheme?

Mr. Bjornson: As I said, Mr. Speaker, we have put \$105 million into the base. We are committed to funding education at the rate of economic growth. It is affordable. It is predicable. It is sustainable. From 1990 to 1999, the taxes on property increased 65.6 percent under members opposite. We have a promise. We will live up to that promise. In fact, we are busy fulfilling their promises when they promised seven times to build the Brandon hospital. We are the Government that did it. We are fulfilling our promises and their promises.

Crown Lands Usage Policy

Mr. Glen Cummings (Ste. Rose): Mr. Speaker, Crown lands and their use and development is very important to rural Manitoba in the future of our rural communities. Does the Minister of Conservation believe that a committee of deputy ministers is sufficient oversight for and the SOA responsible for Crown and property?

Hon. Stan Struthers (Minister of Conservation): Thank you very much, Mr. Speaker, and I want to thank my friend from across for finally asking a question. I am very pleased to be able to tell him that I am proud of the announcement that we made toward providing a transparent, fair approach to the operation of Crown lands in this province. It is a process that I look very much forward to overseeing as we move ahead in making sure that all Manitobans are treated fairly in this province. Thank you for your question from across the way.

Mr. Cummings: What mechanism, Mr. Speaker, will be in place to provide a review, an oversight of policy advice on any initiatives on Crown land?

Mr. Struthers: Mr. Speaker, we know that we have to provide an ongoing review of the process that we put in place. The review will be fair. The review will be transparent. It will be done on the basis of consistency. We know there are things that have

happened in past years that we have to be better at and we are moving forward to make sure that that is accomplished.

Mr. Cummings: Mr. Speaker, a devolution to a non-elected civil service that will lead in the significant development opportunities in our rural areas strikes me as being insufficient. He may have been glad to be asked a question, I would be glad to hear an answer.

Mr. Struthers: My goal, Mr. Speaker, is to make sure that my questions are just as high a quality as the questions that I have been asked. So, having said that, I want to make sure that the member across the way knows that I have complete faith in the ability of my deputy minister to chair this group that he talks of, and all of the deputy ministers who worked so very hard to make sure that our process is fair, consistent and transparent.

Mr. Speaker: The time for Oral Questions has expired.

MEMBERS' STATEMENTS

Holocaust Remembrance Day

Mr. Doug Martindale (Burrows): Mr. Speaker, April 18 is Holocaust Remembrance Day. Here and around the world, Yom Hashoah is a solemn and important occasion, the day we remember, publicly, the victims of the Holocaust.

Earlier today, Mr. Speaker, the Premier (Mr. Doer) and Minister of Multiculturalism (Ms. Allan) participated in a ceremony at the Holocaust monument on the legislative grounds. I am proud to say that on May 1, 2000, Manitoba's Legislative Assembly voted unanimously to pass Bill 19 proclaiming Holocaust Memorial Day in Manitoba. The date was established according to the Hebrew calendar on the 27th of Nissan.

On this day, Mr. Speaker, we join Manitoba's Jewish community in remembering one of the darkest periods in human history: the six million Jewish men, women and children whose lives were brutally ended simply because they were Jews.

Mr. Speaker, we remember the complete betrayal of a people who suffered the indescribable horrors of concentration camps. It was a betrayal

caused by ignorance and hate and we must never forget what ignorance and hate can do to human beings.

We also remember the millions of other Holocaust victims who were tortured and killed because of physical and mental disabilities, race, religion and sexual orientation.

We join together to mourn the hopes and dreams buried in mass graves and we grieve with the victims' families and friends for what cannot be undone.

Our best defence against such atrocities is to acknowledge that the potential for prejudice and hatred still exists and to confront it in our own communities. Together we must continue to confront those who profess these views and make it clear that there is no place in our communities and our nation for bigotry, racism and hatred.

Mr. Speaker, today we rededicate ourselves to safeguarding the human rights of all people, rededicating ourselves to treating every individual we encounter with respect and dignity.

Mrs. Mavis Taillieu (Morris): In the spirit of remembrance, Mr. Speaker, I would also like to put a few words on the record about Yom Hashoah, Holocaust Awareness Week.

Recent anti-semitic incidents in Ontario and Montreal have shown us that racism and hatred still persist in Canada. Our governments have a moral obligation to ensure that these occurrences are stigmatized as acts of intolerance and not acceptable to those wishing to live harmoniously in a multi-cultural society.

In 2000, Mr. Speaker, the Manitoba Legislature voted unanimously to pass Bill 19, an act to proclaim Holocaust Memorial Day in Manitoba, and just recently in November of 2003, the Canadian government passed a bill recognizing Yom Hashoah as a national Holocaust Day of Remembrance.

This morning, the names of Holocaust victims which are inscribed on the monument here on the southwest grounds of the Manitoba Legislature were recited as part of the "Unto Every Person There is a Name Program." This program reminded us of the unthinkable suffering and anguish which the experience of the Holocaust brought to many individuals. It

brought a personal touch to the victims and survivors, and reinforces our commitment to fight racism and discrimination wherever it may exist.

This week there are a number of other events designated to promote greater awareness, including lectures and various feature and documentary films, film events being shown. Today at noon, the Jewish Federation of Winnipeg/combined Jewish Appeal held their public annual memorial service on the legislative grounds.

We must not forget the story of the Holocaust. Reflecting on this great tragedy of history, as hard as it may be, ensures that we learn from our mistakes and learn the reasons necessary to ensure that these disgraceful actions are not perpetrated again. May I ask that we stand for a moment of silence, please.

Mr. Speaker: Would members all please rise?

A moment of silence was observed.

House Business

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, I thank the honourable members for waiving further members' statements today in order to proceed to the proceedings. I would ask there be a five-minute recess in order to prepare for the budget presentation, and if we can have a one-minute summoning of members by the bell. Thank you.

* (14:40)

Mr. Speaker: Order. Before I announce what was just announced, I have to ask: Is there unanimous consent of the House to waive the rest of the members' statements, which would have been NDP, two, and the Progressive Conservatives, one?

Is there agreement to waive the rest of that?
[Agreed]

Also, is there agreement to waive grievances?
[Agreed]

Okay, is there agreement that we will have a five-minute recess? *[Agreed]*

Okay, we will recess and then you will hear a bell. It will ring for one minute, and then we will go on to government business.

The House recessed at 2:41 p.m.

The House resumed at 2:48 p.m.

BUDGET ADDRESS

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

Motion presented.

* (14:50)

Mr. Selinger: Mr. Speaker, I am privileged to present the 2004 Manitoba Budget, a budget that meets today's challenges and builds on our long-term plan for growth and opportunity.

Mr. Speaker, I want to take this opportunity to thank Manitobans all across this province who participated in consultations for their suggestions. I appreciate the support I have received from my colleagues in Cabinet and in caucus. I also want to recognize the tremendous efforts of staff throughout government who worked to make today's Budget possible. Thank you to all.

Mr. Speaker, Budget 2004 is a balanced budget. It focusses on the priorities of Manitobans. It deals head-on with the challenges that face our province: the national economic growth slowdown during the past year; a reduction of \$104 million in federal funding for Manitoba health care; and the continuing responsibility to pay down the Province's debt and pension liabilities, while protecting the Fiscal Stabilization Fund.

Budget 2004 continues our plan, which has won two credit upgrades for Manitoba. Our record over five budgets—reducing taxes, paying down debt and pension liabilities, upholding balanced budget legislation, and planning for the future—is one of affordability and sound fiscal management.

Mr. Speaker, our Budget projects no draw from the rainy day fund for the first time since 1996 and is the first budget under balanced budget legislation to do so while also paying down the debt. This Budget again pays down \$96 million in debt and pension

liabilities. Budget 2004 also follows through on promised tax relief for Manitobans.

Mr. Speaker, Manitobans are still dealing with the challenges of what proved to be a very difficult past year: the BSE crisis, the second-worst forest fire season in Manitoba history, the sudden rise in the value of the Canadian dollar, drought conditions for farmers, and low water levels for Manitoba Hydro.

All of these combined to slow the growth of our economy. Manitoba's economy was projected to grow 3 percent at the start of 2003 but finished the year at 1.9 percent. Canada's growth rate fell even further. The challenges of 2003 had an impact on all Manitobans as well as on provincial finances.

Alors que d'autres provinces ont remis à plus tard l'allègement fiscal qu'elles avaient promis à leurs contribuables ou ont coupé leurs investissements dans leurs infrastructures et programmes essentiels, nous avons multiplié les efforts afin de tenir les engagements annoncés au cours des quatre budgets précédents.

Translation

While other provinces delayed promised tax relief or cut investments in vital programs and infrastructure, we worked hard to follow through on our commitments of the past four budgets.

English

As promised, the Province has invested in the priorities of public health care, education and supports for children and families. As promised, \$301 million in personal taxes were cut. As promised, we have provided \$480 million for debt retirement, including \$96 million more in today's Budget.

We have kept our commitments because these are the investments that we can make for Manitobans today and tomorrow.

Affordable Government

Mr. Speaker, to keep building for the future, we need to keep government affordable. Accordingly, our total expenditures per person are the third-lowest in Canada. Budget 2004 maintains our commitment to affordability by introducing new measures to

reduce administration costs while preserving front line services.

This Budget sets in motion a plan to eliminate 400 government positions, saving over \$30 million in salaries and related expenses. We expect to achieve these savings through attrition and do not expect any layoffs. In addition, all departments have been directed to reduce discretionary spending by up to 7 percent. We believe in honouring collective agreements with public-sector employees. At the same time, we will be seeking moderate salary costs in line with Manitoba's low cost of living.

In Budget 2004, 12 departments, the majority, are holding the line below inflation or reducing spending. In addition, Budget 2004 introduces a number of new and ongoing efficiencies.

A further \$32.5-million reduction in the Province's borrowing costs. Manitoba's borrowing costs are among the lowest in Canada.

Mr. Speaker, Driver and Vehicle Licencing will now be housed with the Manitoba Public Insurance Corporation, allowing for reduced duplication of administrative services and increased customer service.

Les sanctions imposées en cas de non-paiement de taxes ou d'impôts autonomes seront plus élevées. La vente et la location des terres domaniales seront régies par un seul organisme.

Translation

Penalties on overdue own-source taxes will be increased. The sale and lease of Crown lands will be consolidated in a single agency.

English

Administration, information technology and financial services will be shared between departments. An internal expenditure management committee will continue to work with departments to review all government expenditures with a goal of finding additional efficiencies.

Les sociétés de la Couronne du Manitoba jouent un rôle important pour que notre province reste abordable. Hydro-Manitoba et la Société d'assurance publique du Manitoba offrent toutes deux aux

consommateurs des services de grande qualité, fiables et peu coûteux. Des études indépendantes démontrent que les coûts de nos services publics figurent parmi les plus bas en Amérique du Nord.

Translation

Manitoba's Crown corporations play an important role in keeping our province affordable. Both Manitoba Hydro and Manitoba Public Insurance offer high-quality service, reliability and low costs to consumers. Independent studies show our public utilities have among the lowest rates in North America.

English

Building Manitoba

Our infrastructure priorities have focussed on health, education, highway renewal, community and downtown revitalization, and water management. Our first job was a strategic rebuilding of health care facilities across the province. From Steinbach to Swan River, from Pinawa to The Pas, significant investments have been made in modernizing health care facilities and upgrading critical diagnostic equipment.

Including resources in Budget 2004, over \$288 million has been allocated to capital funding for public schools since 1999, almost double the funding over the previous five-year period. The funding has resulted in 33 major addition/renovation projects, 11 replacement schools, and 8 new schools, including facilities in Winkler, Mitchell, Norway House, Gimli, East Selkirk and Winnipeg.

Mr. Speaker, since '99 capital improvement projects have been undertaken at every campus in Manitoba. The third phase of the downtown Red River College campus is complete. At the University of Manitoba a new \$52-million Engineering and Information Technology Centre and the \$25-million Richardson Centre for Functional Foods and Nutraceuticals are also proceeding. Discussions are under way on the renewal of Brandon's Assiniboine Community College.

Our \$50-million contribution to the University of Manitoba's Building on Strengths Campaign, the largest post-secondary capital campaign in Manitoba's history, has helped to leverage an additional

\$187 million in private-sector support, for a total of \$237 million.

We are currently negotiating a new Canada-Manitoba infrastructure program, focussing primarily on rural and northern regions, which will provide new resources from each level of government for vital infrastructure needs throughout Manitoba.

The following measures will be introduced to address current and future provincial infrastructure needs. Effective midnight April 30, the tax rate on diesel fuel will be synchronized with the rate for gasoline. This new diesel fuel tax rate remains the second-lowest among the provinces.

Vehicle registration fees will increase by \$23 effective July 1. An additional levy will be applied for land transfers in excess of \$200,000 beginning July 2004. These three measures will generate \$9.5 million in this fiscal year.

We are currently in the third year of a five-year, \$600-million highways program, which is providing better, safer roads throughout Manitoba. Budget 2004 builds on this commitment, adding \$10 million in construction for the coming season and a further \$10 million for the following season, \$30 million more over two years.

*(15:00)

As a result, Mr. Speaker, the twinning of the Trans-Canada Highway will be completed a year earlier, in 2006. The resurfacing of major portions of Highway 6 through the Interlake and into northern Manitoba will begin this summer. The twinning of the Perimeter highway northeast of Winnipeg will proceed over the next three years.

Since 1999, Mr. Speaker, 45 northern communities have received improved drinking water and waste water treatment facilities. Budget 2004 will continue to invest in water management and water quality initiatives.

Le Budget 2004 poursuit les investissements requis dans la première phase de l'initiative d'élargissement du canal de dérivation. Jusqu'à maintenant, le Canada et le Manitoba se sont engagés à accorder un montant total de 240 millions de dollars au financement de cette initiative. Une fois terminé, ce projet de 660 millions de dollars

protégera notre capitale contre des inondations à récurrence de 700 ans.

Translation

Budget 2004 continues to invest in the first phase of the Floodway Expansion Initiative. To date, Canada and Manitoba have committed a total of \$240 million in floodway funding. When completed, the \$660-million project will provide our capital with one-in-700-year flood protection.

English

Following on the Clean Environment Commission recommendations of last August, the Province, the City of Winnipeg and the federal government recently entered into a \$72-million agreement to upgrade sewage and waste water treatment in Winnipeg, safeguarding the health of the Red River and Lake Winnipeg. The same trilevel agreement provides for the construction of the Kenaston underpass and the development of a rapid transit system in Winnipeg.

Fiscal Imbalance, Future Sustainability

Mr. Speaker, the Conference Board of Canada indicates that only one province and the federal government will be running surpluses over the next decade, while the provinces collectively struggle to fund health and education and local governments face a serious infrastructure deficit. The board says that under these circumstances the national health care system will become unsustainable. Our first priority is to seek a new funding partnership with the federal government for health.

Mr. Speaker, once a new, sustainable agreement on the immediate and longer term direction of health care is complete, we can then begin to address the serious infrastructure deficit facing our municipal governments.

Here in Manitoba the City of Winnipeg made a significant contribution to the understanding of this pressing issue on the national stage. In addition, Manitoba is unique among the provinces in sharing a portion of both personal and corporation income taxes with municipalities. The amount shared is equivalent to 5 cents per litre in gasoline taxes to municipalities.

Overall, in 2004 the Province of Manitoba will provide over \$140 million in grants and revenue

transfers to the City of Winnipeg. The federal government will provide approximately \$11 million.

After securing a new agreement on future health funding, Mr. Speaker, we look forward to working co-operatively with the federal government and Manitoba municipalities to tackle infrastructure needs head-on.

Health Care

We have a major sustainability challenge in health care. It is here that we continue to seek a lasting and meaningful federal partnership.

Beginning in 1999, Mr. Speaker, an unprecedented provincial commitment helped to stabilize a health care system that faced serious nurse and doctor shortages, along with deteriorating hospitals and diagnostic equipment. We have tripled the number of nurses graduating in Manitoba in large part as a result of reinstating the diploma RN program.

Mr. Speaker, with the number of licensed practitioners increasing by almost 7 percent over the past five years, Manitoba now has more doctors than at any other time in the past decade.

The Brandon Regional Health Centre has just opened, a modern hospital that will serve Westman patients for decades to come.

Mr. Speaker, such leading-edge medical equipment as Canada's first gamma knife is now available right here in Manitoba. Communities like The Pas, Selkirk and Steinbach now have access to CT scans in their local hospitals.

According to the Cancer Advocacy Coalition of Canada, Mr. Speaker, Manitoba has among the shortest waiting times in Canada for cancer treatment. Wait times have been cut in half since 1999.

The Canadian Diabetes Association has recognized Manitoba as having one of the best treatment programs in Canada.

L'Association canadienne des radiologistes a constaté qu'au Manitoba, le délai d'attente pour une imagerie par résonance magnétique est l'un des plus courts au Canada.

Translation

The Canadian Association of Radiologists found that Manitoba has one of the shortest magnetic resonance imaging waiting times in Canada.

English

We have accomplished these milestones while the federal commitment to medicare has continued to falter. At a time of major surpluses in Ottawa, the federal government funding share for health care is projected to decrease this year to 16 percent of the total cost. This is well below the 25 percent recommended in the Romanow report.

In Budget 2004, health care as a whole will receive an increase of 5.2 percent, the largest increase of any department. As the cost of providing health care to Manitobans continues to grow much faster than available resources, we can no longer stay on our current course.

Health resources will continue to be redirected from regional health authority administration to front-line care.

Our Pharmacare system covers medication costs for Manitobans in need. Over the last five years, spending on this important program has more than doubled. This year's budget is \$177.5 million. In addition to this funding increase, measures are being taken to control spiraling drug costs.

The use of generic drugs will be encouraged. As well, we will examine best practices from other provinces to ensure that the most effective, lowest-cost medication is covered whenever possible. As in previous years, deductibles will rise by 5 percent. As well, there will be two new deductible levels. By taking these measures now, we can ensure that Pharmacare will remain available to Manitobans who need it.

Manitobans want their loved ones to get the care they need quickly. Budget 2004 provides resources to address waiting times, improve service in emergency rooms, and ensure an adequate supply of health care professionals.

This Budget provides strategic investments and reforms that improve patient care and continue building a system that is more efficient in the long run, including the first MRI outside of Winnipeg, which will be located at the Brandon Regional Health Centre; un plus grand nombre d'opérations cardiaques afin de répondre à la demande; du personnel supplémentaire dans les salles d'urgences afin de réduire les délais d'attente;

Translation

meeting the need for an increased number of heart surgeries; more staff in emergency rooms dedicated to reducing waiting times;

English

better access to family doctors and health information; and dialysis treatment closer to home for northern Manitobans.

Through the College Expansion Initiative, \$5 million has been invested since 2000 in expanding education for health professionals. This year we will re-allocate a portion of this fund to further expand our successful diploma nursing program and increase opportunities for Manitobans who want to make health care their career.

Budget 2004 will invest resources to educate more Manitoba nurses throughout the province. Licensed practical nurses in rural Manitoba will be offered the opportunity to become registered nurses. Nurses who want to return to the profession will receive assistance to refresh their skills.

In the last five years the number of diagnostic tests such as MRIs, CT scans and ultrasounds has almost doubled and in some cases tripled. More than ever, Manitobans have access to the latest medical technology. To continue this progress, Budget 2004 provides resources to enhance training for diagnostic professionals.

Manitobans are also taking more responsibility for their own health, one more important piece in making the health care system sustainable. The new focus on healthy living assists our long-term plan to help reduce health care costs by increasing the well-being of Manitobans.

Manitobans will benefit from the \$3.9-million federal-provincial contribution toward the Kinsmen Reh-Fit Centre's expansion. This facility combines fitness, nutrition and medical care under one roof.

Mr. Speaker, we believe that government should help promote healthy lifestyles from the earliest years. To this end, the Task Force on Youth Fitness and Health will hold public consultations across the province to gather suggestions on improving nutrition and increasing activity levels for our young people.

In the recent federal budget, Mr. Speaker, it was announced that additional funding for immunization will be available. Our Government is committing to expanding the use of vaccines to prevent serious childhood illnesses.

Following on the recommendations of the All-Party Task Force on Environmental Tobacco Smoke, the Minister of Healthy Living (Mr. Rondeau) took a leadership role in tabling Bill 21, The Non-Smokers Health Protection Amendment Act. This will make Manitoba the first province in Canada to adopt a province-wide smoking ban as of October 1, 2004.

From January 2001 to June 2003, smoking in Manitoba has decreased approximately 19 percent according to Health Canada. To further discourage smoking, the tobacco tax rate will increase 2 cents per cigarette at midnight tonight.

* (15:10)

Education and Youth

Creating tomorrow's opportunities starts with a strong commitment to education and our young people. This commitment lies at the heart of our economic growth strategy.

Earlier this year, Mr. Speaker, we announced our intention to increase school funding by \$17.6 million, a 2 percent increase. This is the fifth consecutive year our Government has kept our commitment to fund schools at the rate of economic growth for a total increase of \$105 million.

Mr. Speaker, new resources will be directed toward Aboriginal academic achievement; special needs education, which has increased almost 25 percent since 1999-2000; English as a second language programs; counselling and guidance; and library support.

We are embarking on a multi-year initiative with new resources in Budget 2004 to improve the curriculum and options for high school vocational education. This initiative will improve the links to post-secondary educational institutions, to apprenticeship opportunities and to employers.

Des ressources seront également affectées à la création d'un Institut des enseignants et enseignantes à l'Assemblée législative du Manitoba afin que les enseignants puissent en apprendre davantage sur la démocratie parlementaire et utiliser dans la salle de classe l'expérience et les connaissances acquises.

Translation

Resources will also be provided to create a Teachers' Institute at the Manitoba Legislature for teachers to learn more about parliamentary democracy and bring that experience and understanding back to the classroom.

English

Mr. Speaker, tax relief to homeowners is part of our investment in education. We have reduced education property taxes every year by increasing the tax credit or reducing the residential education support levy.

During the nineties, property values were flat while education property taxes rose by an average of 66 percent. Today this situation has reversed, with strong growth in property values and flat education property taxes. Higher school division levies have been offset for most Manitobans by reductions in provincial education property taxes. With today's Budget, we have reduced education property taxes by \$92 million since 1999.

Despite the challenges of the past year, this Budget will fund a further \$10-million reduction in the residential education support levy. In 2004 our additional ESL reduction will save homeowners \$40.50 on a \$125,000 home, bringing the total ESL savings since 2001 to \$159 for the same home.

Manitoba's Education Property Tax Credit provides \$179 million in assistance to homeowners and renters to offset their property taxes. Next year we intend to transfer \$100 million in property tax credits directly to school divisions. To ensure transparency and equity for homeowners from this transfer, there must be no reduction in benefits to individual recipients. This change will ensure transparency in provincial education funding.

In our first mandate, we saved Manitoba farmers \$7 million when we reduced the farmland portioning from 30 to 26 percent. In our second mandate we committed to reduce education taxes on farmland by 20 percent.

For 2005, Mr. Speaker, farm education property taxes will be reduced by 5 percent as a first step. We will undertake consultations to determine how best to implement this commitment.

Through Budget 2004 we will continue to keep Manitoba post-secondary tuition among the most affordable in Canada, offer new or expanded programs, invest in vital infrastructure, and increase the education options available for all Manitobans.

Since 1999 we have made tremendous strides forward. University enrolments have increased by 28 percent. College enrolments are up over 30 percent. Apprenticeships are up 18 percent. The number of nurses in training has tripled. High-tech training in aerospace and life sciences has increased by almost a thousand students. In 2000, tuition was reduced by 10 percent and has been retained at that level for the past four years. This Budget continues the tuition rebate for the fifth straight year, improving accessibility and helping students keep debt loads manageable.

Total support for colleges and universities in Budget 2004 will increase by 3.5 percent. New resources will go to the College Expansion Initiative to continue expanding educational opportunities; the Post-secondary Strategic Initiatives Fund, to stimulate new program development; and the ACCESS program, which assists individuals who have traditionally faced barriers to college and university.

Earlier this year we introduced legislation to establish the University College of the North as a Manitoba post-secondary institution. Today our Government is moving forward with new support for this college in the North.

Mr. Speaker, the University College of the North will make post-secondary education more accessible by delivering courses closer to home and ensuring Aboriginal and northern people have full participation in the governance of this new institution.

Funding will also be made available for the Hydro Northern Training Initiative to improve the delivery of training and employment opportunities for northern Aboriginal residents resulting from hydro-electric development.

We will allocate \$200,000 to train Manitobans for employment opportunities related to the expansion of the Red River Floodway.

We are channelling significant new support for graduate scholarships to stimulate research-based graduate studies in Manitoba. This investment will

help enable us to retain our top students and to foster research that will support economic growth and prosperity in the province.

Supporting Families

Mr. Speaker, we know that investments in the early years generate positive outcomes both for our children and for society.

Mr. Speaker, through Budget 2004, Healthy Child Manitoba will receive new resources for BabyFirst and EarlyStart programs. These programs offer important resources to low-income families with very young children.

En outre, nous affectons de nouvelles ressources au programme Développement de la petite enfance francophone, afin que la communauté francophone puisse élaborer des programmes appropriés sur les plans culturel et linguistique.

Translation

In addition, new resources are being allocated to support Francophone early childhood development to enable the Francophone community to develop culturally and linguistically appropriate programs.

English

New resources have been allocated to expand early childhood development testing to help school divisions measure how Manitoba children are developing before they start Grade 1.

We will also direct funding towards a new Children's Therapy Initiative, which has been introduced to improve children's early access to services such as speech and language therapy.

Manitoba has a long tradition of supporting the efforts of the United Way. In fact, we are the only province in Canada that covers the organization's administration costs. I am pleased to announce Budget 2004 improves support for United Ways throughout the province, ensuring every dollar donated is spent on important community services.

Mr. Speaker, during the nineties, funding was cut dramatically for persons with disabilities, resulting in reduced services and a diminished quality of life for some Manitobans. We have taken action.

We appointed a Minister responsible for Persons with Disabilities and opened a new Disabilities Issues Office, a centre of co-ordination for disability policy which ensures meaningful consultation with the disability community and addresses issues of importance to persons with disabilities. Budget 2004 provides a \$12.3-million, or 11% increase for the Supported Living Program, which helps persons with disabilities live in the community.

In the 1990s, Manitoba's minimum wage failed to keep pace with inflation. Since 1999 we have increased the minimum wage by 16.7 percent. I am pleased that with the April 1, 2004, increase to \$7 we have improved the purchasing power for Manitoba workers, students and low-income families.

Our efforts to rebuild and revitalize neighbourhoods, particularly in Winnipeg's inner city, have brought a measure of pride back to many communities. In some areas housing values are up over 60 percent. Over four years \$12 million has been allocated to the Neighbourhood Housing Assistance program to help communities improve housing stock and low-income homeowners and renters obtain affordable housing.

The governments of Canada and Manitoba are each contributing \$25.4 million to the Affordable Housing Initiative over five years, with \$6 million dedicated to housing in the North. The City of Winnipeg is also an active participant. We also have doubled the provincial contribution to the Residential Rehabilitation Assistance Program to \$2 million.

Since '99, Mr. Speaker, commitments have been made to build, renovate or repair over 2100 homes in Manitoba under the Neighbourhood Housing Assistance program and the Affordable Housing Initiative.

* (15:20)

Safer Communities

Mr. Speaker, quality housing, supports for children and families, thriving neighbourhoods and safe communities are important components of healthy living.

When our Government came to office in 1999, problems such as auto theft and arson were growing. Organized crime had a new profile in Manitoba following the arrival of the Hells Angels in 1997.

Mr. Speaker, our Government immediately began tackling these complex problems with a comprehensive approach toward fighting crime and improving public safety. Our approach means more resources for police and prosecutors, new legal tools for law enforcement agencies and a greater emphasis on prevention programs that work.

We also funded Manitoba's first organized crime task force and have shut down over 50 houses conducting illegal activity, including sniff, drugs and prostitution.

We have introduced new strategies to fight auto theft and impaired driving and launched the successful Lighthouses program designed to provide youth with healthy alternatives to the streets. Budget 2004 provides resources for the establishment of five new Lighthouse programs.

Notre démarche signifie que nous reconnaissons le besoin d'affecter plus de ressources aux premières lignes, et le Budget 2004 continue d'investir dans les initiatives entreprises depuis 1999.

Translation

Our approach means recognizing the need for more resources on the front lines, and Budget 2004 continues to invest in efforts that have been underway since 1999.

English

We are fighting organized crime by supporting the new joint forces organized crime task force and the RCMP Gang Awareness Unit; funding the RCMP to enable it to achieve full complement, bringing total support for the provincial police to \$70.2 million, an increase of 26 percent since 1999; and expanding the collaboration between police, prosecutors, and Corrections staff through the Criminal Organization and High Risk Offender Unit to target gangs and predators.

The Department of Justice has commenced extensive consultations with over 24 major industry stakeholders that use in-house security in some form. The department is working toward developing regulatory policies within this newly emerging and complex industry that will include employment standards and training.

Supporting our prosecutors has also been a top priority. We have increased the Prosecutions budget

by 67 percent since 1999. Today's Budget adds resources for another senior prosecutor for cases involving child victims.

Budget 2004 builds on these efforts by providing further resources for police and firefighting services; enhancing community partnerships; and supporting those at greatest risk. The Budget provides new resources for the Dakota Ojibway Police Service, Opaskwayak Cree Nation Policing, and Aboriginal policing at Nelson House; new funding of over \$350,000 to support the Victim Notification and Tracking System to inform victims of court dates, trial outcomes and other events related to their cases; resources to permanently establish Turnabout, the first provincial program of its kind in Canada, to ensure meaningful interventions and consequences for offenders under 12 years of age; resources to expand Safety First, a program providing security equipment for low-income seniors; and enhanced regional support for child victims through Victim Services.

Our Government also recognizes that it must address challenges facing the justice system. Since 2001, funding for Legal Aid has increased by 30 percent. This year funding for Legal Aid will again increase. Yet significant challenges persist, challenges such as high expenditures on high-profile and multi-accused cases. Changes will be made to preserve the mandate of Legal Aid, which is to ensure legal representation for those who could not otherwise afford it.

Building Our Communities

Mr. Speaker, we remain committed to providing community and economic development opportunities in all regions of Manitoba. Through Budget 2004, resources will be provided to ensure we are able to build on the growth strategies we have developed in consultation with citizens, elders, agricultural producers, educators and business leaders.

In rural Manitoba, investments in bioscience, nutraceuticals and food development will continue. New supports will be delivered to rural students, entrepreneurs and agricultural producers. We will continue to stand with our livestock producers in the face of the BSE crisis.

We will make the investments necessary to ensure the expertise and technology required to

thrive in the new economy are there for rural Manitoba. We will continue to make investments in health care and supports for families to improve the quality of life for Manitobans across the province. In northern Manitoba we will continue to work hard to implement the goals laid out in our Northern Development Strategy, which is designed to identify opportunities to develop the human and natural resources of the region.

Mr. Speaker, resources will be provided for the Aboriginal Economic and Resource Development Fund, which supports our Northern Strategy through projects like the Northern Forest Diversification Centre. Resources will also be provided for the implementation of a Northern Healthy Foods Initiative to promote local and traditional food production and improve nutrition for families.

Northern infrastructure will remain a priority in Budget 2004, including winter roads, northern airports and other transportation infrastructure. We will also deliver improved drinking water and waste water treatment initiatives.

Budget 2004 continues to support upgrades in community facilities throughout the province. Major recreation centres will be built or expanded in Thompson, The Pas and Dauphin, with contributions from all three levels of government.

One of Manitoba's greatest strengths is its diverse and vibrant multicultural communities. Budget 2004 provides additional resources for the implementation of our immigration strategy.

Manitoba now has a greater role in provincial immigration planning through a renewed Canada-Manitoba Immigration Agreement signed in June 2003. To support immigrant settlement and provide language training, the governments of Canada and Manitoba will provide additional resources to the Manitoba Immigrant Integration Program.

Mr. Speaker, we are working to increase the number of immigrants coming to Manitoba, but we are also working hard to increase the numbers of tourists coming to Manitoba. Tourism contributes approximately \$1.4 billion to Manitoba's economy and employs directly or indirectly 60 000 Manitobans. We have introduced legislation to create an arm's-length government agency similar to Manitoba Film and Sound with the flexibility to seize new

tourism opportunities through a public-private partnership.

En travaillant avec l'industrie du tourisme et en s'inspirant de l'expérience des autres provinces, nous pouvons faire en sorte que ce secteur important de notre économie continue à se développer et à prendre de l'essor.

Translation

By working with the tourism industry and examining the experiences of other provinces, we can ensure this important area of our economy continues to expand and prosper.

English

Conservation and Water Stewardship

Mr. Speaker, a wealth of clean, fresh water, beautiful beaches, unspoiled wilderness areas, pristine parks and recreational facilities are a major part of our Manitoba Advantage.

Our commitment to water quality encompasses all aspects from source to tap. The mandate of the newly created Water Stewardship Department, the first of its kind in Canada, is to focus our efforts on protecting and managing our water.

Mr. Speaker, we have already proclaimed some of the strongest legislation in North America to protect drinking water, subsidized water tests, brought in mandatory training for water operators, hired 12 new drinking water officers and 16 live-stock inspectors, and invested \$50 million in drinking water and sewer infrastructure.

Mr. Speaker, Budget 2004 will provide strong support for the continued improvement of Manitoba's water resources. Resources will be provided to the Lake Winnipeg Stewardship program with the goal of identifying means to reduce harmful nutrients in the Lake.

We have introduced The Water Protection Act to facilitate more effective measures to protect water resources and aquatic ecosystems, provide a framework for integrated planning on a watershed basis, and enable the establishment of the Manitoba Water Council and Water Stewardship Fund.

Mr. Speaker, we will provide support for the Livestock Management Program to address addi-

tional responsibilities for inspection and enforcement. To encourage farm businesses to invest in equipment to reduce odours from organic waste, we are introducing a 10% Odour Control Tax Credit.

In 1997, Winnipeg came within inches of a devastating flood that would have cost the Province over \$6 billion in damages. Risk to the city of Winnipeg remains at a cost of approximately \$80 million per year, not including business losses, if no additional protection works are constructed.

I am pleased to report that work is now commencing on the \$240-million first phase of the floodway expansion. This \$660-million capital project will create economic opportunities for communities, businesses and Manitoba workers. The project will create thousands of direct and spinoff jobs in the local economy during the six-year construction period and leave a recreation legacy both inside and outside of the city of Winnipeg.

* (15:30)

The Province has also provided flood-fighting resources to the people of Peguis First Nation, who have been flooded by the Fisher River. An important priority for our Government is the negotiation of a federal-provincial cost-shared initiative to improve flood forecasting, prevention and remediation in the Fisher River area, including Peguis First Nation.

To further enhance Manitoba's natural assets we have designated five new provincial parks since 1999: Pembina Valley, Caribou River, Trappist Monastery, South Atikaki, and the Criddle-Vane Homestead, encompassing a total of nearly 800 000 hectares. We have also recently signed an agreement that will lead to the creation of the Manitoba Lowlands National Park, Canada's newest national park.

We will make \$350,000 available for the Cottage Lot and Campsite Development Initiative in provincial parks. As well, we will channel increased funding of \$225,000 for beach safety. In addition, the Protected Areas Initiative will receive \$100,000 to further support our network of protected areas in Manitoba.

Manitoba Economy

The strengths of Manitoba's economy remain our diversity and the ability of our citizens and

business community to innovate, modernize and adapt quickly to changing circumstances.

These strengths have allowed us to meet the challenges of the past year. In 2003, Manitoba achieved overall economic growth of 1.9 percent, which was below earlier expectations, but still exceeded the national average and population growth of 7584 people, our strongest performance since 1986. We also had net in-migration of 1055 more young people aged 15-24, our best performance since 1984. We continued with the lowest unemployment rate in Canada at 5 percent, a record high in investment, which topped \$6 billion, a 16.3% increase in housing starts province-wide, personal disposable income growth of 3.1 percent, which outpaced the national increase, and the lowest inflation rate in Canada.

Over the period from 2000 to 2003, Manitoba's employment increased on average by 6500 jobs per year, more than double the average of the previous decade. Of these, 5100 were full-time jobs.

Projections for the years ahead are also promising. Manitoba's real growth rate in 2004 is expected to reach 2.9 percent, matching the national average. Growth in Manitoba's total capital investment is projected to be up 5.4 percent in 2004, third-best among provinces and ahead of Canada's 3.1 percent increase. Manitoba's private investment in 2004 is projected to be up 2.2 percent, ahead of Canada's 2 percent. The level of total capital investment in Manitoba is estimated at \$6.3 billion for 2004, over 70 percent of which is private investment. Total capital investment has jumped 22 percent since 1999.

In 2003, Mr. Speaker, Manitoba's housing sector posted its third year of strong growth with housing starts up over 16 percent. Over the past three years the total number of housing starts in Manitoba is up 64 percent.

Significantly, last year the number of multiple-unit dwelling starts rose by over 73 percent to the highest level since 1989.

Like all provinces, Manitoba has faced serious challenges recently, but the bedrock of our economy remains solid and the outlook is positive.

We will continue to work in close partnership with the Premier's Economic Advisory Council. The

council is made up of business, labour, education, community and Aboriginal leadership and provides recommendations on crucial economic issues and creative thinking on the challenges and strengths of Manitoba.

A multi-stakeholder local investment council has been established under the auspices of the Premier's Economic Advisory Council to work with the community to enhance relationships with pension funds, capital funds and other institutional investors to increase local investment.

The PEAC Aboriginal Economic Development and Employment Task Group is working to stimulate economic development and new opportunities for the Aboriginal community.

Later this year the group will hold an Aboriginal Economic Development Summit modelled after the successful Manitoba Century Summit to facilitate new opportunities and effective partnerships in Aboriginal communities.

Building on Our Energy Advantage

Manitoba continues to lead the nation in addressing climate change and developing clean energy. Our abundant, environmentally friendly, renewable hydro resource continues to be a tremendous asset. Manitoba Hydro offers among the lowest electricity rates in the world and an exemplary record for reliability.

The 200-megawatt Wuskwatim hydro project is currently before the Clean Environment Commission. This \$900-million investment would mark the largest capital construction project in Manitoba in well over a decade.

Mr. Speaker, our Government is pursuing opportunities to the east in Ontario and to the south in the United States to facilitate further large power sales that could lead to significant hydro-electric development and employment.

En collaboration avec d'autres organisations, Hydro-Manitoba fait à l'heure actuelle des tests de contrôle dans plus de 16 endroits de la province afin de déterminer les possibilités qui existent pour le pouvoir éolien.

Translation

Manitoba Hydro and other organizations are conducting wind-monitoring tests at more than 16

locations around the province to determine future options.

English

The proposed 99-megawatt wind farm in St. Leon would be Canada's largest and would trigger a \$190-million investment in rural Manitoba.

We are working hard to diversify the rural economy and address climate change with increased ethanol production. Through the Manitoba Ethanol Office, we are working to co-ordinate the growth of the industry and encourage the development of made-in-Manitoba ethanol.

We are also taking steps to reduce our energy consumption with a new one-stop agency that will see Manitobans' energy bills reduced by building on the success of Manitoba Hydro's Power Smart program. This agency will free up electricity for lucrative export markets, reduce gas imports and reduce water usage.

Building through Innovation and Research

Research and development are key elements of our economy that promote growth and diversification and provide for higher living standards. Manitoba has enjoyed much success in this area, particularly in the life sciences sector.

Over the past two years, our province has benefited from a 40% increase in the number of life sciences companies. With approximately 4 percent of the country's population, Manitoba is responsible for about 10 percent of the national biotech activity.

The University of Manitoba is already one of Canada's major research institutions and home to more than 20 research centres. Patents at the school have increased fourfold from 11 to 40 over the past three years. Last year researchers at the U of M realized \$2.4 million in licensing revenue and over \$8 million during the past five years.

SMARTpark, a community of innovators with a focus on life sciences, composite materials and information and communication technologies at the U of M, continues to grow, including the \$8.5-million Cangene Corporation expansion, \$6 million invested in two new multi-tenant facilities, with a further \$6 million to \$8 million to be invested in a third facility in 2004, as well as start-up companies that are being

developed at SMARTpark's incubator called Incubat, Mr. Speaker.

Communities like Hartney, Winnipegosis and St. Pierre-Jolys are among a number of communities that now have access to high-speed connectivity and broadband.

Nous continuons à travailler avec le secteur privé et les organismes communautaires afin d'offrir ces services dans les régions de la province où ils n'existent pas actuellement.

Translation

We continue to work with the private sector and community-based organizations to provide these services to those areas in the province where such services do not currently exist.

English

Drawing on our research expertise, Manitoba has taken a leading role in responding to SARS, BSE, the West Nile virus and other emerging health challenges.

With the federal government currently considering a location for the Canadian Centre for Disease Control, we believe Manitoba, home to the only Level 4 lab in the country, is the logical choice to be Canada's primary centre of excellence for research into infectious diseases.

No other Canadian jurisdiction has Manitoba's unique combination of research partnerships, scientific capability, infrastructure and skilled professionals.

Budget 2004 sets aside \$250,000 to enable us to continue to work with the federal government and experts in the field of biotechnology to ensure this important national institution is located right here in Manitoba.

* (15:40)

Taxation

In our previous four budgets, Mr. Speaker, our Government has reduced personal taxes for Manitobans by \$301 million annually. Our tax reductions

for businesses are up to another \$74 million annually in reductions.

Mr. Speaker, this Budget funds a 6% middle income tax break, effective January 2004. This will save Manitobans \$39 million this year.

This Budget also provides additional targeted personal income tax relief in line with federal budget changes. The Education Tax Credit will be extended to employees who pursue career-related studies at their own expense. A new deduction will recognize the additional employment and education-related costs borne by persons with disabilities. Caregivers will have improved tax recognition of certain medical and disability-related costs they bear on behalf of persons with disabilities. The employment income of military and police personnel deployed to high-risk assignments outside Canada will be exempt from taxation up to prescribed limits.

Today I am pleased to announce several new measures that will make Manitoba's business climate even more competitive. The Manitoba Film and Video Production Tax Credit is being extended for another three years. Several measures will enhance this tax credit, including a frequent filming incentive. To encourage film activity outside Winnipeg, a rural and northern incentive will be created.

Mr. Speaker, to promote business investment in computers and the data networks, the depreciation rates for related equipment will increase by 50 percent for income tax purposes. The temporary Mineral Exploration Tax Credit will be extended for an additional year. The non-capital loss carry-forward provision will be extended from seven to ten years. The carry-forward provision will be similarly extended for the Manufacturing Investment Tax Credit, the R&D Tax Credit and the Community Enterprise Development Tax Credit. A ten-year carry-forward provision will be introduced for the Co-operative Education Tax Credit.

Budget 2004 also follows through on our long-term plans for sustainable tax reductions. In 2001 we announced the first cut in the corporation tax rate since the Second World War. The rate fell in stages from 17 percent to 15.5 percent, effective January 2004. It will fall again to 15 percent in 2005. The small-business tax threshold will also increase for the third straight year. It will rise further to \$400,000 in 2005. For the second year corporations will also be

exempt from paying tax on their first \$5 million of capital expenditure to encourage investment by businesses of all sizes.

To protect essential services, Mr. Speaker, Budget 2004 strikes a balance between new efficiencies, reduced expenditures and additional revenues. We recognize that additional shifting of business taxes is needed to help finance general business rate reductions. We are more closely aligning the capital tax base for banking institutions with our neighbouring provinces and the federal government.

Like many other provinces, retail sales tax will be applied to legal, accounting, engineering, architectural and security services.

We are also announcing that the corporation income tax rate will fall to 14.5 percent, and the small-business rate will be reduced to 4.5 percent.

For the first time since coming into government, Manitoba Liquor Control Commission mark-ups will also be adjusted.

Overall, the tax changes in this Budget, when combined with previously announced tax measures coming into effect this year, are revenue neutral for Manitoba taxpayers.

Budget 2004 projects a positive balance of \$3 million, with no draw from the Fiscal Stabilization Fund. This Budget is the first to project no draw from the fund since 1996 and the first budget under balanced budget legislation to do so while also paying down debt. Budget 2004 also provides for a further \$96 million toward debt and the pension liability.

Au cours des cinq dernières années, l'obligation de rendre compte à la population du Manitoba a été mieux observée par la présentation de rapports plus transparents et plus complets.

Translation

Over the past five years, accountability to Manitobans has been improved through more complete and transparent reporting.

English

We produced the first ever Annual Report for Government, a critical piece in the accountability cycle, and introduced improved accounting practices

for capital acquisitions. In addition to summary financial statements, we are now presenting summary budgets encompassing the entire government reporting entity, including the 40-year unfunded pension liability.

Starting with Budget 2004, two additional changes will reflect our commitment to improved reporting. In keeping with Public Sector Accounting Board standards, we are introducing the infrastructure capital accounting practices with this Budget. This policy change mirrors earlier changes made for other capital acquisitions.

In this year's budget documents, we have also included a medium-term fiscal framework on a summary basis. We believe this additional information will help Manitobans better understand our planning for future years for the overall government.

Mr. Speaker, our medium term shows that in 2004-5 our operating accounts are in a positive balance. Our Crown organizations, including Manitoba Hydro, Manitoba Public Insurance and Manitoba Crop Insurance, are in an overall positive balance. We continue to address the 40-year unfunded pension liability through measures that fully fund all pension costs for new government employees. We are making annual payments toward outstanding pension obligations. For future years the medium-term framework forecasts positive balances.

In conclusion, this past year will be remembered as one of great challenges. It also underlined yet again that in the face of such challenges Manitoba has the resilience, expertise and leadership to succeed. We were not sidetracked from our shared goals of better health care, more educational opportunities for Manitobans, stronger families and safer communities.

Mr. Speaker, we are building an even better future in communities right across the province. We are doing so in partnership with all Manitobans. Our economy is growing, consumer confidence is high, our housing market is strong, and we have achieved historic highs in immigration.

For five straight years we met the test of balanced budget legislation, paid down debt and pension liabilities and invested in the programs that Manitobans cherish most. Our Government has also taken positive steps to improve efficiency and remain one of the most affordable governments in Canada.

Budget 2004 builds on this solid progress we have made in the recent past. In meeting today's challenges we are also building the opportunities for tomorrow and the next generation of Manitobans.

Thank you. Merci beaucoup.

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

Motion agreed to.

Messages

Mr. Selinger: Mr. Speaker, I have two messages from His Honour the Lieutenant-Governor as well as the budget document, which I would like to table.

Mr. Speaker: Please stand for the reading of the messages.

The Lieutenant-Governor transmits to the Legislative Assembly of Manitoba Estimates of sums required for the services of the Province for capital

expenditures and recommends these Estimates to the Legislative Assembly.

The other message reads: The Lieutenant-Governor transmits to the Legislative Assembly of Manitoba Estimates of sums required for the services of the Province for the fiscal year ending the 31st day of March, 2005, and recommends these Estimates to the Legislative Assembly.

Please be seated.

Hon. Gord Mackintosh (Government House Leader): Mr. Speaker, I move, seconded by the Minister of Finance (Mr. Selinger), that this House do now adjourn.

Motion agreed to.

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

LEGISLATIVE ASSEMBLY OF MANITOBA

April 19, 2004

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