

## LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 3 June, 1986.

Time — 8:00 p.m.

### BUDGET DEBATE

**MADAM SPEAKER, Hon. M. Phillips:** On the proposed motion of the Honourable Minister of Finance, and the amendment thereto, the Honourable Member for Assiniboia has 34 minutes remaining.

**MR. R. NORDMAN:** Thank you, Madam Speaker.

I am just going to go back a little way into my speech that was . . .

**A MEMBER:** Start over, Rick.

**MR. R. NORDMAN:** Not really, unless you really want me to; you really missed a big speech.

Madam Speaker, the Budget has done nothing to encourage industry to establish in Manitoba. There was no relief from the payroll tax. There were no changes in restrictions to the labour legislation, no lessening of small business corporate taxes.

The Canadian Federation of Independent Business, in its 1985 provincial survey, showed that the Manitoba payroll tax caused 31 percent of its members to reduce hiring, and a startling 8.6 percent of all firms were actually forced to lay off workers.

I, personally, know of two small businessmen that had contemplated expansion but decided that it wasn't worth the investment of time and effort and money. It was the 1.5, when you're working on a very small margin — I know in the business that my son is in, in the travel industry, where you are working on an average of about 8.5 percent and they take 1.5 off that — it certainly isn't worth your while to invest time and money. So the 1.5 made the difference and it was the straw, basically, that broke the camel's back.

Madam Speaker, the development of Limestone, again for the second year in a row, will make up the largest part of the provincial annual borrowing requirements, \$940 million has been designated for the Limestone Generating Station. We cannot look forward to any return on our investment, at least until 1992.

The Opposition Party still maintains that the development of Limestone is premature and the additional cost of developing this generating station is a drain of \$360 million a year on the taxpayer of this province.

Madam Speaker, in his Budget Speech the Minister states that there will be no increase in personal taxes, no increase in the sales tax, but there will be an increase in corporate capital tax from 0.2 percent to 0.3 percent, and business corporate income tax from 16 percent to 17 percent. These increases, on the surface, don't appear to have much effect on the majority of small business, but I would think, though, that they would have a tendency to discourage, again, the growth of business enterprise in the province. I also think that if it is costing the larger companies and financial institutions more to operate in this province, they will

do one of two things. They will pass the additional cost of doing business on to the consumer or pick up their marbles and go home, where the climate is more receptive to doing business.

No budget, Madam Speaker, is completely bad. There are some aspects of this Budget that have some merit. The increased support for farmers sounds like something that is moving in the right direction, but I will leave the critique on this subject to those in our party who are more familiar with that subject.

The Small Business Loans Fund established to assist in the stabilizing of interest rates for small businesses will no doubt be used reluctantly or selectively by some small business ventures. I think this could be a benefit for some, providing bureaucratic planners don't get too involved.

Madam Speaker, I would like to share a little something here with the whole House. This past weekend I had the opportunity of visiting Vancouver and Expo 86. — (Interjection) — When you gentlemen are through, I'll try and continue. Expo 86 is everything that it's claimed to be. British Columbia has to be commended for what they have done and what they are doing. People from all over the world are congregating at Expo 86, enjoying the climate, the fun and the experience of a World Fair.

Almost every province in Canada is represented there, but Manitoba is not. — (Interjection) — Do you want the floor? Manitoba is not represented there as a pavilion, it is there as a booth. The booth is not as large as the chair that the Chief Clerk is sitting in. — (Interjection) — Pardon me? Yes, it was plenty cheap, probably. That's the way we're going, cheap, just cheap, cheap, and it'll show up. When you figure that over the period of this whole summer there are going to be approximately 30 million people who are going through the turnstiles there, 30 million people. They will at least have heard of Saskatchewan, who have a beautiful grain elevator there as a pavilion.

They will know where Prince Edward Island is; they will know where Quebec is; they will know where Ontario is. Ontario has just a fabulous pavilion. B.C. has a fabulous pavilion, and I'll guarantee you that there won't be 1,000 people find the Manitoba pavilion. We were told originally that it was in the Canadian pavilion. It is not in the Canadian pavilion; it is outside the pavilion. It is in a beautiful hotel, up on the mezzanine floor. I imagine they are paying pretty good money for rental on it, but for what they are paying they're not getting their money's worth because there won't be 1,000 people over the six months, I'll bet you, that will appear there. So you are just pouring good money in on top of bad.

What do we have in there? If it wasn't for Black Brant, there would be next to nothing there. You don't even know what Black Brant is. Black Brant happens to be the rocket that Bristol Aerospace has put out. It's the one that has been sitting in the Museum of Man and Nature down on Main Street. It's now up in the ceiling of the little booth that we have, and a few little pieces of literature like that.

Then again, from Bristol Aerospace, the personal locator beacon; that's what we are showing. Then, on top of that, we have, would you believe — big deal — the house sitter — big deal, you know. I was bloody well ashamed of it, really. I was really ashamed of what we had there.

And here there are, all through that whole Expo 86 we've got hundreds of Manitobans there working. There are entertainers there. The three days that I was there, John Taylor Collegiate just happened to be there. They were from my constituency; they just happened to be there at the same time — Hedges Junior High. The Argyles, the group from St. Boniface, seven weeks they've got a contract playing in the Saskatchewan Pavilion. You know, Winnipeg entertainers, Manitoba entertainers, the little girls from Steinbach, they were there on Friday, the Treble Teens, doing a beautiful job.

**A MEMBER:** Which pavilion were they in, Ric?

**MR. R. NORDMAN:** They were on the main stage right as you come in, and did a great job. The Argyles — and the only reason I know about the Argyles, my son happens to sing for them — they were there for three weeks. They have been asked to come back again.

**A MEMBER:** What did he sing for Saskatchewan?

**MR. R. NORDMAN:** No, he sang in what was called the 86 Club, a restaurant and bar that seats 850 people. But anyhow, like I say, I was not very proud of being a Manitoban, but I was sure as hell proud of being a Canadian.

Madam Speaker, one other little thing that bothered me was the manner in which the criticism of the health service decision to raise the deductible on senior citizens' provincial Pharmacare plan, raising it from \$50 to \$75 deductible within the next six months. Health care for seniors is supposedly a major concern of this present government, and I just feel a lot of regret that this government has chosen to take that away from the people that are on a fixed income.

Thank you, Madam Speaker.

**MADAM SPEAKER:** The Honourable Minister of Finance.

**A MEMBER:** The Union Cowboy.

**HON. E. KOSTYRA:** "The Union Cowboy," somebody said. Is that what the Member for Portage said? — (Interjection) — No, it wasn't you this time. We'll come back to the Member for Portage and some of his usable quotes in debate over the last while. I've kept a few of the select ones.

I'm pleased, Madam Speaker, to conclude the debate on the Budget. I would like to start off, firstly, by thanking all members for their contribution to the debate over the past number of days, particularly the members on this side of the House because, it seems to me, that their response to the Budget was much more enlightened and much more to the point of the Budget.

I would like to thank some members on this side of the House who also congratulated me on assuming the role on the Treasury Benches of the Minister of Finance.

Not all members on this side, there were some on that side also that . . .

**HON. L. DESJARDINS:** I offered you my sympathy.

**HON. E. KOSTYRA:** Yes, and the Minister of Health offered me his sympathy, and I appreciated that also, given that he's had one of the largest spending departments of government, I can understand of what he talks.

I did though appreciate listening to the contributions from members opposite, and I would like to spend some time this evening trying to review their comments. It's somewhat difficult, because their comments, as tend with Conservatives, tend to cover the waterfront. They tried to be all things to all people.

I would just like to make one comment. I would have expected that the Leader of the Opposition, or the Finance critic, the Member for Morris, would have made mention of the fact that, during the presentation of this Budget, for the first time to my knowledge in the history of the presentations of Budgets, the Opposition was allowed to have representatives of their research staff present in the lockup so that they could have the opportunity of being fully briefed by officials of the Department of Finance on what was contained in the Budget. I was surprised that no mention was made by the members opposite.

In one way, that doesn't surprise me, because I think when one reviews the limp response of the Leader of the Opposition to the Budget Debate the next day, you would understand why he would be somewhat embarrassed to admit that he had a lot of detailed knowledge of what was contained in the Budget, because he had a lot of difficulty, as have members over the last number of days, had a lot of difficulty, attacking this Budget. They've had a lot of difficulty attacking this Budget because they know — and many of them know in their own hearts — that this Budget is a good Budget for Manitobans.

This Budget continues us on the path of economic development in the Province of Manitoba; continues us on the path of providing job opportunities for people in the Province of Manitoba; provides opportunities for young people in our province; and, even though they hate to admit it, has a very distinct focus on the needs of our agricultural community within our larger economic community in the province.

That's not strange because, as you know, Madam Speaker, and as all members know, our party was re-elected on the basis of how Manitobans perceived economic development and job creation in this province over the past four-and-a-half years.

I would just like to spend a few moments talking about some of the contradictions with respect to economic development. I would like to talk about some of the other contradictions in terms of the responses from members opposite to the Budget. I would also like to talk a bit about some areas that very few members on that side talked about, issues like tax reform or issues of fair federal funding.

I also found it a bit strange, Madam Speaker, that a great deal of the time of members opposite, in response to the Budget — well it appeared like we were in the House of Commons, because they kept on

defending actions of the Federal Government rather than dealing with this Budget and its positive impact on the people of the Province of Manitoba.

But let me just talk about the economy, because that is obviously the major issue that is still facing us here in the province, to continue economic development, to continue job creation. I don't want to repeat or go into any great detail in terms of the economic statistics that are presently showing our province doing relatively well as compared to most other provinces in Canada, because that detail is in the Budget for members to review.

But I do want to just highlight what some members opposite said with respect to economic development, and there was a lot of contradiction in what they said. But I think the most disturbing thing I heard during the debate with respect to the Budget and with respect to economic development was the position that members opposite took with respect to the Manitoba Jobs Fund. The Leader of the Opposition — let's make it very clear, Madam Speaker — in his address, suggested that we should take \$40 million from the Manitoba Jobs Fund. He said that was the way to reduce the deficit. That would decrease the Jobs Fund in terms of budgetary allowances by over 50 percent. From the \$78 million that is in the Budget right now with respect to job creation, that would reduce it by over 50 percent. That would mean 50 percent less opportunities for Manitobans in terms of economic development.

I'd like to ask the members opposite and the Leader of the Opposition, what programs would he cut? If he's cutting over half of the Manitoba Jobs Fund, which programs would he cut? Would he cut CareerStart and Manitoba Jobs in Training Program, which are the major components of the Jobs Fund? Would he cut those programs to provide job opportunities for the youth of our province? If that is the case, he should come out and clearly say it, not just say he's going to cut 50 percent, but indicate he's going to cut out career opportunities and job opportunities for youth of the province.

If he's not going to cut that, what else would he cut out of the Manitoba Jobs Fund? Would he cut out the assistance that is going from the Manitoba Jobs Fund to the Limestone Training Agency to provide opportunities for, in particular, Northern residents and Northern Native residents to get skills developed during the Limestone Project? Would he cut that? Because if he's going to cut the Jobs Fund by over 50 percent, he's going to have to cut out programs like that that are providing the opportunities that are presenting themselves for Northern Natives to get job opportunities under Limestone.

Would he cut the development agreements that have provided for increased private sector investment in the province, giving an opportunity for employees of a firm like Crown FlexPak, which was going to close its doors in Manitoba prior to it being purchased and expanded by a Manitoba company? Is that the kind of thing he is going to cut out and throw more Manitobans out of work by his actions, or would he cut out other portions of the Jobs Fund that provide assistance for new businesses, looking at areas of technological development in the province, like ambulances or other companies that are providing jobs for Manitobans and at the same time developing new technologies?

Or would he cut the assistance that goes to the small businesses of our province? Given that he's going to cut the Jobs Fund by over 50 percent, those are the kind of areas that would be impacted. Or would he cut out the assistance that we're providing through the ERDA Agreement and through the Jobs Fund, through the whole range of economic development programs that are in place in cooperation with the Federal Government and the private sector, such as the improvements to the Port of Churchill?

Those are the kinds of issues or areas that the Leader of the Opposition and his colleagues would have cut, because he said very clearly in his response to the Budget that he would cut out over 50 percent of the budgetary monies to the Manitoba Jobs Fund, which would impact directly on the ability of Manitobans to have job creation opportunities under the Manitoba Jobs Fund. Let there be no mistake, that program has added significantly to the private sector investment in our province. It's been recognized by agencies like the Bank of Montreal, who indicated that in their view, in part, that Manitoba's improved economic performance was due to the activities of the Manitoba Government, in particular, the Jobs Fund; but that's the area that the Leader of the Opposition would cut.

He also talked about his concern of the overall economy, and he kept on arguing his doom and gloom scenario with respect to the economy of Manitoba and suggested that there has been no improvement in the economy of our province over the past four years. Yet he takes a somewhat different tact when he talks about the Federal Government, suggesting that somehow employment growth in Manitoba is due to Federal Government — and I'll quote him — “. . . Federal Government initiatives that have resulted in jobs right across the country and many in Manitoba.”

So on one hand — and here's another one of these contradictions that I'm going to point out — on one hand the Leader of the Opposition says that the economy in Manitoba is doom and gloom and has been over the past four years. Then on the other hand, as Tories tend to do, he says that the economy is doing well in the Province of Manitoba as a result of Federal Government initiatives. Well, you can't have it both ways, Madam Speaker, even though the Leader of the Opposition tries to argue, on one hand that there is no progress in Manitoba, then suggests on the other hand that there is progress in Manitoba, due to Federal Government actions.

I just want to talk on that point for just one moment because I think he should get his facts straight when he talks about Federal Government actions in the Province of Manitoba. There has been a significant impact because of Federal Government actions in the Province of Manitoba that have impacted negatively on the Province of Manitoba. We can go back to the de Cotret statement of 1982, where there were significant cutbacks in the Province of Manitoba that took away the VIA facility for repair and overhaul of passenger train vehicles here in the Province of Manitoba.

We're still trying to piece together the broken Humpty Dumpty of the National Research facility here in Winnipeg that's standing just down the road from here empty, with a couple of people in it because the Federal Government decided that they were going to cut that.

But somehow they tried to put that Humpty Dumpty back together again. We still see that building completed, sitting empty without the kind of investment and cooperation that was being developed with the private sector that would have paid off in increased economic activity for the Province of Manitoba and more jobs for Manitobans, but nothing is said about those impacts.

Even just this last week we've seen more negative impact of federal actions in the Province of Manitoba with the most recent layoffs through CN and VIA Rail.

So I'm sure that young Manitobans will be quite concerned when they hear of the position of the Leader of the Opposition when he is suggesting that the way to deal with youth unemployment in the province is to cut the Jobs Fund, to cut the very activities that have helped lead Manitoba out of the very difficult times of the recession. The young people of Manitoba will be concerned when they hear of the plans to reduce the Manitoba Jobs Fund by over \$40 million, which would be over 50 percent of the total allocations. So I leave that to members opposite to explain to the young people of this province how the cuts that they propose in the Jobs Fund will help the youth of our province. I leave that for them to explain to the young people of the province.

I think, if you review the approach that this government has had to economic development with theirs, you'll see clearly why we have had significant opportunities for Manitobans develop over the last four years. During the Budget Debate, we saw and we heard how they would approach economic development. It was the Member for Minnedosa who was commenting on the gasohol plant in his constituency, when he said that that plant started, under, as he said, the good old free-enterprise system, people with initiative. Yet, you know, the taxpayers of this province have supported that particular development, a good development for the Community of Minnedosa, but the taxpayers of this province have paid out \$9 million in tax expenditure, in losses in terms of tax revenue, in order to sustain that plant. So that's the kind of approach that they would take to economic development.

To be fair, there certainly are offsets to that \$9 million, but compare that with the kind of criticism that you have made when we've entered into development agreements that have brought industries to this province, have guaranteed a specific level of jobs and other commitments such as affirmative action hiring, and Manitoba preference in terms of activities under those agreements. We've had a whole series of them. We've had Toro in Steinbach; we've had Westeel Roscoe; we've had Revere Graphics. We've got a whole series of that. The costs associated with those developments are considerably less than what it's costing for that development in the Community of Minnedosa, but that is an indication of the two different approaches to economic development.

I would like to go on and talk about another major contradiction that I found in the comments of members opposite with respect to the Budget. That's in the area of overall spending. Gee, they had a tough time dealing with this Budget. You had members like the Member for Pembina, the Member for Morris, the Member for Sturgeon Creek, who talked about concerns about the deficits. But on the other hand, you had just about

every other member talking about how they could spend more money and increase the deficit even further.

You know, we had the overall spending increase of 6.9 percent that's in this Budget, characterized by both the Leader of the Opposition and his colleague, the Member for River Heights, as an excessive amount of spending, that 6.9 percent was excessive. Quite frankly, I am at a loss to figure out how they came to that judgment because if you look at their position vis-a-vis social expenditures, they support the \$149.1 million increase in social expenditures. I'm sure they would want to keep up the ongoing commitments that the province has with respect to debt servicing costs and other costs related to tax credit payments, to the increase in the agricultural community. But some members there suggested that they should go well beyond the 12.2 million increase that was put in the Department of Agriculture. When you put all of this together, you come up with a figure of 6.9 percent.

So this is the same area that they're saying is excessive, yet at the same time, they're saying that they would spend at least that amount of money. In fact, many members indicated that they would spend far beyond what we suggested in our Budget and our spending Estimates. It's really difficult to understand this contradiction between some members opposite and others who say that spending is too high, the deficit is too high, but we want to spend more and more and more.

I would just like to take a few minutes — and I had a great deal of difficulty keeping up with all of the areas where members opposite would spend more money. I'm afraid I have to apologize to the House that I am not completely up-to-date, because there were even more spending commitments flying today from members opposite, and over the supper hour I wasn't able to put a figure on those costs.

But let me just take members through it. I will attempt at the end of it to put a figure on it and to relate it to what the situation this year would be. But let me just take you through them and remind members of commitments they made during their speeches on the Budget.

We had the Member for Charleswood suggesting that funding to the city of Winnipeg should be increased by 20 percent. We also had that same member suggesting that the province ought to waive or absorb the water power rental rate increases for the city of Winnipeg.

We had the Member for Roblin-Russell suggesting that we waive all the sales tax on clothing for those communities at or near the Manitoba-Saskatchewan border.

We had the Member for Virden suggesting that we expand the Beef Stabilization Program to include feedlots.

We had the Member for Arthur reiterating their position with respect to school tax on farm land.

We had the Member for Pembina and others suggesting that we increase Highways spending program by at least \$12 million.

We also had the Leader of the Opposition suggesting that we roll back the corporation tax increases that were contained in the Budget.

I've still got another three or four pages to go but, at this point, Madam Speaker, we're up to \$70 million

of increased spending — (Interjection) — it's a pittance for members opposite, but I'm only one-third down of about four or five pages. But let me continue.

We had members like the Member for Springfield suggesting that we add more money to the Department of Natural Resources.

We had the Member for Rhineland suggesting additional funds for the sugar industry.

We had the Member for Niakwa suggesting a 50 percent increase in funding for private schools.

If we just review those few areas, Madam Speaker, we've added another \$40 million right there, so we're now at about \$110 million in terms of increased spending that was suggested by members opposite, and I'm not finished.

We had a couple of members talking about a rollback in terms of the modest increases that were made with respect to the Pharmacare deductible.

We had a suggestion from the Member for Gladstone that there be a rollback on the personal care home per-diem rate increases.

We had the had the Member for Fort Garry suggesting that education spending should be increased from that which was in the Budget of 5.1 percent to 6.9 percent, which would have added another \$12 million to the overall spending.

We had others, like the fact that we didn't have a pavilion at Expo 86, that we should have had one there, which would have cost somewhere between \$7 million and \$9 million.

We had a whole list of other requests, such as more funding for the Brandon General Hospital, more money for the Cook's Creek Diversion, the Rat River, the Overhill, Winnipeg Bible College. It was suggested that there should be specific money set aside for that institution.

We had the Member for Charleswood suggesting that there be more money for the City of Winnipeg for river crossings in the City of Winnipeg, and I presume he is referring to the one that he did the flip-flop on when he moved from one side of the river to the other.

He also suggested — not fair, but true — he also suggested that there should be more money spent on rail line improvements in the City of Winnipeg, for more rail crossings.

If you add to those commitments, others that they talked about in the election campaign, that I presume if they were elected, they would have put in place, such things as the removal of the health and post-secondary education, which, in itself would have cost \$123.5 million; the northern business tax credits; refundable tax credits to small business — if you start adding these all up, Madam Speaker, you come to a figure — (Interjection) — no, I mentioned that one earlier, as proposed by the Member for Arthur.

There's a whole number of other areas that I have not, because of time, been able to put figures on. The Member for Niakwa talked about more funding for education and health, more than what was in this Budget. The same was said by the Member for Brandon West, where he suggested there should be increased health care funding.

We have other members who have suggested there should be more money for business development in the Budget, more money for tourism in the Budget. So those areas are somewhat difficult to put a figure to.

Where I have been able to, in the limited time I have had to deal with all of these commitments, I have been able to come up with a total figure of increased expenditures that they promised just in the last few days and the few that are outstanding from the election campaign, of \$350 million of increased spending, \$350 million over and above what we have got in our spending estimates at the present time, of a 6.9 percent increase. — (Interjection) — To be honest, that's not all increased spending. That's not all increased spending; some of that is tax reductions, revenue reductions, like the elimination of the corporate tax increases that are contained in this Budget, the health and post-secondary education, but the total of all of that, the spending increases and the tax reductions, is \$350 million.

You know what that would do to the deficit, the deficit that some members opposite have complained about? I know that the Member for Morris, in particular, is concerned about that. That would move the current year deficit to over \$800 million. This is the members opposite, who talk about how this government's Budget has got too much spending and too much tax increases and too high of a deficit.

As my colleague, the Minister of Health, indicated, the Member for Niakwa said it, I think, best for members opposite when he said, and this is on Page 316 of Hansard, Madam Speaker, if members need to know the exact spot. He says, "I know what the Minister of Finance is saying. You can't have it both ways. But, Madam Speaker, I can have it both ways. I'm in Opposition, and I can have it both ways."

That same sentiment about the position of members opposite was also reinforced on May 27 when the Member for Brandon West indicated that he had a similar position in thought to the Member for Niakwa, when he says — and this is on Page 365 of Hansard, Madam Speaker. He said, "As a Member of the Opposition, it is my right to comment on the Budget and not necessarily to take a position." So he agrees with that same position.

The Member for Morris is asking why I seem to have so much time that I did nothing but read Hansard and look for quotes like this. Well, there was so little in their criticism of the Budget, I had lots of time to find quotes like this.

Seriously, Madam Speaker, I think one has to look at the credibility of members opposite when they talk about deficit reduction, when they talk about tax decreases, when they talk about significant expenditure increases over and above what is in this Budget. They must have some hidden agenda in terms of how they would accomplish that because one would have to be a magician to do it without increasing the deficit in excess of \$800 million.

I know that this is not something new for members opposite because they attempt to have it both ways. They attempted in the provincial election to have it both ways. They attempted to appear to be something different from Conservatives on some issues, but Conservatives on other issues.

I don't think they can be believed in terms of their opposition to this Budget. They can't be believed on the amendment to this Budget and I think that's a question that Manitobans answered on March 18, because they said at that time that they were not to be believed in terms of trying to be all things to all

people and to being . . . There's nothing that has taken place in this debate which would help restore their credibility, Madam Speaker.

The Leader of the Opposition also characterized the 6.9 percent spending increase as excessive in light of Manitoba's improved economic situation, and I have already dealt with how that contradicts with the position of many of his members behind him, when they called for increased spending. Yet, at the same time during that debate, he heaped praise on Ontario, on the Province of Ontario, with their Budget. But if he would have had a close look, he would have noticed in that Budget, there was an 8.9 percent increase in spending, two percentage points higher than ours.

If he would look over to his friends to the west in the Province of Saskatchewan, he would have found that they had a spending increase in their Budget of some 8.1 percent.

Surely these increases say something about the credibility of Opposition critiques which suggest that, in proposing spending increases at a somewhat lower rate than our neighbouring provinces, Manitoba is spending somehow too much and is being fiscally irresponsible. Those kind of comments and that kind of doubletalk just won't wash with the people of the province. As the Minister of Agriculture says, it didn't wash in the election campaign and it certainly isn't going to wash with people of our province at this time.

**A MEMBER:** Let's try it again.

**HON. E. KOSTYRA:** We will try it again. I think Manitobans have chosen four out of five times which government and which party they prefer. In the last four of the five elections, Manitobans have clearly chosen that they want our form of government, our party's policies implemented in programs serving the needs of the people of the Province of Manitoba.

I want to spend a moment just talking about the overall spending, Madam Speaker, because, surely, if members opposite are at all interested in coming to recent judgments or assessments of our spending levels, they would examine overall levels and not just those of one year, but would do a review over a number of years. I would like members who are interested to look at the detailed information that was provided in the material appended to the Budget, specifically on Page A 11, and this is information that was compiled by the Canadian Tax Foundation which showed that Manitoba's spending for 1985-86 totalled \$3,383 per person.

Only two provinces in Canada — Ontario and British Columbia — record lower total budgets on a per capita basis than Manitoba, only two provinces. So when they talk about excessive government spending here in the Province of Manitoba, then they must be critical of those other majority of provinces in Canada that spend more, most of which happen to be Conservative Governments.

Manitoba's spending is some \$222 per person lower than the all-province average in Canada. In fact, Manitoba's spending on that basis is some 6.2 percent lower than the all-province average.

Surely, the members opposite would look at those statistics that have been compiled by an agency like

the Canadian Tax Foundation, to pause to look at those figures and pause and reflect on the credibility of their assertions that Manitoba's spending is excessive or out of control. I've already made reference to what would happen if all of the comments and all of the proposals that they made during the Budget Debate would be implemented, that the deficit of the Province of Manitoba today with them in government implementing, and if they do as they say, and there's not always any certainty of that, but if they do as they say during the Budget Debate, that we would have a deficit in excess of \$800 million today.

I'd like now to turn and speak about our public debt servicing costs which has been a subject of considerable interest by some who spoke on the Budget, particularly members opposite, but even members on this side of the House. Much was made of the fact by the Opposition that our public debt servicing costs this year amount to 8.3 percent of our Budget. Some of them felt that perhaps they could also enhance that to suggest that if we added the full Manitoba Properties Incorporated appropriation to debt charges to arrive at a high figure, and one more in keeping with the overall doom and gloom outlook, that they could add more credibility to their argument; but if you even look at the way they looked at debt servicing costs on the basis of including Manitoba Properties Incorporated, that overall cost would represent about 9.7 percent of the provincial budget.

I certainly share a concern with many members in the House that that is a significant share and one that we all have to be concerned about. But, as was noted in the Budget Address, if members had recalled what I said, the Ontario Government, when they brought down their Budget just a few weeks ago, has indicated there that their debt servicing cost is representing more than 11 percent of provincial spending; yet at the same time we had the Leader of the Opposition speaking over and over about the situation of Ontario in terms of their economy and what's going on there.

If the argument that somehow if the economy is performing better, that your debt servicing costs should be lower, then the situation with the figures with respect to Manitoba and Ontario should be reversed. Their spending went up over 8 percent, close to 2 percentage points more than Manitoba's spending.

(Mr. Deputy Speaker, C. Santos, in the Chair.)

These figures are there for the looking. If the member wants, I'll supply him with all detail. In fact, some of them are contained in the information that was tabled with the Budget, but the Member for Pembina tends to be selective with his use of figures and facts. I'll get to him in a moment when I deal with other aspects of his comment on the Budget.

If you look at that from another perspective, the debt charges — and the province's is 9.7 percent of the Budget, which is still 1.7 percent lower than Ontario — if you look at how these debt servicing costs compare with those of other provinces, again the latest available information from the Canadian Tax Foundation was set out in an appendix to the Budget on Page A 12 of the material that was in the Budget Address. But I know that some members may not have noticed that information, so I think it's important, Mr. Deputy Speaker, that I highlight it for members here because somehow they've suggested that Manitoba is totally out of line with all other provinces in the country.

The information that I'm going to quote is for the last year, but based on what we've seen with respect to budgets, I don't see any significant change taking place with respect to overall rankings.

In that document, the Canadian Tax Foundation information suggests that Manitoba's debt charges per person are lower than all other provinces to the east of us. In fact, last year, Manitoba's debt service costs amounted to \$246 per person, some \$108 or 30 percent lower than the all-province average in Canada. So, when you look at that from a national perspective, you find out that it's contrary to the position that the members opposite have taken that Manitoba is not out of line with the rest of the provinces in Canada and in fact we're somewhat lower than the all-province average.

Again, when one looks at Manitoba's debt servicing costs as a share of spending in comparison with those of other provinces, or absolutely on a per capita basis, the same conclusion emerges. Manitoba's public debt servicing costs remain prudent, manageable and favourable when compared with other all jurisdictions.

Members opposite also seem to feel more comfortable depicting Manitoba's debt in the most negative possible manner. They always avoid talking about the asset side of the ledger, and they avoid any objective consideration of how our province compares with other provinces in Canada.

Manitoba's debt, as a proportion of the ten provinces' debt in Canada, is actually declining according to statistics from the Bank of Montreal provincial summaries. That's at marked odds with the rhetoric of members opposite who would like to fool Manitobans into believing that Manitoba's debt management is weak in relation to the record of Conservative and Liberal management elsewhere. In fact, even on a total debt comparison with our declining share, Manitoba is outperforming other jurisdictions and there is no question, I don't think anyone disagrees that Manitobans are also benefiting from the significant assets that that investment financed by public debt has helped create.

As was pointed out in the Budget Address, Manitoba could reduce the debt quickly by selling off some of our assets. We could do that by selling Manitoba Hydro; by selling the Manitoba Telephone System. That kind of approach would cut the debt pretty quickly and substantially, but I don't think it would be very prudent, nor would it be wise.

If we proceeded on that basis, Manitobans would be left captive to significantly higher telephone rates and higher electricity rates than we now enjoy, because that's what would happen if those corporations were put under private ownership. Manitobans would pay for that. So when the dominance of the discussion is put, it would be put off our books. There would be no debt on our books, but would Manitobans be better off? Would we be better off having some of our major Crown corporations privatized, sold off, so that we could somehow reduce the overall debt of the province? I don't think Manitobans would be better off. I don't think Manitobans would want that kind of approach to the reduction of the debt in our province.

Also, during the Budget Debate dealing with the debt, the Member for River Heights talked critically about the Budget adding \$1 billion to debt for the construction of the Limestone Generating Station.

**A MEMBER:** That surprised you, didn't it?

**HON. E. KOSTYRA:** No, it didn't surprise me. I've come to accept that there is very little difference between Liberals and Conservatives from my appreciation of the political scene. In fact, there is a story that Tommy Douglas used to tell, Mr. Deputy Speaker, about white cats and black cats that I think was very informative in terms of the little difference between Liberals and Conservatives.

The Member did criticize the investment in Limestone and its impact on the debt of the province. I would really ask the Member for River Heights whether or not she believes that the government should not proceed with the construction of Limestone, because it is being developed; it is being constructed in the interest of Manitobans. Is the Member for River Heights also suggesting that we forego the revenue, the profits that are going to be developed on the sale of the power to Northern States Power? Should we forego the employment opportunities of 19,000 direct years of employment being created through the timely construction of the Limestone Generating Station, and the other economic benefits that are occurring to the province because of the significant involvement of Manitobans, both working in Manitoba businesses on that project? I think, if that's the case, that should be made very clear to Manitobans.

These are all serious questions in terms of our debt, and it's important that the government act with a vision and faith for the future and not be afraid to take on investments for future generations of Manitobans. If we did that only on the basis that somehow it would increase our debt, then I think that would be short-sighted in terms of the future of our province.

I want to just speak on one other point related to the debt and the servicing of our debt related to the borrowing of funds for government purposes. I said earlier that I was a bit concerned about the selective way the Member for Pembina looked at statistics and issues like that. The Member for Pembina, just the other day, I guess it was yesterday, talked about our foreign borrowing. Just in case he has forgotten what he said yesterday, he said: "Now what is the danger here?" he asked. "I want to tell my honourable friends opposite what the danger is. The danger is your offshore currencies. You are borrowing in foreign markets and you are going to repay in foreign markets. If you think that isn't dangerous, ask the citizens of Mexico what they think about foreign borrowings."

He goes on to say, "Now, you ask yourself how you're going to have to print money by the wheelbarrow to pay in full New York, Zurich and Tokyo." He didn't say it and he's also very cunning in terms of how he chooses his words. He didn't say, but he suggested that somehow it was only our government that chose to borrow in New York, in Zurich, in Tokyo. But, again, that's selective in terms of his recollection, because when he was in government, when he was a member of Treasury Bench, he borrowed and his government borrowed on those same markets. In fact, you borrowed in Swiss francs. — (Interjection) — You didn't borrow the money? You didn't borrow in Swiss francs? You didn't borrow in Japanese yen? You didn't borrow in New York? In fact, you didn't borrow any money. You

didn't have any issues on the Canadian market other than those that you had as arrangement through the Federal Government through Canada Savings Plans or other such means. But somehow you suggest that this government is the only one that borrowed on those markets. That's how I suggested that he used his figures and his comments very selectively.

I want to turn to the deficit for a few moments. Some members say it's big enough, even though some of those same members were trying to bid it up during the debate. As I indicated earlier, if they'd had their way, the deficit would have been over some \$800 million. But some members, in particular the Member for Morris, spoke on the deficit. He also made a prediction in respect to the deficit where he suggested that there was going to be a major increase in the deficit. In fact, he said both — that there was going to be a major increase in the deficit and major tax increases. — (Interjection) — Well, as members know . . .

(Madam Speaker in the Chair.)

You said that on May 16. I have that here. If you'll give me just a couple of moments. I had some time on my hands, so I was able to get the . . . it was on Page 161 of Hansard. The member doesn't remember, Madam Speaker, when he said that, so I'll just quote from Page 161 of Hansard, Friday, May 16. He says: "So let not the Minister — the Budget is coming down on Thursday, one where no doubt there will be major increases in taxation, one where there will be a major increase in the deficit." That's on the record. So, unfortunately his suggestions did not take place. Maybe he was thinking about what would have happened if he had been sitting in my position as Minister of Finance.

But, as members know, there was a minor reduction in the deficit this year. There was a minor reduction in the deficit, as I indicated, which brings it down to \$489 million. In the context of our economy here, the budgetary requirement, the so-called deficit — and even the Auditor said that he doesn't like using that term — but the budgetary requirement is at its lowest share in some five years in this Budget, its lowest share in some five years, which is only 2.6 percent of Gross Provincial Product. Surely, this is a good performance particularly in light of the situations that we're working under at the present time.

If you look with respect to taxes, we succeeded in only increasing taxes in a few select areas; we avoided any increases in the sales taxes; we avoided any income tax increases; we avoided any taxes affecting farmers in our province; and we avoided any increases in taxes affecting small businesses. Instead, we concentrated on a few areas; the tobacco tax, which I believe that has been relatively well accepted; and some taxes on large business and banks and some other adjustments.

I was surprised that the Opposition appeared to have so much difficulty in accepting these modest tax increases for large corporations — the Leader of the Opposition objected to them — and I certainly hope that Manitobans heard him in terms of his objections. If members opposite are not prepared to tax big business to help finance needed public services, such as health care and education and social services, and much needed assistance to the farm community, who are they prepared to tax? Is it senior citizens? Is it farmers? Is it small businesses? Is it working people? Is that where they would raise their money? If they're

not going to do it on the large corporations, who are they going to tax? I think that's a legitimate question that ought to be asked because if they're not going to accept it, small increases on large corporations, who would you tax; farmers, small businesses, senior citizens, working people; who would you tax? If you're not going to increase those taxes, what areas would you cut?

We've already gone through the fact that if you tallied up everything that you said during the Budget Debate, you would see a significant increase in overall spending. How would you balance the books? The only way you could do it is by increasing taxes. What taxes would you increase and who would they impact? — (Interjection) — "There are other ways," the member says. How could there be other ways if you're suggesting that there be higher expenditures, that there be less taxes on large business? What other ways are there? There's just taxes left on Manitobans; sales tax, income tax, taxes affecting farmers and small business. That's the only other way, so I guess that's the answer, or else they would have some other agenda other than what was said during the Budget Debate that they would cause significant reductions in expenditures and where would they make those significant reductions? In the — (Interjection) —

Those reductions that your Leader of the Opposition enunciated, including the cuts in the Jobs Fund, come to about \$48 million. Add on your 200-plus on spending, your \$100 million on tax reductions, take off that 50, you still come up with close to a \$800 million deficit unless you had some other plans for cuts. There's nothing magical. You can't just simply juggle around things and some will magically come out with the figures. You have to deal with what you say and what your commitments are unless there's something different from that.

We looked very carefully at areas with respect to increased revenue growth and we saw that there was some room with respect to taxes on large corporations. You know, if you review what's happened with respect to taxes on large corporations over the past while, you'll note that in 1982, corporations paid federal income tax of \$7.1 billion on profits at that time of \$21.1 billion for an effective tax rate of 33.8 percent.

In 1985, the latest information that's available from the Federal Government shows that corporations have paid \$10.4 billion in federal income tax on \$41.7 billion in profit for an effective tax rate of 25 percent which is down some 8.8 percentage points from 1982. I believe, Madam Speaker, that the corporate sector, the large corporations has the ability to pay these tax increases that are proposed in our Budget. I think it's responsible to apply those increases. If we were not willing to do so, we would not be able to have the funds to provide for the needed services and support to important areas of our province such as health care, education, and the ongoing commitment to job creation and agriculture. In the end, our deficit would have been considerably higher.

I indicated at the start of my remarks that I was somewhat disappointed that very few members opposite talked about the critical issue of national tax reform. — (Interjection) — In fact, this issue, I listened very carefully — there were only a very few members who talked about tax reform and I'll comment on that

in a moment — but I feel that this is a key national issue and a key component to resolving the dilemmas of maintaining public services, strengthening our economic development initiatives and improving our fiscal flexibility. Not only is our income tax our largest source of revenue in the country at the present time, it is also the only source of taxation which, in principle, is most directly related to taxpayers' individual abilities to pay. I notice that even though they didn't want to talk about tax reform in the Budget Debate, that it seems to get them somewhat concerned now when I make reference to it. As I was saying, Madam Speaker, it's the source of taxation which impacts most directly taxpayers' individual abilities to pay. Regrettably, ever since the last major review of the income tax system, the Carter Commission, and the so-called 1972 reforms that followed, special provisions, exclusions, incentives, preferences and other provisions unrelated to taxpayers' ability to pay taxes have steadily encroached on the income tax base. The overall effect of this process has been a deterioration, I suggest, in the basic revenue productivity of the income tax system.

Unfortunately, this erosion of the tax base has not been uniform, I believe, and I know that most Manitobans share my view, that this has not been fair. A select and relatively small group of large corporations and high income individuals have received massive tax reductions, particularly in the last few Federal Budgets. To the extent that these giveaways have been offset within the income tax system, the burden has fallen almost exclusively on moderate and middle income working Canadians.

In the last two Budgets, the Federal Government has chosen to raise revenues from poor and middle class Canadians while sharply increasing tax preferences for corporations and high income individuals. Corporate tax rates are slated to decline. By 1990-1991, federal estimates show a \$12.7 billion shift in the tax burdens from corporations to individual taxpayers in our country. Tax giveaways via the RRSP increases and the 500,000 capital gains exemption will total more than \$2 billion annually by 1990-91, which is about the same amount that the Federal Government proposes to cut from health and higher education funding over the same period of time. So you can equate those tax cuts directly to the cuts in transfer payments in those two areas.

I mean, even just in the last year, the Federal Government has found close to \$2 billion for bank bailouts, and another \$8 million for oil companies. So the money has been made available for more than just deficit reduction, as the Federal Government always wants to say when they talk about cuts in health and higher education.

Yet, there is no consideration on what the real needs of Canadians are with respect to health care and higher education . . .

**MR. D. ORCHARD:** Gene, you didn't answer my questions on tax reform.

**HON. E. KOSTYRA:** Your question on tax reform was suggesting somehow that New Democrats, the Member for Pembina somehow suggested that the New Democratic Party are somewhat new to the concern of tax reform. Our party has traditionally stood for

fairness in the tax system, and has implemented all kinds of programs over the period of time that we've been in government, from tax credits to other things that have dealt with the more regressive portions of our tax system or tax regime. So we're not new to the issue of tax reform.

If there is an area that I haven't covered, maybe the member would like to ask me that question in subsequent days. There will be other opportunities to do that, and you know that I don't duck questions. I'll reread your comments again.

I did make mention in the Budget Address about the fact that the capital gains exemption and the RRSP contribution limit changes were extremely unfair and represented a poor trade-off for health and post-secondary education support. I was somewhat surprised when the Member for Charleswood did not agree with me on that. He defended during his — and he was one of the few members who did talk about tax reform, along with the Member for Pembina — but he went and defended both of those measures, the change with respect to RRSP's and the change with respect to the 500,000 capital gains exemption, suggesting that in the case of the latter it would somehow benefit farmers and, in the case of the former, that this would assist people to make plans for their retirement.

Well, let me deal with the issue of the RRSP, because I don't disagree with any suggestion that people should set aside funds for their retirement. I would just simply ask whether the increased RRSP contribution limit is going to assist most Canadians because, as the member is aware, this measure decreases the tax reduction for an individual earning less than \$30,500.00. It doesn't do anything for anyone earning less than \$30,000, in fact, there is an actual decrease. It doesn't allow that person earning less than \$30,000 to save more money for their retirement. Presumably, these are the kinds of people at that income level that need to have greater ability, and probably would need greater help, in their retirement years. But that deduction does nothing for that.

That reduces the amount of money that those people can put into RRSP's. Only the people that are earning more than 30,500 will benefit at all from that increased exemption, and those are people who are in a much better position to set aside funds for their retirement without the added benefit of a tax reduction. So it works contrary to those. I mean, it's not going to be the people earning over \$30,000 that are going to be the ones that might be in need of an income supplement in their retirement years.

So I am quite astonished that the Member for Charleswood would argue that somehow that provision is going to help the majority of Canadians help plan for their retirement, because it will only benefit those on higher income.

I believe, and I know that there are others that believe, that the structural unfairness in the national income tax system lies at the root of the Federal and Provincial Governments revenue and programming dilemmas. It certainly lies at the heart of the contradictions and inconsistencies in the prescriptions we have heard from members opposite. While it is not the only problem facing Canadian Governments, I think it must be addressed if we are going to come and deal with a positive program of social and economic development

in our country. It certainly is making it difficult to do that within our province.

The majority of members failed to address this issue during the Budget Debate, which certainly indicates that they don't believe that it is a major issue facing Canadians. But let me tell you that we, on this side, will not stop in our attempts to bring about national tax reform, and certainly intend over the next year to look at what can be done within the provincial context.

I would just like, in the few moments that I have left, to just talk a bit about Federal Government transfer payments and EPF, because there was some suggestion that our Budget was simply designed to attack the Federal Government and blame them for all our problems, but we certainly take our responsibilities here in this province seriously. We indicated that in terms of areas of spending for health and higher education, where the increases there were considerably higher than that which was allowed in the transfer payments from Ottawa.

But I think members opposite would be quite interested to note that their federal colleague, the current Finance Minister, Michael Wilson — when in Opposition, granted — described similar cutbacks that were taking place by the then Federal Government, and I quote, "as shifting the burden of the established program funding onto the Provincial Governments." He further stated that: "This is not cooperative federalism." He suggested "that should not and cannot work in this country." That was in the House of Commons debate back in March 23 of 1982.

All provincial Budgets in this country, including Manitoba's 1986 Budget, had to deal with the effects of the federal cutbacks. As I indicated, we have maintained our support to these vital services. We have not followed the federal lead and added more burden of taxes to low- and middle-income individuals in Manitoba. I think this certainly shows and indicates the difference between our approach, in terms of a Budget, and the approach of federal Conservatives. At the same time, we have held the deficit down to a level slightly lower than that which was in last year's Budget, and contrary to the prediction of a major increase that the Opposition Finance critic had suggested.

But, you know, do we hear any support from members opposite when we deal with the issue of federal transfer payments? All we heard through the Budget — and it seemed like they had a Federal Government research officer providing them with facts and figures — was, over and over, defending the actions of the Federal Government, suggesting that somehow we should just give up and accept any of the arbitrary changes in transfer payments that the Federal Government would place on us, not having any understanding of the impact that would have on Manitoba.

It's got a significant impact in terms of programming; it's got a significant impact in terms of the operating deficit, and if they would talk to some of their Tory colleagues in other provinces, they would find that they have very similar and supportive views to that which we have in the Province of Manitoba. But they have this tunnel vision that just looks at their own partisan political situation and doesn't do what's best for Manitobans. — (Interjection) — well, if that's not true, why don't you get up and say that you're opposed to Bill C-96, say that you are going to stand up for

Manitobans and defend the position of Manitobans with respect to the reduction in funding under that? Get up and say that if that's not true. Get up and say that.

In fact, you will have the opportunity. On June 9, the Member for Pembina would be interested to note, if he wants to avail himself of that opportunity, the Government of Manitoba will be making representation to the parliamentary committee which is reviewing Bill C-96 after Second Reading. I would suggest to him that maybe he should travel to Ottawa, appear before that parliamentary committee, if they will permit him because I'm not certain that they will allow individual members to attend, but appear there and say that he is concerned about the impacts of Bill C-96 on the Province of Manitoba.

Because members from this side of the House, representatives of the Government of Manitoba will be appearing before that committee, will be suggesting that there are serious consequences to the province if that bill is passed. That's the same position that is taken by other governments, including governments of the same political stripe of the members opposite like New Brunswick and like other provinces. He knows that, but he fails to see through his partisan approach.

If I'm wrong, Madam Speaker, I will allow the member to get up in his place and say that he will go on the record saying that he is opposed to Bill C-96 — (Interjection) — don't study it too long because there is a move to ram it through the Federal Parliament very quickly. So I would ask you to stand up because our case, Manitoba's case, would be much stronger if we had support of members opposite, and I am asking for that support. I am saying that I would like members opposite to join me and defend the interests of Manitoba.

I am pleased that there are some 34 member organizations of the Manitoba Coalition that are supporting the Government of Manitoba in this regard.

I note, Madam Speaker, that my time is unfortunately quickly coming to an end, and I wanted to talk about the farm fuel tax credit situation because since the tabling of the Budget — and I thought some rural members might be concerned about this — I have received word that the Federal Government will not allow for the use of the Federal Government income tax system for the development of that . . .

**MR. J. DOWNEY:** Do it another way.

**HON. E. KOSTYRA:** Well, we're certainly going to study that, but it was the position of farmers very clearly who said that we wanted a simple system. They're the ones who suggested to us to use the federal system so there would be less bureaucracy, less forms to fill out. I think that I am still going to discuss with the federal Finance Minister to look at the federal system . . .

**A MEMBER:** You've just been talking to the bureaucrats. They don't make the decisions.

**HON. E. KOSTYRA:** He suggested I was just talking to the bureaucrats. I met with the federal Finance Minister shortly after my appointment to the finance bench, and asked him directly to provide that support. I would like the opportunity to speak on that further

at another occasion, and to see what suggestions members opposite have with respect to ensuring that our farmers do get the full benefit of the deduction in farm fuels.

In closing, Madam Speaker, I just want to say that I've tried to deal with some of the issues that members opposite raised. I'm sorry if it appears a bit disjointed because the position of members opposite has been very contradictory in reply to the Budget. There has been those that have been saying reduce the deficit, there's been those that have been saying reduce taxes, and then there's this whole cadre of people in the back that have been saying spend more, spend more, and I went through that whole list.

So I apologize if my reply has been somewhat disjointed because it has just been a reflection of the contradictory approach that members opposite took with respect to this Budget. I understand that because they had very little to criticize in this Budget.

This Budget was a good Budget for Manitobans. It was a good Budget to continue economic development in this province for job creation. It is a good Budget to assist in a significant way with respect to agriculture. It maintained our health and education system. It provided for some improvements in those areas, it provided for support to our social services, and it was a Budget that had a vision, that continued the vision that we on this side talked about in the election campaign, the vision for the future of the Province of Manitoba, for the youth that the Member for Sturgeon Creek talked about this afternoon. This Budget provides for some implementation of that vision that members on this side talked about in terms of the future of our province.

Let there be no mistake that people of this province have endorsed the approach of this government. Four of the five elections, people have chosen the New Democratic Party as the government in the Province of Manitoba, including the latest election, Madam Speaker. People have shown their confidence in this government. They have rejected the approach of members opposite, who have no plan, who have no vision.

It's obvious by the response that they've given to the Budget that they have no vision or no plan for the province. They have indicated that time and time again, and it's been rejected four out of five times in the last election. Manitobans know that if members on this side would have been in government that their Budget would have been a disaster for the Province of Manitoba.

**MADAM SPEAKER:** The hour being 9:30 p.m., according to Rule 23(5), on the proposed motion of the Honourable Leader of the Opposition,

THAT the motion be amended by deleting all words after "House" and adding:

Regrets that in presenting its Budget, the Government has:

1. Given no indication of a plan of action to restore confidence in agriculture and business;
2. Abandoned its responsibility to manage wisely the financial affairs of the Province;
3. Developed a taxation system and investment climate that discourages job creation and opportunities for our youth;

4. Failed to portray accurately and clearly the long-term effects of increased debt service costs caused by continuing high deficits.

**QUESTION put on the amendment, MOTION defeated.**

**MR. G. MERCIER:** Yeas and nays, Madam Speaker.

**MADAM SPEAKER:** Call in the members.

**A STANDING VOTE** was taken, the result being as follows:

### YEAS

Blake, Brown, Carstairs, Connery, Cummings, Derkach, Downey, Ducharme, Enns, Ernst, Filmon, Findlay, Hammond, Johnston, Kovnats, Manness, McCrae, Mercier, Mitchelson, Nordman, Oleson, Orchard, Pankratz, Rocan, Roch.

### NAYS

Ashton, Baker, Bucklaschuk, Cowan, Desjardins, Doer, Dolin, Harapiak (The Pas), Harapiak (Swan River), Harper, Hemphill, Kostyra, Lecuyer, Mackling, Maloway, Parasiuk, Pawley, Penner, Plohman, Santos, Scott, Smith (Elice), Smith (Osborne), Storie, Uruski, Walding, Wasylycia-Leis.

**MR. CLERK, W. Remnant:** Yeas, 25; Nays, 27.

**MADAM SPEAKER:** I declare the amendment has been defeated.

The Honourable Member for Emerson.

**MR. A. DRIEDGER:** Thank you, Madam Speaker.

I was paired with the Member for Brandon East; and the Member for Fort Garry was paired with the Member for Rossmere. Had I voted, I would have voted in the affirmative.

**MADAM SPEAKER:** On the proposed motion of the Honourable Minister of Finance that this House approve, in general, the budgetary policy of the government.

**QUESTION put, MOTION carried..**

**MADAM SPEAKER:** The Opposition House Leader.

**MR. G. MERCIER:** On division, Madam Speaker.

**MADAM SPEAKER:** I declare the motion passed, on division.

The Honourable Government House Leader.

**MR. J. COWAN:** Madam Speaker, I sense an inclination on the part of members to call it 10 o'clock.

**MADAM SPEAKER:** Is it the will of the House to call it 10 o'clock? (Agreed)

The hour being 10 o'clock, the House is now adjourned and stands adjourned until 2:00 p.m. tomorrow. (Wednesday)