

## THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 p.m. Monday, April 1, 1974

BUDGET DEBATE

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I had hoped to begin my remarks by making some reference to the statements included in the speech of the Honourable Member for St. James-Assiniboia. I will defer them in the expectation that he will be along and I will deal with them at that time. But at this juncture then, Sir, I would like to begin by making reference to what is an obvious fact, and that is that we in Manitoba, as Canadians all across Canada, have been living in the past couple of years in what could be described as a genuine economic boom - the conditions of buoyancy are there all around us for us to see - but it must also be said in the same breath that this economic boom has been marred by an excess of inflation and for those who are purists who think that any degree of inflation is unacceptable, then what we have at the present time must I suppose be regarded by them as horrendous.

But to be realistic, Mr. Speaker, one need only look back at the records of the past decade and one can see that we have been, in fact in the entire post war period, we have always lived with inflation of varying degrees. At the time of the Korean war and immediately in its aftermath there was a degree of inflation comparable to that which is burning about us in Canada, the Continent, and the World today.

In other periods of time we have gone into near recession and recession itself, such as in the late fifties, early sixties, only to come out of it into periods of relative buoyancy again. For those honourable members opposite who continue to make the case, and one does not fault them for it, that we are living today with unacceptable levels or degrees of inflation, I merely point out to them that it is a difference in degree, because inflation - we want to look at the actual figures, we find that we have never been without increases in the consumer price index, which is the best measure of inflation, ranging anywhere from 3.7 percent up to 6.4 percent, up until last year. It is in this past twelve month period that we see an overall aggregate consumer price index increase in the order of 7.9, let us say 8 percent.

For the Leader of the Opposition who, and others, who try to argue, Sir, that we have not made a sufficient effort to offset the effects of the cost of living increase, of inflation, on those on middle and lower and fixed incomes, I merely point out to them that it was in a year, such as 1968 that there was a 4.3 percent increase in the cost of living; 4.2 percent in the following year; 3.2 percent in 1970; 1.3 percent in 1971; 3.8 in 1972; 6.4 percent last year.

But it is in the last couple of years, Mr. Speaker, that we have made every effort to provide by way of property tax credit, by way of abolition of flat taxes, a measure of relief to those on lower, middle and fixed and lower incomes.

My honourable friends opposite, they lived with a degree of inflation too, and what did they do? Did they provide any kind of offsetting tax credits that would be of particular help to those on lower income? They did not, Mr. Speaker. Their preoccupation was with retaining a certain level of income tax - they didn't want to increase it - and so in 1967-68 when the cost of living went up 4 percent, what did they do? That's when they socked on a sales tax, which bears more heavily on lower income people than anyone else.

A MEMBER: But you haven't taken it off.

MR. SCHREYER: No, but we have not increased it. And when you had inflation, did you provide any kind of tax credits? The answer has to be no, because that's when they put the sales tax on in lieu of increasing the income tax. And then, Mr. Speaker, in 1969 there was an increase in the cost of living of 4.2 percent - which by the way, Manitoba did not compare as favourably with the national average of inflation in those years as it does today. If there's any point they want to make about relative rates of inflation, I welcome them to do some measuring of relative rates of inflation in our jurisdiction as compared to the country as a whole. And in 1969 just to add a little bit of an extra irritant, to add just a little bit of an extra load on those on middle and lower incomes and pensioners and fixed incomes, they coupled the 4 percent increase in inflation or in cost of living with the imposition of a \$204.00 per family per year flat tax on health care. Just the very opposite of what one would consider a humane and thinking government to do under the circumstances. And then they have the gall, they have the gall now to say that our income redistribution and tax credit system is inadequate. The word is chutzpah or gall, both words are equally appropriate, because those are about

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(MR. SCHREYER cont'd) . . . . the only two words I can think of, Sir, that adequately describe the mentality of my honourable friends opposite. When they had the responsibility for administering the affairs of this province, they superimposed on whatever cost of living increases there were, and there were some, 4 percent and slightly more, they superimposed flat taxes, sales taxes, medicare premium taxes. We have been doing the opposite. We have been providing tax credits, medicare premium abolition, and relying more on those taxes which bear less heavily on those on lower middle and lower income. So there, Mr. Speaker, is the moment of truth shining to be seen by anyone and everyone who cares to look. My honourable friends opposite don't particularly care to look.

Mr. Speaker, I think that the Minister of Finance tried in his usual and customary restrained and rational way, to point out in his Budget Address that inflation is, if anything, a national problem and in fact it is more than that. A portion of our inflation problem in Canada is imported from the United States and elsewhere in the world. Some of it is generated here at home - I wouldn't want to deny that. In our Budget it is acknowledged that there is very little that a single province can do, especially a small province of a million souls. There is very little that can be done about inflation, other than to try to offset its impact on those who are affected most adversely by it, and that is precisely what we have tried to do in everything we have done during our tenure in office to date.

Taking that same logic in the inverse, Mr. Speaker, it is difficult to see how a small province's budget can cause inflation within a country. I mean Sir, it is hard to conceive of how our budget of \$830 million, approximately, can have a major inflationary impact when one considers that the economy of our country is influenced by a degree surely, that much more by a province that has a budget of \$10 billion, or our Federal Government with a budget of \$22 billion, and the things - the forces that work in Canada's overall economy, which now has a GNP in the order of 120 billion. Besides the major factors and the recent increases in the Consumer Price Index across Canada have been food, and I don't suspect, and I'm not taunting them because I happen to believe myself that a good part of the increase insofar as food prices are concerned, a good part of it relates to the cost of production in agriculture, and there has been need for some considerable period of time for some catch up, some amelioration, some improvement in the income position of our food producers in Canada.

A MEMBER: No argument there.

MR. SCHREYER: That's right. And so the point I'm making to my honourable friends is simply the point that with respect to one of the items that has caused one of the largest impacts insofar as the increased cost of living is concerned has to do with the food basket, the food component. But I don't think that thinking Canadians will quarrel with that proportion of the increase that is due and was needed to bring about catch-up improvement in farm income to the food producers in our country. So it's not as though there are some easily identifiable and easily blameable causes of inflation. There are some and I hope to get to those in a moment or two.

But I should add that if the food component cost of living has increased by some 15 percent on the average between 1972 and the present time and housing has increased about six percent, then one can see the relative ratios of cause of cost of living increases. And I might add that Manitoba's experience in terms of the cost to Manitoba consumers and citizens while it's something we're not particularly happy with, nevertheless it compares favourably with that of the country, the national average as a whole.

My honourable friends I invite them again - surely they realize that one cannot conduct any kind of analysis in splendid isolation, one jurisdiction in isolation from the rest of the country and world - I would invite them to look at the rate of inflation or cost of living increase in our province in recent years compared to the national average, and to compare it in the decade of the '60s in comparison to the national average, and they will see that there is no undue pattern at work, in fact there is a favourable comparison insofar as our province is concerned. I don't make much of that but certainly it refutes any argument they may try to make that there is somehow - we are doing less than holding our own with respect to the rate of inflation in our province and in our country.

In any case we are well cognizant of the fact, as I've already stated, Sir, that we cannot sit idly by in conscience and allow those who are hit most by inflation to withstand the brunt of it without making some efforts to help offset, and that is precisely why we have brought it in

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(MR. SCHREYER cont'd) . . . two years, one before election and one after election, so no one can call it a pre-election budget, we have brought in two successful budgets that are identical in spirit, and in desire, and in intent, and in accomplishment, and that is two budgets that will bring about measures of tax relief to those who need it most to cope with cost of living phenomenon in our province.

Our budget apparently has been accused, has been labelled, or described by some honourable members opposite, not all, as being inflationary. Well I would like to ask, what aspect of our budget is inflationary? In what way does our budget adversely affect food prices? In what way does our budget, 1974, which contains a special land servicing and home mortgage assistance fund to help reduce housing costs, how is that inflationary? How is that less or other than trying to ameliorate the effects of inflation? They say there's an increase in government spending. Well I suppose, Mr. Speaker, it was to be expected that any increase in government spending is automatically described by those who have not yet crossed the threshold of Keynes' economic that they would describe it as inflationary. Well, Mr. Speaker, 20 percent of the expenditures in 1974-75 will go directly towards financing tax relief measures implemented by this government.

This budget contains no personal tax increases on the opposite; on the contrary it provides tax cuts, cost of living tax credits, higher sales tax exemptions for restaurant meals, property tax credit continuation from last year. The money, Mr. Speaker --(Interjection)-- the question's been asked, where does the money come from? Well, Mr. Speaker, it comes from a system of taxation that bears less heavily on the lower income people than was the case five years ago. (Applause)

And what is inflationary, Mr. Speaker, about a \$200.00 per month --(Interjection)-- a provincial supplement to ensure that - of a \$200.00 a month guarantee for the elderly? What is inflationary, Sir, about a day care program which will help families obtain child care services so that it will be more readily possible, more feasible, for some people who want to work, and who are inconvenienced by inability to find child care services, to be able to do precisely this, just that.

I make no pretense, Mr. Speaker, of the fact that this government has not moved dramatically with respect to day care, child care services, more particularly day care. Certainly our desire was there but we felt that it was a very legitimate base or area for intensive and detailed analysis and negotiation with the Government of Canada. It has now borne fruit and starting in 1974 we will be proceeding with the leading edge, or perhaps that's overly modest on our part, we have started some few years ago with experimentation in broadening the availability of day care service, and this year will see really a great increase in the geographic distribution of the availability of that service and we certainly intend to develop it to something that becomes nigh onto universally available. Well that's not inflationary, Mr. Speaker, it is a social service designed to help those who have need of such a program and which enables them in turn to seek employment and to carry out useful activity, and the expression goes, and I say it without any cynicism, to enable them an opportunity for a better expression of their individual human personality. It's all that but it's not inflationary, Mr. Speaker.

Well when the subject of inflation is raised, and I would say that to a degree I guess all parts of society have to bear some share of the blame to varying degrees, but it is important to look carefully at one area in particular that I believe has been most responsible for the fires of inflation raging away to the extent they are, and that is corporate profits. Now, Mr. Speaker, I know that there's a certain amount of banter that's goes back and forth between those on the right and those on the democratic left, whether corporate profits are a dirty word, and that's the way the colloquial expressions go. Well I don't believe that corporate profits are a dirty word, far from it; they are part of the life blood of our kind of society and economy. But having said that, Mr. Speaker, there is all the difference in the world between corporate profits that reflect a reasonable rate of return and corporate profits that are in excess of what would be deemed to be a justifiable and reasonable rate of return. (Applause) To the extent that some sectors of our economy, private sectors of our economy, have been put under some form of public regulation for several years now, to the extent that they have been brought under the rule of law, and their profits have been brought under the rule of law, then I think one can get some kind of guideline as to what we mean when we talk about a justifiable rate of return. Because, Mr. Speaker, for example when a private utility --(Interjection)--

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(MR. SCHREYER cont'd) . . . Well now that's just about one of the most intelligent remarks I've ever heard, but I'll come to that too a little later, Sir. Mr. Speaker, when a private utility goes before a rate regulatory commission they are entitled to obtain a rate which will give them a profit or rate of return in the order of anywhere from 9, 10, 11, 12, 13 percent, and I don't think that anyone who is reasonable about profits would argue that that is unjustifiable. Consolidated Edison, they go before a rate board; they are entitled to earn 14 percent on the average, and that is considered to be within the rule of law as deemed by a public regulatory commission.

But, Mr. Speaker, when you pick up a paper and find that in the year in which we are having problems as a nation coping with inflation and one finds profits increasing in the order of, and shall I list just a few, shall I refer to just a few? Imperial Oil - 45 percent; Shell -42; Gulf - 52; Petrofina - 27--they must be poor country cousins-- Pacific Petroleum - 45; Dome - 83; Falconbridge -700; International Nickel - 107; Noranda - 75; and Pine Point - 182. And I don't care, Mr. Speaker, if a person is a Conservative or a New Democratic or a Liberal, that kind of increase in profits in any calendar period is just not within the rule of law.

The problem, Mr. Speaker, is that we have been unable to get a really articulate and reasonable dialogue going with respect to the extent to which profits are to be continenced and deemed to be reasonable and just, and the extent to which they contribute to an already difficult problem of inflation because whenever one attempts to get such a dialogue going all one can hear is such intelligent comment as "socialism", "nationalize them" - what utter stupidity for the year 1974.

A MEMBER: What was the Liquor Commission's profits this year?

MR. SCHREYER: The Liquor Commission's profit, Mr. Speaker, every cent of it goes back to the people. There is no such thing as --(Interjection)--

MR. SPEAKER: Order please.

MR. SCHREYER: Mr. Speaker, the extent to which a public company or utility charges a price if it's based on service at cost, if it's based on taking a profit, in any case in either way, the fundamental point remains that it accrues to the benefit of all citizens and not to a select few as determined by some other means. But I have faith, Mr. Speaker, that regardless of what we may think on both sides of this Chamber that the upcoming generation of Canadians will want to deal with concepts in private and public sector activity and profit rates, and acceptable profit rates, and necessary profit rates, in a far more intelligent way than we have ever done because they will avoid the stupid banter about nationalism and socialism.

Well, Mr. Speaker, the inflation that we have had to contend with in this country has been more than should be tolerated, I quite admit. But I would like to pursue just a few more aspects about inflation before going on to other general remarks. But my honourable friends opposite cannot accept with equanimity the reality of the kind of increases in profits that are reported here. That is not the only cause I readily and freely admit; there are other pressure points of inflation but let's not pretend, this is certainly a fundamental part of it.

If the Leader of the Opposition during this debate and at other times during this Session intimated that the government of this province can take no credit for the increase in all of the indices of the economic performance in this province, that that follows, Mr. Speaker, and to the extent that that follows then neither can it be blamed for the cost of living statistics, in fact even less so. The most effective measures available to a province such as ours are policies designed to offset the effects of inflation and this is what our budget has been all about. Much of the proposed spending is earmarked for policies and programs intended to alleviate the effects of inflation and these measures are designed to relieve the burden of increasing costs of living on those people who might be described as the lower income, the aged, the disadvantaged.

I would like to make reference to the fact that in addition to providing the kind of relief to individual Manitobans we have also in a period of four years greatly increased grants to local government, municipalities, school divisions for education purposes, and I would like to put on the record at least twelve of the most salient points of the shift in taxation and the increase support to local government. And I added up, Sir, to a total of something in the order of \$213 million of tax shift and increase support to local government as of the end of 1973, to which one would add increases that are brought about in this budget such as the cost

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(MR. SCHREYER Cont'd) . . . . of living tax credit, such as the automatic increase in grants of the province to school divisions and municipalities, and all the new ones that are part of our 1974 budget.

Very quickly we see that with respect to - well I'll enumerate them, No. 1 - Medicare, \$28 million in 1969; No. 2 - Increase in the provincial share of the Foundation Program from 70 to 75 percent, and then again increasing it the next year from 75 to 80 percent - there's \$12 million involved in those two moves; No. 4 is the abolition of the remnant of the health care premium of \$25 million, and the remnant of the medicare premium for senior citizens - 4.5 million; Increase on conditional grants to municipalities in the order of 2-1/2, 3 million; The Manitoba Property Tax Credit Plan - \$42 million - that provides a bare bones or basic tax shift of \$120 million, to which one can add the normal escalation in the formula, that takes place under the formula of support of the province for foundation program in education - \$31 million; Growth and grants to the Health Services Commission - 19 million; And growth in grants in lieu of taxes - and there's an interesting point, Mr. Speaker, when my honourable friends were in office they had a formula whereby they made grants to municipalities on behalf of property owned by the Crown in those municipalities, full grants in lieu, and then in a whisper to a maximum of 5 percent of the taxable assessment, so that really, Mr. Speaker, they were not paying anything near normal taxation. We have changed that formula, Mr. Speaker, and as a result I can report to this House, and to the people, that growth in grants in lieu of taxes, unconditional grants to municipalities and health and social development field program support at local government level, amounts to some 43 million. You add all this together and it comes to an annual total now of \$213 million additional over and above the degree of support that was provided by the Crown to local government and individuals in the past years.

Of course they would like to have it both ways; they would like to hammer the government for increased spending but then when we increase the amount of moneys by way of grants to local government, municipalities, school divisions, individuals, etc., then they hammer us for increasing government spending. I tell you, Sir, for one who has been in politics for a few years the mentality of those who speak out of two sides of their mouth and wait to see what course of action the government is following and then pounce from either direction, it doesn't matter one jot nor tittle, they're there to attack. If this is the direction they'd attack from that side, if this is the direction they attack from this side. It is some indication of the degree of maturity and the degree of intellectual honesty of those who wish to conduct themselves in that fashion.

Mr. Speaker, the Honourable the Leader of the Liberal Party accused our government of many things in extravagant language and adjectives, among them being complacency and senility - although I suppose that was really uttered by the Leader of the Opposition - because they alleged that we were not, we were slowing down, we were showing signs of old age, we were running out of ideas. Well if one were to have read the speech of the Leader of the Liberal Party it seems now as though matters have changed a lot because he would argue that we're doing too much, our budget is inflationary, that we're spending too much, especially in social programming, and it's not surprising to find this inconsistency in his remarks since he also called and supported the idea of more public provision in respect to dental care, pharmacare and assistance to pensioners.

It seems obvious to me, Sir, that our budget speech had a major effect on the Leader of the Liberal Party because he seemed to think that we were exaggerating, overstating the case about the extent to which our Manitoba economy is growing. And I've already indicated that this growth, which is impressive, is marred by inflation, but the growth nevertheless, the real, squeezed out net growth is still there, and it's still there in a way that is significant and better than in most of the years when my honourable friends were in office. Because it's not that difficult a task, Mr. Speaker, to simply take rates of gross, squeeze out the inflation and to arrive at a net disposable income or a net growth in provincial product. And even on that basis the record is still a good one.

One of the Liberal Leader's main arguments was that even though most of the key economic indicators were at record levels in Manitoba that it wasn't possible to call 1973 a boom year because some of the figures weren't as good as Ontario's. Well this is an interesting point of view but it seems a little inconsistent with some of the things that he has said in the past. As I recall it, last year the Leader of the Liberal Party was speaking in a number of places here and

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(MR. SCHREYER cont'd). . . across the country as a champion of the west, and he even spoke in that fashion as late as this last January when he addressed a communication to the news media, sending me a copy, saying that we should support a national energy policy, that failure to support a national energy policy and a national price position would result in a fragmented energy policy of 11 different kinds. Just the other day I believe he is on record as saying that he would not have agreed with the price that has been set for Canada last week in Ottawa. I suppose, Mr. Speaker, that even if it meant Confederation that the Leader of the Liberal Party would not have agreed, and just think of the tremendous fix that Canada would be in if he didn't agree. We would be in one terrible spot.

I mean here too is an area where people must display some intellectual consistency and honesty. Who is it that would have the gall and again the gall to suggest that the increase in price that has been - that is about to take effect in this country is an increase that anyone in this country wanted to see take place except for the two producing provinces, the two producing provinces by whatever manner of means were able to convince the Federal authorities that some accommodation on price was desirable or to be preferred over the thought of the Government of Canada legislating a price and impinging itself into the area of provincial jurisdiction and the ownership of resources. Manitoba's position on this has been made very clear. We have advocated that with respect to non-renewable resources, for that matter with respect to non-renewable and energy resources, with respect to any meaningful resources, if we want one part of the country to show consideration for another part in one given set of circumstances, then it is only consistent and logical that we should all be able to agree that it has to apply all the time.

But of course the majority of the provinces are still of the view that provincial ownership of resources is so important that it transcends that of containing price increases and oil products and so we arrive at the situation we have arrived at. Of course to be honest about it one has to admit that even though the producing provinces will be obtaining a gigantic increase in revenues as a result of this adjustment but nevertheless the counter argument is that even so it is approximately \$4.00 per barrel below the world price, and that this in itself is some indication of good faith and accommodation to the rest of Canada on their part.

But the last thing we need, Mr. Speaker, is a columnist, or a politician for that matter, who would suggest each using the others words that somehow Manitoba all by itself could have changed the destiny of Canada and Canadian oil prices. I can assure my honourable friends I did my best to try and argue the case for more restraint than was demonstrated last week, and if my honourable friend thinks for a moment that there was any prospect of provinces west of the Borden line, Ontario, Manitoba, British Columbia - receiving some kind of subsidy to their consumers on oil products then it shows how divorced from reality they are. Because even on the basis of 50 cents a barrel let alone \$2.50 a barrel, which case I made and which I argued for some considerable part of the time of the five hours that was spent at that meeting, it was decided in the end, the consensus was that it was to be 6.50 and that all parts of Canada were to have the same base price. And if it gives my honourable friends any comfort they can go on wishfully thinking or pretending to themselves that if they had been there they would have been able to change the matter. I just somehow doubt that they have either the stature or capacity of my colleague the Premier of Ontario - neither was he able to affect any change in the direction that was being desired.

But I suppose, Mr. Speaker, it is unrealistic to expect that there will not be a continuation of this game of departure from reality, mistating of the facts, the little bit of a varnishing and bending of reality just to suit some particular grandstanding or posturing. Whether we like it or not - and we do not like it - the price of oil product is increasing and the counter-argument is that there was some considerable argument being made that it would have been allowed to increase somewhat closer to world prevailing prices than they have been.

Well, Mr. Speaker, my honourable friend the Leader of the Liberal Party was very unhappy with many federal policies. I assume he is unhappy with the most recent arrangement that was arrived at in Ottawa on national oil pricing. He talked about western alienation and the favourable treatment that central Canada has been getting since Confederation. He, during the course of his remarks conceded that Ontario was better off than Manitoba, than other western provinces - because it had received a better deal as a result of past and present national policies freight rates, tariffs, inadequate federal industrial assistance programs. All of this, Sir, we can agree, we can agree on without any problem because we believe this to be a fairly accurate

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(MR. SCHREYER cont'd). . . summary of the facts of Canadian Confederation. But if my honourable friend really believes this to be true then it seems to me he should be making his case to his Liberal counterparts in Ottawa. That really despite all that has been said at the Calgary Conference, before it and since, that really there has been relatively little tangible progress made towards a redress of some of the imbalance of industrial formation in our country.

Now I believe that there is at least now some genuine sincere - may I be pardoned if I later prove to be naive - but there is at this point in time some genuine sincere desire being shown by persons within the Government of Canada to accept the principle of proportionality. That it is incumbent upon national policy to try and bring about a better balance of industry in our country by ensuring as much as it possibly can that with respect to increments in future Canadian industry, physical capacity, that the incremental growth as much as possible take place in western Canada until such a point where it is proportion, in proportion to population and in proportion to the availability of resources. I believe there to be a genuine appreciation of that premise and the next few months will be very crucial in ascertaining whether in fact it is genuinely there in their minds, and whether they intend to do anything positive in respect of it. And the next few months will certainly give us some considerable indication.

And those are crucial months and therefore the Leader of the Liberal Party should avail himself of the time now, next week, next months, to make his case rather than talking about manning the barricades and, I believe, last year he was speaking in terms of western alienation being so complete that he was going to really take some kind of very precipitous action. And when he was asked--(Interjection)--yes, if the matter is to be solved peacefully then some course of action or another would be necessary. And I believe at the time he was asked by someone whether or not to give some specific examples, and as I recall he was reported as having said that he never sabre-rattled in specific terms. And I was left a little dumbfounded and confused as to just what that meant. Nevertheless it is something which I will try to retrieve from files and see whether perhaps we cannot together make some impact upon those who need having an impact made on them. Those who are responsible for federal, national policy at this time.

Well, Mr. Speaker, hearing this Budget Speech Debate certain opposition speakers presented this House with a number of statistics designed to show that Manitobans have just suffered through a year that, according to them, seems to have been the worst on record. This he says in describing our year 1973. A year in which virtually all the major aggregate economic indicators show extremely favourable and in some cases record growth rates.

And I would like to deal briefly with some of those statistics that the Leader of the Liberal Party in particular presented to this House, since he accused my colleague the Minister of Finance of deliberately misleading members with statistics that were appended to the Budget Address. Well, Mr. Speaker, the Leader of the Liberal Party I believe did correct himself but he put Winnipeg's inflation rate at something around 15 percent. Well that certainly, Sir, would be inflation all right. But I think that the Minister of Finance is happy to report as I am, as the tables to the Budget Address indicate, that far from Winnipeg having an inflation experience twice as bad as that of Canada, and that's what it would be at 15 percent, that Winnipeg's 1973 over 1972 inflation rate was 6.4 percent. Now, Mr. Speaker, that's quite a difference. A rate substantially less than that experienced by Canada as a whole - in fact it can be stated, stated without equivocation that Winnipeg's experienced the second best of all major Canadian cities. And I am happy to note that the Leader of the Liberal party corrected his mistake soon after he made it.

And then he went on to talk about population. I don't know why my honourable friend is so preoccupied - and he's not alone; there are those who try to make some kind of a case about population problems in Manitoba. That people are leaving this province, that our population is growing slowly. Of course the impression they would like to leave is that the brain drain is such as to have occurred only in recent years, and it is such as to be causing an actual reduction in our population. Well, it is true, Mr. Speaker, that Manitoba's population growth has never in the past many years been as buoyant as that of Ontario or British Columbia, and this is the result of many forces. And if one wants to look at really broad major trends at work one can see that in the past 25 years, from the late 1940's right to the present day, that the interior of this entire continent, Canada and the United States, population has moved in relative terms to the coastal regions. And that the provinces of Saskatchewan, Manitoba, Alberta experience less of a - despite oil - experience less of a growth rate than provinces such as British Columbia,

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(MR. SCHREYER cont'd). . . the Great Lakes area, and of course it doesn't apply to the Atlantic provinces in Canada's case. But then through the entire midwest of the United States there is there too a relatively lesser increase in population.

Well, Mr. Speaker, between June 1st 1965 and June 1st 1969, the last four years that my honourable friends were in office, Manitoba's population grew 1.8 percent. We do not make any particular hurrah about the population growth of our province but we are not disturbed by much of the overstatement that is being made about it. The population increase has been no worse, in fact it has been slightly better than when my honourable friends were in office. And certainly we have escaped the kind of oscillations that took place in the earlier 1960s when there were two years; there were two years in the first five years of the 1960s, there were two years in which Manitoba actually had a loss, a net loss of population. The only two years in Canada's - in Manitoba's 100 and - what is it now? - 104 years of history. The only two years of actual population loss were 1965 and I believe 1963. Certainly two years in the early 1960s. But I don't know what point my honourable friends opposite are trying to make when they talk about population growth because it is not as though this is affecting the quality of life of those people who are living here, numbers of which are increasing. Some time during the course of the next few months we will witness the one millionth birth, the birth of the one millionth Manitoban, and in fact it might interest honourable friends to know that insofar as the Department of National Health and Welfare is concerned they deem our population here to be one million and eighteen thousand, and we don't complain about that and they trust their records and we don't quarrel with that. So there's been no diminution of population.

Well, Mr. Speaker, there is a great deal I'm going to skip over in terms of the speech or the comments made by the Leader of the Liberal party. I want to turn now to some comments that were made with respect to the labour force because here again there are certain members opposite who continually try to give the impression that Manitoba's labour force is not growing, that our industrial expansion is not growing, and therefore the number of persons employed is not growing, that it's a case of stagnation. And this, Sir, they are trying to, they are trying to peddle at a time when our gross provincial product has increased as much in the past year alone as it increased in perhaps the combination of the first five years of the 1960s put together. Manitoba's gross provincial product was in the order of \$2.5 to \$2.8 billion around 1968. It is today in excess of \$5 billion. And if it took almost 100 years, 98 years or whatever, to reach the 2.5 billion mark, it has increased by that amount in the past five years. Squeeze out the inflation, Mr. Speaker, and the rate of increase is still better, still better than in most of the years in which they had responsibility. But be that as it may, Mr. Speaker, the combination of growth, plus the combination of social projects, municipal assistance construction projects, the special municipal forgivable loan fund, in all of the construction jobs that have been generated through Manitoba Hydro, through municipal employment programs, through municipal capital works expansion, has resulted in our unemployment in this province consistently, and I do mean consistently, being below that of the national average, month after month, year after year. And the labour force, Mr. Speaker, the labour force itself has increased by several thousand and employment has kept pace and in fact increased faster than the labour force. So I don't feel that there is anything there that need be dwelt upon.

I think we should be, we're quite prepared to take on the opposition in terms of debate and argumentation and logical reasoning with respect to any of the economic indices they care to select, as long as they select them from DBS sources and not their own contrived sources.

On the matter of investment, the Leader of the Liberal party again - and I'm sorry that I couldn't be addressing much of what I have to say to him - presented to this House another example of looking at the right statistics but drawing the wrong conclusions. His conclusion with respect to investment is that the investment figures show that Manitoba's experience is not as good, is dismal, when compared to the rest of Canada. Well since he wants to make comparisons between Manitoba compared to Canada as a whole, then we have compared all investment expenditures with similar number for Canada. If one looks at the past decade one will find that about 4.6 percent of all Canadian investment occurred in Manitoba in the 1960s. About 4.7 percent of all investment put in place in our country, 4.6 percent here. And in the period 1964 to 1968 Manitoba's share of national investment was 4.7 percent. During the period of this government being in office 1969 to 1973 the proportion is virtually the same at 4.6 percent. What this demonstrates, Mr. Speaker, is that the investment experience under



## BUDGET DEBATE

(MR. SCHREYER cont'd). . . this government has been what it was in the previous period, and that's a candid admission. It's a candid defense, it's a candid attack, because they were the ones that were always saying that capital formation and investment was not taking place in this province the way it should, implying that it did when they were in office. Nonsense. Nothing of the kind. The constancy in that respect would be a more truthful admission.

There's another point, Mr. Speaker. Having looked at the data one finds that there is fluctuation in Manitoba's share of national investment from one year to the next. And this is something I think anyone again who would want to be candid about the matter would expect. It happens that in 1968 and 1969 Manitoba's share of national investment was unusually high. One of the reasons being well into the construction of the Kettle Rapids Plant on the Nelson River, which was a significant impact and the other was the construction of CFI. Both in the Throne Speech Debate and in the Budget Debate the Leader of the Liberal Party has taken 1969 for his year of comparison. In the Throne Speech Debate he calculated what would have happened if the unusual situation in 1968 and 1969 had persisted to the present. And he concluded that the government has cost the Manitoba economy 23,000 jobs. Well, Mr. Speaker, that just shows you the complete irresponsible immature, mind-boggling irrelevance of my honourable friend's statement and for that matter of my honourable friend as a person in public life to make that kind of absolutely irresponsible statement.

Manitoba's share of the national capital expenditure on construction, machinery and equipment is about what it has been for 19 years. At that rate one would expect it to be within our population.

The same argument can be made with respect to housing. A look at the data will show that Manitoba's share of Canadian Housing investment in 1969 to 1973 is exactly the same as it was in the preceding five year period. In fact it is higher.

To conclude from these statistics therefore that Manitoba's experience is terrible compared to Canada's experience is a clear, a clear and blatant misuse of statistics and avoidance of the truth.

My honourable friend had a good deal to say about corporate profits. I have already dealt with that. Let it be clear that we in this government do not resist, in fact we welcome, the earning of justifiable profits that maintain attractiveness for investment and that provide incentive for those who are engaged in such business. And therefore our support for small business is one that we need not feel on the defensive about. My honourable friends didn't have very much solicitude for small business when they were in office since they went for the grand slam home run with major loans to forest complexes, some of which, I think some of the more honest ones will say even now, they entered into without full knowledge as to just who it was that they were dealing with and signing with, and so on. But their concern for small business really was never equal to the lip service that they paid to it, and I am not aware that the Development Fund in those days made any significant effort whatsoever to try to relate itself to entrepreneurs in small business.

Retail sales in our province are buoyant and directly and indirectly this is redounding to the benefit of many small business operators in our province. And for those who are in small business - let us take a man with \$20,000 income - a married man supporting his wife and two children under the age of 16 in 1969 under a Conservative Government paid \$1,685 in provincial income tax and \$204.00 in health insurance premium taxes, for a total of \$1,889.00. In 1974 a businessman, or any citizen, with the same size family, with the same family format ion, the same income of 20,000 will pay \$1,683 in personal income tax - \$2 less than in 1969 - no health insurance premiums, a property tax credit of minimum of a \$100.00, so that his total provincial personal taxes are \$1,583, a saving of \$306 a year compared with 1969.

I don't want to take undue time, Mr. Speaker, to explain again to my honourable friends the basic desire and thrust we have to provide to the extent that the province can generate additional revenues, to use those revenues to provide tax relief in such a way, in such a manner, as for it to have the greatest impact for those citizens who need that assistance most, and to try and make government more meaningful to those communities and those peoples in this province who were neglected in the small communities in Northern Manitoba. This is what we are attempting to do, and of course everyone knows that it takes money, particularly in times of inflation, and it takes especially, it takes money to try and make improvements in communities that are remote in terms of distance, difficulty of transportation; a great deal of work to be

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(MR. SCHREYER cont'd). . . done to provide, to offset, the legacy of neglect that was perpetrated for decades. And so therefore there is need for the Crown, for the province, to have revenues to try and do all these. The property tax credit is one means; the cost of living tax credit we have introduced this year is a supplementary means.

But I know my honourable friends don't like these tax credits because they have a better solution, one that involves less administration and very simple. They would provide a tax cut - 1 percent on income tax or five percent - and you know anyone who falls for that demonstrates an inability to really comprehend; or a reduction of one point in the sales tax, or an exemption perhaps of all clothing as opposed to - which would take \$14 million - as opposed to a cost of living tax credit. Well, Mr. Speaker, it's patently evident what the difference is. The difference is that if you provide a simplistic tax cut of one percent or five percent of income tax, or one percent of sales tax, or across the board on clothing, that you are benefitting those in the upper regions of income ever so much more than those that are on lower income. And why is that so difficult for anyone to understand unless they're going to multiply the return by five times, in other words a cost of living offset of a hundred million dollars. On that basis they could provide a complete across-the-board tax cut. But, Mr. Speaker, a hundred million dollars, I tell them I don't care who forms or constitutes the government of this province, there's no way, unless they want to cut back on programs and services that are an essential part of any society in the 1970s that pretends to be humane and concerned about those who are disadvantaged. --(Interjection)-- Well I'll tell my honourable friend this, that I sat here for a number of years in the late '50s and early '60s as did one of his colleagues now departed, and one thing was very obvious that you had neither concern nor any information, nor any particular desire to carry out new and innovative programming in so many of those small and miserably neglected communities in the north.

Of course, Mr. Speaker, you know the kind of tactics that they are using are not new, they are about five hundred years old; they date from the time of Machiavelli, that because their government was irrelevant to a certain segment of our population and certain of our communities, particularly in the north, because it was irrelevant so much so that one of their members resigned from their ranks and turned his back on them to his dying day, and because they have not yet discovered any relevance themselves, they are resorting to a very miserable substitute for policy, and that is resorting to the most vicious kind of gutter-sniping. . . And Mr. Speaker, that tactic is not new, it dates from Machiavelli and even antedates him. When there is a bankruptcy of policy and concern for fellow human beings, especially the disadvantaged, the neglected over decades and generations, then a substitute for policy - which they don't have yet - is to resort to the kind of nitpicking, nitprobing, muckraking, slime, that one is astounded could ever find way into. . .

Mr. Speaker, it is said that Winston Churchill once said, Winston Churchill once said, Mr. Speaker, of one of his predecessors that his great disadvantage was that he looked at the problems of society and the world through the wrong end of a municipal sewer pipe. Mr. Speaker, some of my honourable friends opposite, not all, but some of them have the disadvantage of looking at Manitoba's economic and social problems and policies and a \$800 million budget and thrust, looking at all that through the view of a guttersnipe, and it doesn't give them a particularly edifying view of the whole magnitude of problems to solve and the best way to go about solving them.

Mr. Speaker, I don't deny for a moment, Mr. Speaker, I don't deny for a moment, never did, never will, that in the carrying out of social and economic programs in a hundred communities and more, many communities of which have no access in the past, still have difficult access, no social housing, no pensioner home repair programs, none of these things, that in carrying out, in attempting to carry out these programs that from time time there will be, I think almost by definition, almost by common expectation there will be problems with respect to administration, with respect to accounting for every truckload, or whatever, of shingle nails, shingles, linoleum, mops - I don't know what is used but whatever is needed in order to build things, to do things, where there is human activity and life one will never get a completely perfect accounting of. . .

The Honourable the Member for Fort Rouge described, demonstrated, what I believed to be a genuine desire and he expressed it as a criticism, which is fair enough, that this government was not rolling fast enough along with respect to the building of housing, public housing,

## BUDGET DEBATE

(MR. SCHREYER Cont'd) . . . . social housing, assist of home ownership, etc. And I accept that criticism as having validity to a degree, but it merely demonstrates again a matter of degree. We have, Sir, certainly fallen short of what goals and objectives in public housing and assist in home ownership we would like to be able to put in place in addition to what has already been done. But you know the Member for Fort Rouge - and I would invite his colleagues as well to consider this, that Manitoba Housing and Renewal managed to construct in the order of 6,000 units of family housing and senior citizen housing in a three and a half year period with a staff I believe to be in the order of roughly 70 persons, 60 to 70 persons. And, Mr. Speaker, I know that there are honourable gentlemen opposite who take great delight in criticizing government for the hiring of additional public servants but they managed to - and maybe it was not fair in terms of the load and the expectation that was placed on them, but if a corporation of some 60 people more or less were charged with the task - they got it done - of getting 6,000 units in place - I would like my honourable friends to make some inquiry as to how many public servants are involved in OMHC - just as the sister province it's a valid enough inquiry, no criticism involved - the ratio of numbers of persons to numbers of new units built during any of the last four years compared to us. I rather suspect that in one or two years their record would compare favourably, but there are at least two years, possibly three, but at least two years in which given the number of persons that were involved that we got what can only be described, Sir, as an amazing number of family housing and senior citizen housing built.

We recognize we have to go on from there, we have to go on from there, Sir, and that is one of the reasons why the Minister of Finance and his colleagues have agreed to propose to this Legislature the establishment of additional, of a separate special fund to expedite housing, to provide for land servicing, which is very much needed if one is to break the sort of log jam of difficulty involved in assembling land, getting it serviced in order to get service land for housing.

So we intend to move on an even greater scale and we certainly invite the support of those who have evinced a genuine concern and desire that this be done. So, Mr. Speaker, I certainly - but then it follows as logically as night follows day or day follows night, that to do this on a bigger scale requires the hiring of additional personnel and when that happens then it would seem that we have a right to be incredulous, more than incredulous, scornful, if there are those who then start to make a criticism as to why the number of public servants in a given agency or entity has been increased by 20 or 30 or 40 or whatever. --(Interjection)-- Well, Mr. Speaker, that is an interesting side note or footnote, if it's individually owned housing. This government, Sir, has no preconceived ideas of opposition against assisted home ownership, if that's what my honourable friend is referring to. As a matter of fact it could be said that we believed that it was very much needed as a major addition to present housing policy in Canada; public housing by itself is not enough but let no one pretend that assisted home ownership by itself is feasible as a complete replacement for public housing. There has to be a judicious combination of public housing, senior citizen housing, assisted home ownership and mortgage financing assistance to those who may live in smaller communities which hitherto have not been able to qualify for CMHC financing. --(Interjection)-- Well okay at least in some major parts of this housing policy thrust we can expect the support of at least some honourable members opposite, and that is better, Sir, than carrying on this old game of opposing everything, and if it's proposed somewhat to the left of centre opposing it from the right, and vice versa.

Well, Mr. Speaker, now that the Honourable the Member for - the Leader of the Liberal Party is back, I suppose I can take advantage of that opportunity to make some point with respect to tax indexing. My honourable friend the Leader of the Liberal Party seems to think that because of inflation the revenues that will be available to the provincial treasury will just keep increasing in direct and even more than direct proportion. But of course he is aware by now I am sure that his federal colleagues have indexed income tax yields and that is a means of providing some hedge against inflation, and certainly I would say that indexing is better than no indexing, but there is something, Mr. Speaker, that is to be preferred over indexing as an offset to cushion the effects of inflation and that has to do with exemptions, and it has to do with tax credits, and tax credits certainly would receive the support of all those Canadians who have a genuine desire to see those on lower income and in their pension years be assisted to meet the problems associated with cost of living increases and inflation. My honourable friend surely has to admit that for, to simply increase, to simply bring about a flat cut in the number of percentage points of income tax, benefits far out of proportion those in higher incomes than those

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(MR. SCHREYER Cont'd) . . . . in lower incomes. But I am sure that I will not persuade him on that and so I go on quickly to deal with other matters.

Well, Mr. Speaker, one of the points that the Honourable Leader of the Liberal party was trying to make is that the industrial growth of this province is not what it ought to be. That the labour force is not growing the way it should. That - I suppose he even tried to argue that unemployment was higher than could be tolerated.

A MEMBER: That's right. He thinks he knows what he's talking about.

MR. SCHREYER: Well I see he shakes his head indiscriminately to all three points. Obviously ignoring the fact that, and I made these points in his absence so I'm not going to take other members' times to repeat, but I say this to him that Manitoba's labour force has increased in a way that compares very well with the decade of the 1960's. The number of jobs created obviously has kept pace because the number of unemployed this year is less than it was three or four years ago, and so we're looking at an increase of 20,000, more than 20,000, in jobs in the labour force and there is matching. And the quality of life in our province is improving, particularly for those who are below the middle line of the middle income group. There can be no question about that, Mr. Speaker, and that is one of the best, one of the best exercises or tests of effectiveness of government policy and philosophy that there can be. Whether or not the quality of life, the net disposable income in the final analysis is better or worse for those who in the past were in income levels that could be described as low and disadvantaged. We make no apology for that fact, that this is what our primary intent and desire is all about.

The Leader of the Liberal party in speaking, in addressing himself to industrial growth and investment in his figures - I've put it on the record in Hansard already, but the figures he used with respect to the rate of investment and reinvestment were really quite wrong and misleading -- I'm not going to go over that again. But he dealt with bankruptcy, and he tried to suggest that the liabilities of bankrupt firms in Manitoba as compared with similar numbers for Canada, that somehow Manitoba showed up very adversely in that connection.

I would like to put on the record that fact that in the 1964 to 1968 period, the liabilities of bankrupt firms in Manitoba averaged 3.1 percent of the Canadian total. And, Mr. Speaker, what was the number in the recent past? What the Leader of the Liberal Party has pointed out, the latest data available refers to the first three quarters of 1973. Manitoba's share of all Canadian liabilities associated with bankrupt firms, was it 10 percent as some would like to try to indicate? It would seem to have to be close to that if the Leader of the Liberal Party is right in his assessment of the data. Well, Mr. Speaker, it wasn't 10 percent, it wasn't five percent; it was three percent. Exactly what it averaged in the five-year period previous to coming to office of this government. And I don't know, Mr. Speaker, why one would be trying to make a point with respect to numbers of bankruptcies and the ratio of liabilities of bankrupt firms in this province as compared to the national average. Whatever that ratio was in the, let us say, in the decade of the 1960s, that's what the ratio is today. There is no perceptible difference. We're not trying to make any record of any kind in this respect.

But the ratio is there and it's not one which has changed in any significant or perceptible way. In fact it hasn't changed at all, Mr. Speaker. My honourable friends, so many of them, they would like to have their cake and eat it too. They would like the government to cut taxes, increase services, not take risks, but bring about more industrial jobs and employment. Well, Mr. Speaker, anyone who has responsibility for government soon learns to know that basically it is a case in terms of jobs, it is a case of either taking risks or not taking risks, and if one is not prepared to take risks there will be no increase in industrial jobs unless one is prepared to sit back and let Jack do it. In this case Jack would be the private sector all alone by itself. Well, the private sector are not accustomed -- No, not at all. My honourable friend missed a good deal of what I had to say. Nothing frightening about the private sector. There's nothing frightening about a good return on investment and profit. But I'll pass over to my honourable friend the data sheets which show the extent to which some firms report reasonable profit, and the extent to which some are reporting profits that are only feeding the fires of inflation further. My honourable friend's concept of a justifiable, reasonable rate of return is not alien to him, I hope, and here again I may not be able to persuade him so I'm not going to spend that much time in that respect either. But I say to him that we live in a day and age and at a time when the most optimum course of action to follow is for society, through its instrumentality of government and through the private sector, to go about the job of investment, of capital

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(MR. SCHREYER Cont'd) . . . . investment in industry and in job creation. And the same certainly applies in spades with respect to mineral resources exploitation and development.

It may be that there are those who accuse us of moving too quickly in terms of bringing the public sector into greater relevance and participation in industry. But I know this, Mr. Speaker, that in the years gone by, in the past, there was such a prejudice, a prejudgment against the public sector being used in terms of industrial job creation, that it resulted in every gimmick under the sun being used in order to avoid that, including that of unacceptable tax concessions, unacceptable gimmicks of one kind and another. We prefer, Mr. Speaker, to take the course of greater risk to have more meaningful public sector participation, not to the exclusion of the private sector, but so as to avoid being put in a position of requiring to make unreasonable, irrational tax concessions and gimmicks as incentives to their being prepared to involve themselves.

My honourable friend the Leader of the Liberal party like to -- he takes great delight, and I'm sure he's having fun, I'm not sure what impact he's having but I'm sure he's having fun in pointing to four or five loan accounts of the Manitoba Development Corporation. He takes one and repeats it in the question period every other day and he varies it. Some weeks it's every third day, some weeks it's every day, and he has been concentrating on about four or five of those. Well, Mr. Speaker, he has been careful not to make any reference whatsoever to those -- how many would you say? 80, 90 -- loan accounts in which things are proceeding normally and in which my honourable friend therefore is very anxious and desirous of avoiding making any reference about because they are working well.

I say to my honourable friends that this government was prepared to run risks and the results in one or two of those circumstances could have been, and may still prove to be negative. But on balance I think we should have no regrets about our basic strategy which was one of preparation to take higher risks than in the past in order to assist local industry and in order to bring the Crown into some participation in other respects.

I think of the fact that, for example, Sir, that in 1970 to '71 that the Province of Manitoba provided loan capital -- really it was bail-out assistance -- to a rather important farm machinery manufacturing plant in this province, and it wasn't long after with respect to a second, and it was in 1971 to '72 -- well to the extent, Mr. Speaker, of about \$7 million approximately. And really at that point in time, Sir, let it be very clear that there were hardly sufficient unencumbered assets against which to secure, but it was done as a risk, which remarkably had a turn for the better within a relatively short period of time. Everyone breathed easier, a sigh of relief, and now it's gone on because of current western agricultural conditions to register remarkable positions. Well that was one risk that really had to be sweated out at the time

Another had to do with Co-op Implements. Same thing -- \$7 million in temporary financing, which really went beyond, really went beyond the normal kind of security arrangements, and there too no regrets, Sir. Another had to do with a smaller and more modest farm implement parts of components manufacture, again in trouble in the early 70s as a result of accumulation of five years of agricultural recession or semi-recession.

The Crown is prepared to take risks whether it be in the case of the manufacture of transportation, of buses, or whether it be in the manufacture of aircraft in the context of a community that was left practically orphaned and abandoned by the decision of a federal government to discontinue a military base. Well of course, Mr. Speaker, decisions such as closing down of a military base are the kind of decisions that have to be taken sometimes as a matter of rational national policy integration, whatever. --(Interjection)--

MR. SPEAKER: Order, please.

MR. SCHREYER: My honourable friend of course is very selectively pretending that his party never did advocate it. Well, your party not only advocated it, your party did carry out some abandonments. The point, Mr. Speaker, is that the Federal Government wanted to associate itself with a pledge to keep, as much as possible to bring industry into that community to offset the adverse negative effects of Canadian Forces Base closure. Mr. Speaker, if the Federal Government expenditure in the community of Rivers and the community of Gimli was in the order of eight or nine or ten millions dollars a year at the time when it was a base, at the present time I doubt that the input of the Government of Canada into those two same communities is more than in the order of five million and one million dollars per year respectively. And I believe, Mr. Speaker, that in the case of the Rivers Base that there is admittedly

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(MR. SCHREYER Cont'd) . . . . an expensive but entirely justifiable program being conducted. It is expensive but it is justifiable, because it is bringing into areas of industrial training and employment opportunity, young men and young women from native communities in this province that before did not have adequate opportunity. So I don't think that anyone should begrudge the money that is being spent at the Rivers Base.

But there ought to be an admission by Liberals, Mr. Speaker, an admission by Liberals that the opportunity for righting a wrong that was perpetrated on this province at the time of the closing out of the Air Canada Base and at the time of the closing down of the Gimli Air Force Base, that the opportunity is here, it is imminent, and we expect very much to get the co-operation of Liberals in this province to take that message to federal authorities. Given the fact that the Leader of the Liberal Party is one of those who is very prone to criticizing eastern Canada, those damned easterners, and to talk about western alienation and the raw deal that western Canadians are getting - and that is his talk - then he has an ample opportunity to demonstrate his willingness to co-operate in bringing the message home on specific concrete issues rather than talking in big generalities. And that opportunity will be forthcoming in the next month, two months, three months - the moment of truth as a follow-up to the Calgary Conference and a better balance of industrial development in this country, the moment of truth really is in 1974.

My honourable friend --(Interjection)-- my honourable friend -- well, you know, my honourable friend talks of Saunders and I say to my honourable friend that the Government of Canada has put some \$80 million-plus into DeHavilland, and does he know that DeHavilland, that DeHavilland, the parent firm of DeHavilland, Sir, have not put a penny into the venture. The Federal Government has put 80 million. The parent firm is building a plane now in competition with the plane being financed by the Government of Canada and the latest word I have is that the DHC7 program is problematic with a capital 'P'. Eighty million, and Mr. Speaker, if it would be possible to get even a minor proportion with respect to support of air industry in our province and a restoration of an overhaul base in Winnipeg, we'll see whether you've been talking idle talk of whether you're prepared to make that case to Ottawa.

But, Mr. Speaker, it is 9:30 and I say to my honourable friends that our budget, the revenues that are accruing to the provincial treasury are being used for the carrying out of services and programs that accrue to the benefit of our citizens, the men and women and children of this province. There is additional revenues that will be brought about because of the increase in mining royalties, and if my honourable friends are trying to imply that our mining royalties are being brought about in a way that is inconsistent with what I indicated last spring, then I say to him, I say to my honourable friends that our mining royalty policy is in keeping, Sir, with the kind of adjustments that have been made in royalty in other parts of western Canada. --(Interjection)--

Sir, in thirty seconds I say, in thirty seconds I say that last year I believe they voted unanimously for our budget because it was just before the election. This budget is similar in spirit and in what it provides, and I wonder whether they intend to do likewise again. (Applause)

MR. SPEAKER: Order, please. Order, please. Order, please. Subject to Rule 23, at the hour of 9:30 or half an hour before adjournment, which is the same thing, I must put every motion in respect to the Budget.

QUESTION put on the amendment to the amendment and motion declared lost.

MR. ASPER: Ayes and nays, Mr. Speaker.

MR. SPEAKER: The honourable member has support? Call in the Members.

Order, please. The motion before the House is the amendment in respect to the Budget Speech.

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

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YEAS

Asper	Jorgenson
Axworthy	McGill
Banman	McGregor
Bilton	McKellar
Blake	McKenzie
Brown	Marion
Craik	Minaker
Enns	Moug
Ferguson	Patrick
Graham	Sherman
Henderson	Spivak
F. Johnston	Watt

NAYS

Adam	McBryde
Barrow	Miller
Bostrom	Osland
Burtniak	Patterson
Cherniack	Pauley
Derewianchuk	Pawley
Dillen	Petursson
Doern	Schreyer
Evans	Shafransky
Gottfried	Toupin
Green	Turnbull
Hanuschak	Uruski
Johannson	Uskiw
	Walding

MR. CLERK: Yeas 24; Nays 27.

MOTION declared lost.

MR. SPEAKER: Are you ready for the motion on the amendment?

MR. SPEAKER put the question on the amendment to the motion and after a voice vote declared the motion lost.

MR. JORGENSEN: The same division, Mr. Speaker.

MR. SPEAKER: Same division? Agreed. (Agreed) Very well. On the motion.

MR. SPEAKER put the question on the motion and after a voice vote declared the motion carried.

MR. JORGENSEN: Same division, Mr. Speaker?

MR. SPEAKER: Can't have the same division. (Laughter)

MR. GREEN: Mr. Speaker, the same division in reverse. Same division, Mr. Speaker, but in reverse. I gather that the House is agreed that it is the same division except in reverse.

MR. SPEAKER: Order please. Let me indicate that if there is the same division and it is in reverse, it means that the ayes have won. Is that what the House understands? If that's understood, then I'll accept it. Very well. The Honourable Member for Logan -- I'm sorry, the Honourable Member for Radisson.

MR. HARRY SHAFRANSKY (Radisson): Mr. Speaker, I beg to move, seconded by the Honourable Member for Churchill, that the report of the Committee be received.

MOTION presented and carried.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, with great trepidation I move, seconded by the Minister of Agriculture, that the House do now adjourn.

MOTION presented and carried.

MR. SPEAKER: The House is now adjourned and stands adjourned until 2:30 tomorrow afternoon. (Tuesday)