

TIME: 8:00 p.m.

### BUDGET DEBATE

**MR. SPEAKER:** The Honourable First Minister.

**MR. SCHREYER:** Mr. Speaker, as you well know, the tradition, the custom, is that the debate on the Budget is closed by the Minister of Finance, but because, as events would have it, he is required to be in Ottawa tomorrow, because he has had to go to Mecca, it falls my task to take his place, so to speak, and reply to as many of the points that have been raised in the Budget Debate as is possible. The Minister of Finance asked me to convey his regrets to the House, and in addition, to express his appreciation to all honourable members who have participated. It is just possible, Mr. Speaker, that some of what has been said may prove to be useful, and then again I don't suppose I am hurting anyone's feelings if I say, judging by some of the comments in the debate, that it was more rhetoric than substance.

Be that as it may, I would like to join with others who have congratulated the Minister of Finance on the presentation of his first Budget, and I note that his effort was so good that indeed it even obtained the praise of certain financial columnists in the local metropolitan dailies. Indeed one was moved to say that the Tories couldn't have bettered his performance, coming from a financial columnist who is, I would suspect, I just happen to suspect, is Tory himself, this is rather unexpected.

**A MEMBER:** The ultimate praise.

**MR. SCHREYER:** The ultimate praise.

Despite what honourable members opposite have said in this debate, I believe it is fair to say that they couldn't have done better and wouldn't have done better, because they have agreed with virtually everything in the Budget and have even tried to claim credit for many of those measures which were introduced. As others in this House have pointed out, we have witnessed a very interesting transformation this year, almost a transmutation of the Conservative species and if Charles Darwin were alive, he would busily set to pen.

Instead of flailing about in a negative way and opposing every measure our government introduces, the Opposition this year have climbed aboard the bandwagon and now say that they support many of our programs and wouldn't change them if they came to office. I don't know if it is the spring air or if they have seen some revealing poll results, but suddenly they are trying to don the mantle of progressives, and I suppose that their excuse is that in their nomenclature they are Progressive Conservatives.

But I have to recall to mind, Mr. Speaker, that one of the professors I studied under once told me, and I thought it was so true, that if there was ever an asinine combination of two words in the Queen's English, it was the word "progressive-conservative." —(Interjection)— Be that as it may, I am only relating to my honourable friends what a learned professor once told me. —(Interjection)— Well, they do have perhaps reason, Mr. Speaker, to want to live down the word "conservative" and to upgrade or attempt to upgrade the public perception of the word "progressive" in their name.

They do have something to live down. In their last years in government their only characteristic was really a negative attitude towards people's needs. By people here, I am referring to those of average and below-average income. And in eight years in opposition, their real true solicitude is with respect to those who are in the upper income echelons. However much they may try to pretend otherwise, in the final analysis that is where their solicitude lies. They realize this is their problem and they are trying desperately to make it look as if they actually have some constructive policies.

That is part of the excitement of politics, Mr. Speaker, to see what new exciting, or if not exciting at least what constructive policy alternatives another political party has to offer. And that's entirely legitimate, indeed, it is necessary. But as we listen carefully and watch closely we are yet, unless some of my colleagues are more perceptive than I, none of us, in conversation with each other, are able to ascertain just what it is that the Conservatives would propose to do in this province for the benefit of the people of this province if they were elected, unless it is, of course, that they would really believe what they are currently saying and would begin to cut expenditures, cut the number of public servants, cut this program, cut that program, and reduce the public debt. Presumably that is consistent with what they are wanting the public to believe, and later this evening I want to try to identify more specifically just where that kind of policy would ultimately lead.

They have watched year after year as nearly every major initiative, nearly every major program designed to help working people, the elderly, rural and northern residents, has been criticized and opposed, and voted against by the progressives, so called "progressives" on the opposite side of the House. After eight or ten years of saying "no", it's a little late for them to be saying, "well maybe it is humanitarian, maybe it is useful, so we go along — me too."

But as I said, I can't blame them for trying. They're always being strong — Well I guess that is the definition of the word "conservative," to be supporters of the status quo. I suppose they can't be

faulted too much now that they've realized the new status quo after 1969, after 1977, so they're climbing on the bandwagon and they will freeze the dynamics of society in history at a point in time and conserve it, and hence the term "conservative." —(Interjection)—

Well, let's take the labour management relations field, with the kind of phenomenon that the Conservative Party would have to cope with, they would. . . Would they be changing our labour laws such as we have amended, and reformed them over the course of the past decade, or would they attempt to bring in something progressive? I wonder what we could expect under the general description of progressive labour legislation from honourable friends opposite? I have a suspicion, Mr. Speaker, that what they would describe as progressive labour legislation, would have a great deal to do with enactment by the State of back to work type compulsory legislation, I rather suspect so. —(Interjection)— Well, tell us otherwise and we will be more gracious. —(Interjections)—

**MR. SPEAKER:** Order please.

**MR. SCHREYER:** In recent months, Mr. Speaker, the Leader of the Opposition has taken great care. . .—(Interjection)—

**MR. SPEAKER:** Order please.

**MR. SCHREYER:** Well I would suggest that my honourable friend talk to them as well. Mr. Speaker, in recent months, the Leader of the Opposition has taken great care to emphasize that if his Party were to form the government, they would not dismantle the major new programs that the New Democratic Government has introduced, but he has also made some very interesting statements which make these assurances sound somehow just a little less than reassuring — just a little bit hollow. For example, in his remarks on the Budget, he stressed again and again, his concern about the province's financial position. He emphasized particularly the size of the provincial debt, and he stated and I quote, "that I pray, Mr. Speaker, that a new administration will not find, as the new administration did in British Columbia, the dismal state of finances of that NDP Government when this government is succeeded by another." And then at a nominating meeting, it appears his prayer must have already been answered or he must have had a revelation, because he went much further and I quote, "Changing the state of the province once the Conservatives get into office won't be easy, we'll inherit quite a mess."

Mr. Speaker, I am reminded of the fact that in 1969, within a week of forming a new government, that I was presented with the transcript of a new book called "The Centennial History of Manitoba" and in the second last page — because the author was obviously up-dating it to the last hour, so to speak — there was a passage in "Manitoba Centennial History" to this effect: "That the province which the New Democratic government is inheriting from the previous Conservative administration is one that has been left with many problems."

**A MEMBER:** Who wrote it?

**MR. SCHREYER:** James Jackson — Centennial History of Manitoba — a well known scholar.

The point I am making, Mr. Speaker, is that perception as to what is a mess or a series of grave problems obviously is in the eyes of the beholder. I say to my honourable friends that if they want to induce themselves into a state of hysteria as to the extent of the province's fiscal and economic problems, then they are not fit for office. Let them forget about it and we'll continue the job.

**SOME MEMBERS:** Hear, Hear.

**MR. SCHREYER:** Mr. Speaker, I know that it is part and parcel of the warp and woof of politics for one party to exaggerate the shortcomings of the other and vice versa. —(Interjection)— No, I have not done it for years. I invite my honourable friend to check the record of Hansard. He can go back to the date that Hansard was first established and I have never been in the habit of this mindless exaggeration that often takes place.

But I will not be diverted from the point, Mr. Speaker, and that is that I can see that the psychology and it's such a false, phony that my honourable friends are trying to set the stage for, and that is to exaggerate the fiscal, financial and economic problems of this province. Because I would say to my honourable friend in 1969, we inherited a province from an administration which at that time left us . . .

**MR. SPEAKER:** Order please. I wonder if the two gentlemen that are pointing at each other would take it easy. Order please.

**MR. SCHREYER:** Mr. Speaker, I am rather happy to be generating that kind of enthusiastic response from honourable members but the fact is, I will not be able to finish if I am interrupted any more.

The point I was making is that my honourable friends have to acknowledge the fact that in the eyes of those who were living and watching to see it in 1969 that this administration at that time inherited a province from an administration which had left many grave and serious problems. Do my honourable friends want me to enumerate what those were? Because I shall. A party that wishes to govern should be prepared to assume the burden and the responsibility without saying in advance when they don't have the slightest idea, whether or not they feel that there is some intimidating prospects. The members opposite, in other words, are trying to set up the people of this province to believe the

phony story that Manitoba's financial, fiscal, economic prospects or problems are somehow unduly large, out of line, with the rest of the country and the rest of the industrial world when, in fact, that is not the case.

I want my honourable friends to know that the economy of Manitoba, in the Year of our Lord 1977, is certainly as healthy as it was in 1969, indeed, more so. In 1977, honourable members should know that the basic indices by which you measure any economy, national or provincial, and then run comparison with other provinces and our country and other countries in the world, show that Manitoba's economy is growing at a, let us say, modest but steady rate in the relative sense, as steady as any part of Canada. Why do I say that? I say that because while there have been some ups and downs, they have not been more severe but rather more subdued or less severe than the oscillations in the Canadian economy as a whole.

The growth and per capita disposable income both before and after taxes in Manitoba has not fallen behind the rest of Canada but, indeed, has caught up with and in 1975 and 1976, for the first time in 15 years, the per capita disposable income in Manitoba both before and after taxes actually exceeded that of the national average for Canada as a whole.

The important point to make here' Mr. Speaker, is that never, but never in the entire decade of the 1960s when my honourable friends were in their hey-day, did the per capita disposable income in Manitoba equal, let alone exceed, the national average of Canada.

**MR. SPEAKER:** Order please.

**MR. SCHREYER:** The Leader of the Opposition is already predicting in advance that the people of Manitoba will have to suffer— I think that's the word he used — through some unattractive housekeeping, to use his words, to bring back sanity to government. Well, if that isn't a clear signal, if that isn't a set-up, then what is? What the Opposition is trying to do is build a case in advance for raising taxes, for dismantling programs and for turning back the clock, all in the name, they would say, of sound' common, responsible administration.

I would like to remind the people of Manitoba that the same party which is already predicting, forecasting doom and gloom if it comes into office, is the very party whose sound common sense, responsible administration brought to the people of Manitoba flat Medicare premium taxes, the sales tax in 1967, tax increases in the years that they were in office, the \$86.5 million loan agreement with CFI, which loan agreement the president of Abitibi Pulp and Paper characterized to us as having been entered into because they were a bunch of "damn fools." I challenge them to indicate that they followed sound prudent business judgment in the kinds of decisions that they made. The president of Abitibi Pulp and Paper in 1970 characterized this 1966 agreement as being having been entered into by a bunch of "damn fools."

I am not suggesting, Mr. Speaker, that the words of the president of Abitibi are to be taken as any one of the Ten Commandments chiselled in stone, but it is my honourable friends who keep pretending that they are listening to every word of the business community, and the business community's leadership, and that's what one of the business community leaders describe the CFI loan agreement as. —(Interjection)—

Ms honourable friends, I know, would not like me to remind them of the fact that we have moved to eliminate regressive flat Medicare premium taxes, and that we have avoided increasing the basic personal income tax rate since 1970, seven years ago, that we have avoided any increase in the sales tax rate, it remains the same percentage as it was in 1967. And if my honourable friends don't think that is good enough, I want to tell them that since 1970, the sales tax has been increased in Ontario from five to seven percent, in British Columbia from five to seven percent, in Quebec from six to eight percent, in New Brunswick from six to eight percent, in Nova Scotia to seven percent, Prince Edward Islands to seven percent, and in Newfoundland to 10 percent. That is where the sales tax is today.

And then they have the gall to talk about high levels of taxation in this province? My God, Mr. Speaker, the total global provincial tax impact in Manitoba for families, man, wife, two children under 16, \$24,000 a year or lower, is not the highest in Canada, it is the lowest in Canada with the exception of Alberta. And the exception of Alberta has to do with a three-letter word. So that I am not accused of using profane language, it is a three-letter word. And it's oil.

The revenues that flow into the Province of Alberta from oil exceed that from all sources put together in this province, and exceeds the total income revenue sources from all sources put together in the Maritimes Provinces, all provinces put together . . . the Maritimes. That is the kind of magnitude that we are dealing with, Mr. Speaker. —(Interjections)— Mr. Speaker, my honourable friends says they have oil, we have water, which I think gives some insight as to the understanding that some bankers have about basic economics. They may be all right at moving figures around on the ledger, but I wonder as to the basic understanding of economic forces. Or perhaps that is unkind, but then again, my honourable friend was being facetious.

The fact is that the Province of Manitoba which lies at the centre of the geography of our country, is also in so many ways lying at the centre of the basic economic measurements and fiscal and tax

and financial measurements in our country. I cannot pretend that we are the wealthiest province. I cannot pretend that in every respect we have the lowest taxes. But when you look at the global impact of taxation, when you look at such measurements as disposable personal income per capita, before taxes and after taxes, or when you look at such measurements as per capita debt, when you look at such measurements as numbers of civil servants per thousand population, you find that despite five years of Conservative bombardment of propaganda, that the facts are that Manitoba is very much at the heart or the centre of all these measurements among the ten provinces in Canada.

I have here — I guess it's a good point in which to intercede or interject this document — it is photostated, just to show that it is not fabricated, from the Economics Department of the Royal Bank of Canada. That is an interesting source in which to use information. Chart 5 of the report of the Royal Bank of Canada shows "The Ability to Service debt" Mr. Speaker, that is the caption of the chart it's a Royal Bank of Canada chart. I show it especially to my honourable friend, the Member for Minnedosa, and it shows gross debt charges as a percentage of gross general revenues and it shows that Manitoba, contrary to the desperate attempts of the Leader of the Opposition to create the impression that we have a very solemn, serious and profound debt problem, it shows that Manitoba's gross debt charges as a percentage of gross general revenue is not the highest in Canada but indeed the following provinces have a much higher level: Newfoundland, their gross debt charges constitute 12 percent of their general revenues; Nova Scotia constitutes 9 ½ percent; Ontario constitutes 8 ½ percent; then comes Manitoba at 6 — the national average of Canada, 6. Lower provinces: Saskatchewan, Alberta, British Columbia, and Quebec is about even with Saskatchewan.

What does it prove? It proves at least this much, that if there is a debt problem in this province and a debt servicing problem it is exceeded as a problem by at least four other provinces in Canada and indeed the national average of Canada as a whole for all 10 provinces is as severe, or less severe, as Manitoba's itself.

So why play these games of exaggeration? The Royal Bank of Canada indicates here — and oh, by the way, this is revealing as well — that in 1969 when they managed things so well and were taxing people on a regressive basis unrelated to ability to pay, even then gross debt charges were 5.3 percent of gross general revenue. Today, after seven years of NDP government, all of the mismanagement they talked about, all of the horrendous debt load he talks about, the gross debt charge as a percentage of gross general revenue has changed from 5.3 to 5.6. Big deal! Big deal! And indeed it goes on the record merely to demonstrate how silly, indeed stupid, some of this exaggeration can be.

Public debt: May I say to my honourable friends that the public debt of this province, the cost of servicing that public debt bears about the same relationship of total provincial budget today as it did ten years ago. That indeed in 1937, instead of 5 percent — we're talking about 5 percent approximately today as being the debt service charges percentage of our total budget — in 1937 under real cautious Conservative administration, they had as much as, I believe, at that time, 45 percent of the total provincial budget going for debt servicing.

My honourable friends want to talk about taxation. Of course, if they insist on talking about public utility self-sustaining guaranteed liability debt, I can't stop them. But I do believe that every citizen of this province beyond the age of 18 is aware of the distinction even if they are not.

Taxation: The Leader of the Opposition and other Conservatives made the claim that taxes in Manitoba are out of line. I have given some basic points covering that. But anyway, he made his usual comments about our tax system representing "the spite and the envy of people," who he suggested "begrudge anyone the chance to make money." Well, I wonder how many times we have to go through that argument? Taxes in Manitoba — and I've given the examples — are in line with those in other provinces. Indeed, for those below the income echelon of \$20,000, our global tax impact here is less than most provinces.

On the personal income tax side, I should acknowledge that for the first time the Leader of the Opposition did concede that our government does not have what he and his friends used to revel in calling "the highest personal income tax in Canada." Even, you know, measured in that simplistic way that the Member for River Heights, when he was Leader of the Conservatives used to love to do, and aided and abetted by one or two of the local hot-line shows, succeeded in bombarding the message, and I have to admit with effect, that we had high taxes in Manitoba, ignoring all the other taxes, personal income tax. But even that now they cannot say because even the personal income tax by its simplistic self is less here than it is in at least two or three other provinces.

What the Leader of the Opposition did not point out of course was that after this year's Budget, Manitoba's personal income tax rate isn't even second highest any more, it is third or fourth highest behind Quebec, Saskatchewan, Newfoundland, and I believe New Brunswick but I wouldn't vouch for the latter. These rate comparisons do not take into account tax credits and rebates. They also don't take into account the fact that the two wealthiest provinces in Canada, Ontario and Alberta, both of which have Conservative governments and relatively low income tax rates, also levy substantial Medicare premiums. The amount of these premiums have been pointed out time and

again in this House and since honourable members like to talk about Ontario and Alberta, I'm sure they will not mind hearing these amounts again.

In Alberta Medicare premiums are now \$169 per year, per family. They were raised on April 1 of this year, again. In Ontario, the premium is \$384 per family and in British Columbia Medicare premiums are reapplied at \$225 per family, per year.

I'm confident that the majority of the people of this province know and I think that is why the opposition has shifted its emphasis on taxes this year to the corporate side. Of course, it could also be because they have a new leader whose particular sympathies may lean further towards the corporate sector than those of his predecessor. Virtually every day we hear in this House that Manitoba's income tax rate on small business is 44 percent higher than Ontario's. For those of my colleagues who may have wondered where this percentage figure comes from, it can be explained as follows.

Up until last year the rate of corporation income tax applicable to small business in Ontario was 12 percent, compared to 13 percent in Manitoba. But last year Ontario dropped its small business rate to 9 percent. It's sinful to charge 12 percent and they were sinners until their conversion last year and that's where the difference comes in. But I'm wondering whether this is the kind of change which Ontario has been noted for on one other occasion, where the sales tax was increased from 5 to 7 percent and then in the year of an election they dropped it down to 5 and then the January following the election they shoved it back up to 7 percent again.

Well, Mr. Speaker, I wonder if it is an imposition on you, Sir, to ask you to allow your mind to dwell on the ethics of that kind of manoeuvring? Five percent increased to 7 percent, decreased back down to 5 percent for a 12 month period then back up to 7 percent after the election. —(Interjection)— Mr. Speaker, my honourable friend should at least do a carbon copy to trace what the premium increases have been in other automobile insurance provinces, which is to say all of them. Nevertheless, my honourable friend failed to mention this much, Mr. Speaker, that Manitoba has kept its income tax rate unchanged for small business when we applied the anti-inflation surtax on large corporations last year. For the most part, these larger corporations and the surtax thereon have to do with multi-nationals which certainly are in the middle of the cause and effect syndrome of inflation, and we did not increase the tax level with respect to small business. It remains the same today as it did several years ago.

They failed to point out that the Conservative Government of Newfoundland has a 14 percent rate for small business, and B. C. has a small business rate as well which happens to be 12 percent. So now we're having horrendous arguments about one percentage point. As indeed my colleague, the Minister of Mines, pointed out just a few days ago, the small business rate applies to companies whose taxable income does not exceed \$150,000 per annum. This means that the differential between a 13 percent rate and a 9 percent rate can be at most, \$6,000 and indeed in most cases considerably less for most small businesses.

Given this difference of this magnitude of perhaps one, two, three, four or five thousand dollars, that difference has been in effect for one year, and it is hard to see, therefore, how this could constitute a serious disincentive.

It should not be forgotten that a substantial number of the costs of doing business in Manitoba remain considerably lower than those in eastern centres. And as others in the House have pointed out, Ontario recently raised its corporate capital tax to a level 50 percent higher than ours, and I wonder if my honourable friends are aware of that. It applies its capital tax on small business while Manitoba's capital tax does not apply.

The Leader of the Opposition also talked about the application of tax on electricity bills. He said it should come off. Well, Mr. Speaker, I think that some honourable members opposite should know, even if they weren't in this House, they should know, that in 1964 the government of that day was advised not to put it on in the first place. Indeed they put it on, not only electricity for industrial purposes, but they put it on household heating and then they took it off after considerable storm and fury. But I mean I cannot take seriously that there is a philosophic basis to what my honourable friends are suggesting, because when they put it on they intended — indeed it's no secret, it was right in the bill — they intended to apply the tax on electricity to residential heat as well as to lighting and industrial purposes. When we remember that in 1967 the general sales tax was introduced in Manitoba and it was applied on an even broader range of services than we are applying it today, there have been some significant deletions or exemptions under the Sales Tax Act that was not the case when it was introduced in the first place.

I don't know, my honourable friends may not be impressed, but I think it is impressive that in ten years we have not — well in eight years — we have not increased the percentage rate of the sales tax in this province and we are only one of three provinces that can make that claim. The other seven provinces cannot make that claim.

Of course, should this surprise anyone? I guess not. But the Leader of the Opposition advocated — I don't want to sound as though I'm picking on the Leader of the Opposition — the Conservative

spokesmen have indicated that they want to see the total elimination of succession duties. Ah, Mr. Speaker, I guess that is as good an issue upon which to win or go down as any I can think of. I can think of no more noble cause than to maintain some perspective of decency in economic and fiscal relationships. If my honourable friends are saying that \$600,000 exempt from taxation isn't enough, then I wonder what kind of people they're really worried about.

They suggest —(Interjection)—

**MR. SPEAKER:** Order please.

**MR. SCHREYER:** Well, Mr. Speaker, before I go any further I would suggest that my honourable friends opposite take the time to read some of the speeches of their own former Conservative colleagues who sat on this side prior to 1970, because in the words of the former Premier of this province, Walter Weir, in the words of a former Minister of Finance of this province, Gurney Evans, it was in their opinion unfortunate — and I'm taking things not too exaggerated — in their opinion, unfortunate that the Succession Duties Tax Act and the Gift Tax Act were spun off from the federal to the provincial jurisdictions because they feared fragmentation, and that is exactly what has happened. Let them not pretend that somehow the Succession Duties Tax is onerous on the men and women and children of this province.

**A MEMBER:** Only in comparison. Only in comparison.

**MR. SCHREYER:** Only in comparison. Well, Mr. Speaker, I daresay that our succession duties tax would be onerous in comparison to Alberta's and now Saskatchewan's but I'm not sure that it is onerous in comparison to Ontario and Quebec, in which two-thirds of the population of this country live. I'm not sure it's onerous in comparison to any country whatsoever of the western industrial world of western Europe. I'm not sure that it is that onerous in comparison to that which applies in so many states of the United States.

Indeed, if I may digress here for a moment, it is sort of conventional wisdom that taxes in Canada are necessarily higher than in the United States. And just the other day, I happened to have data upon which to run comparisons between taxes in Manitoba for a family with an income of \$18,000 a year and lo and behold taxation here for a family of two with two children under the age of eighteen, that the tax rate in Manitoba up to \$17,500 a year, to be precise, was lower here than income tax in the states of Minnesota and Wisconsin. It was quite a revelation. And I do not see Minnesota as suffering from some kind of a loss of development syndrome because Minnesota remains one of the more pleasant states of the entire United States in which to live. —(Interjection)— No, no, no, they don't have those things. No, they don't have those things but they have shifted some of the burden of school costs from real property.

But be that as it may, the point here, Mr. Speaker, is that my honourable friends seem to have . . . out of the many problems facing this country and the world and this province, their main preoccupation is with respect to those who will have only, only an exemption of \$600,000 before the first penny of tax starts. That's where their preoccupation lies. That gives you some insight into their sense of priorities for the future betterment of the human condition.

Maybe I should at this juncture quote from a speech by Darcy McKeough, the Minister of Finance in Ontario, just for the edification of my honourable friends, of where hopefully responsibility will cause them to abandon some of their theories of finance and taxation, which I can only describe as bordering on social Darwinism. And I quote from Darcy McKeough: ". . . that in the past year the Provinces of British Columbia and Saskatchewan have abandoned the succession duty field. As a result only Manitoba, Ontario and Quebec now levy succession duties and gift taxes. We have reviewed this matter carefully and have concluded that our own statutes here should remain in force. They are a valuable degree of equity to the province's tax structure. However, it is the Government of Ontario's policy to have these taxes paid by those who can best afford to do so".

Well, time," the same and I quote further from the Minister of Finance in Ontario, "At the same time the Province of Ontario recognizes its long term commitment to phase out succession duty when the capital gains tax matures". My honourable friend has been making noises about the capital gains tax as being a replacement for the succession duties tax, and it is not a replacement until there is a maturation of the capital gains tax system. To return to the quote: "But at the present time and indeed in the foreseeable future the level of capital gains revenue will not be adequate replacement for revenue lost by vacating the succession duty field".

So I suggest to my friends opposite that they should not hold their breath in anticipation in removal of succession duties in that province and they had better not hold their breath for the removal of it here in Manitoba.

Well, I can see, Mr. Speaker, that there is really not much point to the process of debate. My honourable friend chooses to regard a \$600,000 exemption before the first penny of taxes, which means on a \$2 million estate that only a minority fraction of that is taken in taxes, but he chooses to regard that as small business that would be hard put upon. My honourable friend has to take into account that if they want to maintain a responsible view of requirement public programs, public finance, that it sounds so easy to get rid of a tax that is unpopular. And, of course, they make it

unpopular by their means of influencing the public image that is created of a succession duties tax.

For the great majority of our people this tax has no relevance whatsoever. But coupled on the other side is the fact that there is a stark reality facing governments, especially in our day and age, as to how they are going to responsibly finance what they are doing.

And here I have the Financial Times of Canada of yesterday, and it is a 1977 Provincial Budget's Roundup, and it shows the following deficit or surplus positions. It shows a surplus in Alberta of \$248 million, but, of course, that is understated, it's not exaggerated, it's understated because a good part of their revenues go into a special Heritage Fund. A deficit of \$40 million in Saskatchewan. A deficit of approximately \$10 million in Manitoba. A deficit of \$992 million in Ontario. A deficit of \$640 million in Quebec. A deficit of \$88 million in New Brunswick. A deficit of \$6 million in Prince Edward Island with one-tenth the population of Manitoba. So let them not talk silly nonsense, silly stupid nonsense about Manitoba having irresponsibly large public finance deficits. Our deficits, in fact, are among the lowest in Canada. Sized to Ontario, in proportion to population, our deficit in Manitoba should be something in the order of \$80 million. But indeed, their deficit is \$992 million. Their deficit is practically the size of our total budget. I mention that for only one reason. To indicate to my honourable friends that if they think they have any credibility by taking an isolationist view of this province, then they don't give enough credit to the intelligence of the people of this province. We are part of an entire nation. We are part of an industrial Western World. And in relation to all those, our record of responsibility in public finance stands up very prudently and responsibly indeed.

My honourable friends, as part and parcel of this attempt to indicate that we have something undue, I have here, Mr. Speaker, also — it's very recent, very new — it's a document which comes from the Public Finance Division of Statistics Canada, and it shows the following with respect to whether or not government is growing too large, whether or not the numbers of public servants are as out of control in this province as my honourable friends opposite try so simplistically, unfortunately successfully, to achieve.

**A MEMBER:** Who wrote it?

**MR. SCHREYER:** Public Finance Division of Statistics Canada, out last week.

**A MEMBER:** Civil servants.

**MR. SCHREYER:** Just because it's written by civil servants doesn't mean that it's somehow unobjective with relation to Manitoba alone. And it shows the following, employees per thousand population: Ontario 12 public service employees per thousand population; Quebec 13.5; Manitoba 13.7; national average of all ten provinces 14.6; Saskatchewan 17; New Brunswick 19 civil servants per thousand people; Alberta 19.2; Nova Scotia 21; Newfoundland 22; Prince Edward Island 31; Northwest Territories 70; Yukon 74 per thousand population. — (Interjection)—

Closely allied to this measurement which I know my honourable friends would like so desperately to just crawl in a hole, slink away and pretend doesn't exist, the true facts, Mr. Speaker, as to size of Civil Service. Closely allied to that is the concept of Provincial Government general administrative costs as a percent of total budgetary expenditures. In that context, Mr. Speaker, I would like to put the following information on the record that general government administrative expense as a percentage of total expense shows the following: Newfoundland 4 percent of total expenditures goes to administrative costs; Prince Edward Island 7.5; Nova Scotia 4.5; New Brunswick 4.7; Quebec 5.3; Ontario 7.6; Manitoba 4.3; Saskatchewan 6; Alberta 6; British Columbia 7.1; ten province average for all of Canada 6.3. Manitoba, to repeat, 4.3.

Mr. Speaker, some of the Conservative spokesmen the other day and during the course of the Budget Debate, covered a number of other points beyond this garbage they have been mouthing with respect to size of Civil Service, administrative costs, etc. They spoke briefly about the economic situation in Manitoba. They agreed with us; it's not as though we are hiding the fact that we regard unemployment levels today as a serious problem. However, their prescriptions as to what they would do are not particularly helpful because — I hope I'm not being unfair or unkind — as I understand their philosophy, they do not want to see any change or increase in government efforts to try and bring about useful activity and work of public benefit to employ people. They would do it all by way of tax incentives to the private sector — all of it — by way of tax incentives to the private sector.

I say to them that even if one is inclined to take a rather *laissez-faire* view of an economy in the twentieth century, that it is obvious . . . My honourable friend, the Member for Wolseley, keeps interjecting. I wish he would go back to being a sheriff so that he could get dressed down by a Queen's Bench Judge once again. — (Interjections)— Well, isn't it a fact that my honourable friend got dressed down by a Queen's Bench Judge in a way that no parliamentarian in Canada ever has? — (Interjection)— No, but you were in Queen's Bench, dressed down by a judge. If my honourable friend disagrees, I'll give him the written judgment. — (Interjection)—

**MR. SPEAKER:** Order please.

**MR. SCHREYER:** Yes, with no improvement. Mr. Speaker, the point of the matter is that my honourable friends would want to put all of the emphasis on tax incentives to the private sector. Not that there isn't a place, Mr. Speaker, for some dependency on the private sector to take up slack in the

labour force, but to do it all by means of putting all one's eggs in one basket, depending on tax incentives only, has demonstrated itself in the past to be an unbalanced, one-pronged approach that has an unacceptable time lag to it.

Tax incentives to the private sector, in and of themselves and exclusively by itself, in no way will provide the kind of immediacy of relief of unemployment that is desired and hoped for by us all. Not only is there a problem of time lag but there is also such a thing as diversion or leakage, because my honourable friends opposite are not yet able to show how it is possible to guarantee that a million dollars in tax relief will end up in the generation of extra employment, whatever the time lag, and how much of it gets diverted towards the paying out of higher dividends so that shareholders can live an even higher lifestyle. And what does that do for unemployment rates I would like to know?

What does an increase of 10,000 going to the gambling halls of Las Vegas or Reno do for unemployment today, I would like to know? So that is yet another reason why we have not put all of our faith in terms of tax incentives to the private sector.

**A MEMBER:** Lots of working people go.

**MR. SCHREYER:** Well, Mr. Speaker, unemployed people do not go to Las Vegas or Reno. I mean, who is kidding who? And if there is a social and economic problem in this country, you can't have it both ways. You either allocate funds so that the basic services that we all desire are available to all, and you allocate funds so that useful public works and public services can be extended to more people with higher standards of public service, employing more people, women and men in the process, or your concern on balance — and sure, everybody has to choose — on balance your concern is tax relief and tax incentives for those who are already in upper income echelons so that they can take an extra trip to Reno and Nevada to play the roulette wheels. —(Interjection)—

**A MEMBER:** Bring the tourists here.

**MR. SPEAKER:** Order please.

**MR. SCHREYER:** My honourable friends can't have it both ways. Anyway, they talk about the substantial natural growth which has taken place in tax revenue since the last year his government was in office. Mr. Speaker, we have not increased the rates, therefore if there has been growth, it's been because of inflation but that's offset by the cost of increase in inflationary costs for services we have to pay for as a government. It also indicates that there has been real growth in our economy.

But my honourable friends would do almost anything to try to sell the thesis or the theory that Manitoba, because of a Social Democratic Government, has fallen behind with respect to investment and with respect to economic growth. And the last laugh has to be on them because the rate of economic growth in Manitoba as measured by gross provincial product, as measured by disposable per capita income, has not fallen further behind the average of Canada as a whole, but in fact has caught up and actually exceeded that of Canada as a national average in the last two years.

My honourable friends, no matter what they say or do, cannot ignore that fact. My honourable friends would like to give some momentum to the argument that Manitoba's economy is stagnating, and I guess that some honourable members opposite remember that when I was reading this article back about a month ago which is headlined, "Manitoba's Economic Stagnation Getting Worse Professor Says." But they thought I was referring to the last year or two and that they were taking keen delight. Then I had to remind them that this headline, "Manitoba's Economic Stagnation Getting Worse Professor Says" is taken from the Winnipeg Free Press of the 8th of March, 1968.

They can't pretend that Manitoba's economic performance in the decade of the 1960s was something to behold. Indeed, it has to be said that Manitoba's economy in the 1960s was characterized by the following two points: That at no time, not one single year in all of the 1960s did Manitoba's Gross National Product grow at a rate which, averaged over five years, kept up with the national average. Yet that has been the case for 1970 to 1975 when Manitoba's economy grew at a higher rate for that five-year period than Canada's as a whole.

Point number two. At no time in all of the 1960s did this per capita disposable income for Manitobans equal that of the national average; at no time.

In 1975 and 1976 it caught up to and exceeded the national average.

Third point. At no time in Manitoba's history did this province actually have a net loss of population; net loss — in-migration, out-migration, natural births, deaths, everything netted out; net loss — only two years in a 109 years that we lost population and that was two years in the middle of the 1960s when my honourable friends had the responsibility of government. What does it prove? It only proves this much, that if they tried to make something about population patterns, economic growth, stagnation, population loss, that in fact their performance, whatever handicaps they had to work with, their performance certainly not only was not a shining one, it did not compare as well as the actual results, statistics phenomenon of the 1970s. So what do they have to talk about?

Well, they would like to see property tax eased for pensioners, and that is a worthy objective. They supported our exemption from sales tax for insulation material. They support the \$1,000 loan program for home insulation. They support the removal of 75,000 Manitoba taxpayers completely



from the Income Tax rolls this coming year. For all these things we get their support.

Well, what more do they want? They're suggesting that income tax is getting more onerous because, as a result of inflation, improved incomes, a standard tax rate actually in fact, they argue, takes a higher proportion. What they are not acknowledging is that since 1974 income tax has been indexed; indexed in the sense that because of inflation the Federal Government has amended the Income Tax Act to take into account to the extent of 6 percent per year the inflationary increment in incomes. Again, you can't have it both ways. As a result of that indexing, it is in turn resulting in loss of potential revenue for the province. We have not made a big case or argument about this but we want it understood then that at least in some respects there is in a sense tax relief.

Well, I guess we can understand why the Leader of the Opposition would find it difficult to understand our position on taxation. I know that it is possible. Believe me I know it is possible to be misinterpreted or misquoted. And I have to assume that the Honourable Leader of the Opposition was misquoted when he said — and here I have it in quotes — “that most of all, the Conservatives would try to provide individuals with more than their fair share.” That's the 29th of April, Friday in the Free Press. I have to assume that that's a misquotation, because . . .

**A MEMBER:** No, it's not. It's not.

**MR. SCHREYER:** Well, if he is saying that the Conservatives would try to provide or reward individuals with more than their fair share, then it follows by logical extension, my honourable friends I'm sure would agree, that there must be many then who would have to be satisfied with less than their fair share. Would that not seem to follow if that is what the Conservative Party stands for? Personally, I can believe that they would want to say that, but I don't think that they would actually say it — because my understanding of Conservative philosophy is that for those who can put themselves in a position of enjoying ever more, then, in the words of Franklin Roosevelt: To those who have, more shall be given. To those who already live in abundance, more shall be added. To those who are in that position, they shall have “more than their fair share.” I can't believe he actually said it, but that has appeared in print.

I guess it follows from that, that a Conservative government would maintain equitable programs. Their real goal is to turn back the clock. Their only consistent commitments have been a reduction in business tax, the elimination of succession duties and some vague promise about lowering personal income tax rates. Although, I say again, for those at middle and lower income levels we do have relatively low income tax rate impact. So, if they're going to reduce it, I can just imagine, Mr. Speaker, where they're going to reduce it. They're going to reduce it up in the upper income echelons. That's where their concern is and that's where they will do their reductions. Then of course they're going to have to sacrifice programs or if they don't want to sacrifice programs and they want to reduce taxes at upper income echelons then they're going to be running into \$90 million deficits presumably, or go back to premium taxes, or go to a 7 percent sales tax, as some of their Conservative counterparts have in other parts of Canada.

My honourable friends have been concentrating on a scare campaign with respect to the public debt of this province. At the risk of coming back to that, because they've made a major point of it, I'll come back to it now, Sir.

I want my honourable friends to take note, that public debt charges in this province from 1960 to 1970 were as follows, as a percentage of current expenditures: 1960 and then each year thereafter, 5 percent, 7 percent, 7 percent, 7 percent, 7 percent, 9 percent, 5 percent, 4 percent, 5.1 percent. From 1970 on, public debt charges have been in the order of 2 percent, 3.3 percent, 3.5 percent, 2.5 percent, 4.2 percent; this year, 4.2 percent.

I am not going to make the argument that because the debt charges of percent of current expenditures happens to have been lower in most of recent years, that this signifies something very important. But it does signify one thing, Mr. Speaker, and that is, in perspective, in proportion, public debt charge today certainly is not in any way undue in relation to the province's Budget. In fact, less so — I'd prefer to say not more so than eight, ten, twelve, fourteen, sixteen year ago. So what is it my honourable friends are trying to say?

Per capita expenditures in this country: I guess they know that in Newfoundland, Provincial Government expenditure is \$1,840 per capita, in Prince Edward Island \$1,900 per capita, in Nova Scotia \$1,400 per capita, New Brunswick \$1,600 per capita, in Quebec \$1,800 per capita, in Ontario \$1,540 per capita, in Manitoba \$1,548 per capita, in Saskatchewan \$1,611 per capita.

**A MEMBER:** How about Alberta?

**MR. SCHREYER:** In Alberta \$1,946 per capita, in British Columbia \$1,600 per capita.

But I think that maybe the most telling of all sources of statistical information is to take their own, and they can scarcely quarrel with their own document, the 1968-1969 TED report. The TED report targeted for 1980, that there should be personal income per capita in Manitoba of \$3,347; that there should be total personal income of \$4 billion; total gross provincial product of \$5.4 billion; that there should be 447,000 jobs in the labour force of 490. So they were assuming approximately, it callous would seem to me, 42,000 unemployed. It was kind of a prognosis or projection, but I won't comment

on that.

Anyway, the interinteresting point to make here is that total gross provincial product in Manitoba in 1976, in 1966 dollars, now get this, Sir, because I know that on one previous occasion when we have run these comparisons, the next day I heard the Conservatives talking to the press, "Well, you know, it's very easy for them to compare 1976 with 1980 and even show up good because of this tremendous inflation." But I'm using 1966 dollars, Mr. Speaker, and in 1966 dollars, the gross provincial product of Manitoba is \$4.1 billion, and that was the target in the TED Report for 1976, and it's right on. Indeed in 1977 dollars, the gross provincial product of Manitoba today, total output of wealth, goods and services, is standing at \$7.9 billion, but discounted to 1966 constant dollars, it is in the order of \$4 ¼ billion, and as such is at the TED target and beyond. Total income per capita in 1976 expressed in 1966 inflation-squeezed out dollars, the personal income per capita here today is \$3,661, and the TED target for 1980 was \$300 less so that target's been met four years ahead of time and then some.—(Interjection)— No, I said in 1966 dollars inflation squeezed out. . .

**A MEMBER:** Say it again.

**MR. SCHREYER:** If I put it in 1976 inflated dollars, it would be practically double that.

The labour force for 1975, they said that there should be 434,000 jobs, and we are at 449 — that's the labour force. Actual jobs they targeted for 1975, 423,000 jobs, and in fact there are 428,000. So having met their own rather euphoric targets that they set rather academically back in 1968, having met those targets, in some cases beat them by three or four years, I really wonder what they will say in terms of nonaccomplishment of Social Democratic Governments.

I think my honourable friends also should be interested in the fact that this is also a measurement of the general prosperity of the province, and the amount of money in circulation, that when you look at where the credit unions and caisse populaire were in 1960. They had total assets in 1960 of \$42 million in all of Manitoba, and by 1969 that \$42 million had increased to \$160 million, fairly significant but bear those numbers in mind, Sir, it had gone from \$40 million to \$160 million. In the Year of our Lord 1976, total assets of credit unions and caisse populaire in Manitoba was not \$160 million, but seven years later was \$775 million, three quarters of a billion dollars. Even when you squeeze out for inflation and put it back on the basis of 1968 constant dollars, the deposits in credit unions and their assets in other words, have more than tripled — more than tripled.

Another bit of information, Mr. Speaker, that I know — Yes, here I see it in the Free Press of the 29th of April. "Most of all of the Conservatives will try to reward individuals with more than their fair share," Lyon said, "and he pledges himself to clean up the mess." In the light of all that I have said, in the light of all the statistical data, in order to make a fair comparison with our province in relation to the rest of the country, and today in relation to 1969 or 1966 or 1960, indeed I have to ask, in all honesty, "what mess?" What mess is my honourable friend referring to? They have the smugness, Mr. Speaker, the Conservatives, of knowing that after five or six years in office that governments are prone to attack. Because if they merely say it often enough that we have high taxes, slow economic growth, too many civil servants, too soft on welfare, quite apart from the facts of the matter, quite apart from decency and objectiveness, they merely say it over and over, they hope that the mere printing up of it in the media will really do their dirty job for them. That's basically the philosophy and tactics rather and strategy that they operate on.

It's been no different whether we're talking about general, political, social problems, welfare, job creation, too many civil servants, too high taxes, that's their tactics and strategy. It also happens to be their tactics and strategy with respect to Hydro Electric Development in this province. I have before me here an indication of the electrical power consumption of our province in past years. It does demonstrate a rather significant pattern, Mr. Speaker, that whereas in 1962 there were five billion kilowatt hours of electrical energy consumed, in 1969 eight billion, in 1973 thirteen billion, in 1976 fifteen billion kilowatt hours. The growth and demand has been phenomenal, part of it having to do with the general economic growth and prosperity which we enjoyed in the mid Seventies, far beyond anything that was enjoyed here in the Sixties, and everything that the engineering people have told me over the years, has been to the following effect; that when Manitoba's electrical load growth grew to the point where it was in the order of nine billion kilowatt hours in the province, that there would be need to put in place, as reservoir firming up capacity to power plants in the Nelson River, both Churchill River Diversion and Lake Winnipeg Regulation.

My honourable opponents opposite, have I think with some success, hidden the fact that the engineering advice was to that effect and have tried desperately, and with some success to create the public impression, publicly perceived impression, that there was somewhere solid consensus of engineering professional advice, that Lake Winnipeg Regulation was not necessary. That kind of tactic on their part, I have to tell them, stinks. That part, I have to tell them, really, not only borders but is well within the area of dishonesty of the first magnitude. That kind of tactic is so reprehensible that I have in 19 years barely encountered it. That kind of tactic is really disgusting in the first magnitude.

I say once again just so that I'm not soothing their feelings too much, that that kind of tactic is indeed disgusting and reprehensible; that they have had ample opportunity to question the Chief

Engineer who heads up the engineering group of Manitoba Hydro, as to whether or not in engineering opinion it was desirable to regulate Lake Winnipeg for power purposes and the answer they have been given repeatedly is "yes" and it's been backed up by engineering reports from both Crippen and Underwood-McLellan. Despite all that, they continue to harp on the theme that Lake Winnipeg regulation could have been postponed without having to do much on Churchill River except divert it, when they know that engineering opinion was that if there couldn't be Lake Winnipeg regulation there would have to be at least 30 feet of flooding on South Indian Lake and that is a position which the Liberal Party in 1969 wouldn't accept any more than it was accepted by this one.

But somehow, notwithstanding that fact, one or two Liberals have forgotten that and have made alliance with those who wanted to flood a community of people 30 feet as though they were muskrats instead of human beings. They have forgotten, Mr. Speaker, that they brought a bill into this House to indeed set engineering parameters here in the Legislative Assembly, to actually cause a bill of law to set an engineering parameter of 30 feet of flooding, Bill 15. They have tried to lie to the extent of pretending that engineers have never recommended that Lake Winnipeg be regulated when in fact that that majority of engineering opinion has always been that there should be Lake Winnipeg regulation, certainly after eight billion kilowatt hours of load and we reached that point in the early Seventies. They continue to ignore that and there is only one way of characterizing that kind of strategy on their part.

Mr. Speaker, I hear some grumbling opposite that, oh, it wasn't really going to be that much of a traumatic problem because they would compensate. The fact of the matter, Mr. Speaker, is that it is difficult enough trying to make adjustments that seem in comparison to tearing a whole community up and moving it 40 miles or more, that even so-called seemingly minor problems are difficult enough to negotiate. My honourable friends need not pretend that it was a minor matter to raise a water level 30 feet involving the flooding of millions of acres.

But that's not the main point, Mr. Speaker, the main point is that they have pretended, and for that it is unforgivable and I hope that they are haunted by this to the end of their day, that they want to pretend and continue to pretend that the consensus of engineering opinion was that Lake Winnipeg regulation was not needed when in fact that has never been the position of the consensus of engineering opinion in Manitoba Hydro.

I don't know how they can find it within themselves to continue to leave the false impression that there is some very very competent pervasive widespread body of opinion among engineers that the high level diversion all by itself would suffice. Indeed, they talked about 55,000 cubic feet per second diversion. I wonder if they realize, I wonder if some honourable members opposite realize, such as the Member for Pembina, the Member for Rock Lake, the Member for Brandon West, I wonder if they realize whether in fact the engineers agree that 55,000 cfs diverted through some of the smaller river channels and creeks is a technical feasibility. I wonder if they know that? Why don't they ask the Chief Engineer of Manitoba Hydro at these meetings whether 55,000 cfs diversion is a technical feasibility? I haven't heard them ask that question once.

So, Mr. Speaker, whether we are dealing in the realm of fiscal policy, taxes, services, whether we are talking about energy development, my honourable friends, unfortunately for them, have developed a strategy not of telling the people of this province what they hope to do, but rather of being completely negative and sterile in terms of criticizing what is being done. They do not have a clue, Mr. Speaker, what the energy requirements of our province will be five or ten years from now and yet they see fit to criticize a Hydro-Electric development that is predicated on the full development of the Nelson River and the firmest possible reservoir securities of water supply backing it up.

On top of that, I have not yet heard a Conservative spokesman come up with some new proposal that would be of service and value to humanity.

I want to hear from them yet one concept such as public financing of nursing homes, or such as home care for those who are temporarily seriously injured who require a bit of a helping hand so that they can stay in their own homes and yet, by means of a helping hand, manage to live their daily lives.

I want to hear from them yet an idea such as further improvements in Survivor Benefits under Worker's Compensation.

I want to hear from them yet a suggestion or a proposal or prodding on government to try at least to do something better with respect to safety in the workplace, enhancing safety in the workplace. It's not easy, but isn't it a goal and desire for us to want to work towards?

I want to hear from them yet a proposal or a prodding of government to do something even more meritorious with respect to decent comfortable housing for senior citizens and those families that are living in some of the older run-down sections of our city or other parts of the province.

I want to hear from them yet some proposals, some urging as to what we should do in order to create jobs for two, three, four thousand Manitobans in a way that will at the same time provide needed services and amenities of life to those people living in institutions or living in smaller rural towns and villages.

All they can do is criticize. The Member, I think, for Morris, described the Winter Works Program which did succeed in bringing amenities, improved infrastructure to rural communities, as, I believe he used the expression, not ' "sphinx" but ' "pyramids," white elephants.

I wonder if he regards the millions of dollars that have gone into the assistance of towns and villages for the installation of water treatment and sewer and water service as a white elephant program?

I wonder if he regards, or if the Conservatives regard the thousands of dollars, indeed the millions of dollars that have gone into the construction of much-needed community infrastructure and recreational facilities that have been built between 1972 and 1975 . . . .

I wonder if they have any Conservative program that is consistent with their philosophy, that would provide public funds to do certain worthwhile jobs and provide decent services to people while making it possible for those out of work to have gainful employment?

It's impossible for them to advocate that because their philosophy is one of simply sitting back and hoping that the private sector will do it, or that somehow these problems will cure themselves.

So in the final analysis, Mr. Speaker, the budget which we have brought forward, which has been hailed by many as rather a dramatic example of prudent fiscal responsibility and yet at the same time a willingness of modern enlightened government to intervene and involve itself from time to time in the economy to stabilize economic conditions, build things, provide services, try to stabilize employment opportunity — this, Sir, is social democracy. My honourable friends can use all the nasty tactics that they can imagine. In the final analysis there will be more social democracy in the world, more, Sir, not less.

**MR. SPEAKER:** Order please. Subject to our Rule 23, Subsection 4, at this time I must put all the Motions before the House.

**QUESTION put on the amendment to the amendment and lost.**

**MR. STEVE PATRICK:** Yeas and Nays, Mr. Speaker.

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

Order please. The motion before the House is the amendment placed by the Honourable Member for Fort Rouge.

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

**YEAS:** Messrs. Axworthy, Banman, Bilton, Blake, Brown, Einarson, Ferguson, Graham, Henderson, G. Johnston, F. Johnston, Jorgenson, McGill, McGregor, McKenzie, Minaker, Patrick, Sherman, Spivak, Steen, Wilson.

**NAYS:** Messrs. Adam, Barrow, Bostrom, Boyce, Burtniak, Cherniack, Derewianchuk, Desjardins, Dillen, Doern, Evans, Gottfried, Green, Hanuschak, Jenkins, Johannson, McBryde, Malinowski, Osland, Paulley, Pawley, Petursson, Schreyer, Shafransky, Toupin, Turnbull, Uruski, Uskiw, Walding.

**MR. CLERK:** Yeas 21, Nays 29.

**MR. SPEAKER:** In my opinion, the nays have it and I declare the motion lost. **QUESTION put on the amendment and lost.**

**MR. G. JOHNSTON:** Same Division, Mr. Speaker, please.

**MR. SPEAKER:** Same Division, is that agreed? (Agreed) Order please.

The Honourable Member for Swan River.

**MR. JAMES H. BILTON:** There may be some doubt as to the sound. I thought it was . . . on this side.

**MR. SPEAKER:** Order please. It has been requested that we have the same Division as previously. In that case the Nays have it. I declare the amendment lost.

**QUESTION put on the Main Motion and carried.**

**MR. SPEAKER:** Order please. The Main Motion being that we go into a Committee of Ways and Means. The Honourable Member for Logan.

**COMMITTEE OF WAYS AND MEANS**

**MR. CHAIRMAN:** Committee rise and report progress. Call in the Speaker.

**IN SESSION**

**MR. SPEAKER:** The Honourable Member for Logan.

**MR. WILLIAM JENKINS:** Mr. Speaker, I beg to move, seconded by the Honourable Member for Thompson that the Report of the Committee of Ways and Means be received.

**MOTION presented and carried.**

**MR. SPEAKER:** The Honourable House Leader.

**MR. GREEN:** Mr. Speaker, I move, seconded by the Honourable Member for Sturgeon Creek that the House do now adjourn.

**MOTION presented and carried** and the House adjourned until 2:30 p.m. (Wednesday).