

(Mr. Turner) on his budget. I think it is a good budget, a very realistic budget and one that shows where the heart and the mind of this government is.

**Mr. Dinsdale:** On the election.

**Mr. Osler:** First, it shows that it wants to help people within the ability of the country to do so. Second, it shows that it realizes the country must pay its own way if anyone is to be helped at all. Those are two pretty humane and realistic thoughts to possess in the mind of any government. Recently this government has made two important policy statements, one the budget and the other the matter of foreign takeovers. Both of these have far reaching implications for all parts of the country, but in particular for western Canada which needs all the capital it can get and requires the build-up of its manufacturing and processing capabilities.

As for its statement on foreign takeovers, the government has served notice that Canadians who enjoy a controlling ownership position in a company will no longer be allowed to sell or transfer this control to foreigners unless such action seems to be in the national interest. I find no fault with this attitude.

As for the budgetary measures, the government has taken steps within the country's means to allocate additional benefits for senior citizens and those who are disabled. Unlike some of the "pie in the sky" dreamers we run into in one small corner of this House, it has at the same time taken measures to ensure that the source of tax revenue on which all benefits depend will continue to expand. People are the only thing that count, Mr. Speaker. To do things for people, be it our senior citizens, those who are ill, those who for a variety of reasons need a helping hand, be it for housing, welfare, urban renewal or a host of other problems, this is the primary task of government today.

I only have one small quarrel with the measure proposed in the budget for old and disabled people. I will not bore the House with my observation. This was very adequately expressed yesterday by my colleague, the hon. member for St. Paul's (Mr. Wahn). He said that to go so far for some people on incomes fixed to the cost of living index is inconsistent if you do not go the whole way. He said he hoped the day would soon arrive when the Canada Pension Plan and the Quebec Pension Plan can both have similar treatment and be tied to the actual cost of living index rather than the 2 per cent escalation. And he requested the Minister of Finance and the Minister of National Revenue (Mr. Gray) to do something about the law which does not allow private pension plans to have more than a 2 per cent escalation built into them and still be deductible for tax purposes. That is an area that can be looked into to round out the very good measures that were taken for older and disabled people in this budget.

In a sense, Canada is like a great internal combustion engine coupled to a dynamo that creates power. If you overload that dynamo by making undue demands for electricity, you will burn it out and complete darkness will surely follow. If, on the other hand, you tamper with the supply of fuel, nothing will work at all and again darkness will be the result. The very necessary public sector in Canada is attached to the dynamo end of this power

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generating machine. The private sector supplies the fuel. If we want more power for the benefit of more people in this expanding Canada of ours, we must secure our source of fuel. Thus, I commend the government for setting aside half a billion dollars in its latest budget to create lasting jobs in the private sector.

• (1620)

By and large, Canada's resource industries now have available tax incentives sufficient to maintain a satisfactory level of exploration and development; and the service industries are performing well too. Thus, within this \$500 million for the private sector the most significant of the measures taken are the corporate tax changes affecting manufacturing and processing activities.

Moreover, this action is entirely consistent with the government's action over the past decade to encourage an ever increasing degree of "finishing" activities in Canada. I did not have time to look up the figures, but the proportion of our manufactured products as against raw material exports has continually risen. Speaking from memory, I would say it has risen from 12 per cent to something like 40 per cent in the last decade. The budget proposal implies a consistent attempt to follow this trend and encourage it, bearing in mind that to finish more of our products in Canada means more jobs. In other words, we must make conscious efforts to combine skilled people with our resource development and we must add to this a third vital ingredient, salesmanship, if we are not forever to remain hewers of wood and drawers of water until all our resources are used up.

Let us turn now to western Canada. One of the fundamental concerns of all thinking western Canadians has been our very large dependence upon raw material exports. The Premier of Alberta has declared that the future growth of his province will depend upon the success with which it is guided through the transition from a primary industry economy to a balanced economy equally based on natural resources and secondary and manufacturing industries. The Premier of Saskatchewan has indicated that his government will put new emphasis on projects involving further processing of agricultural products and other raw materials. The Premier of British Columbia has moved to assure an increasing degree of in-province processing of forest product exports.

Even in my own province, Manitoba, attempts have been made to grapple with this problem. These attempts have often been successful, despite the boos of the former Tory government, which sank approximately \$100 million into the so far unsuccessful industrial complex at The Pas and despite the tax policies of the present NDP government there—I must admit I cannot fully understand them—which reputedly is now in the process of attempting to tax the very air which Manitobans breathe. As you know, Mr. Speaker, Manitoba stretches across one of the great flyways which geese and ducks use in their annual migrations. Very soon, I think, there will be a move to tax the geese and ducks which use this air space twice a year. Wait for it: it will happen. If they could find a way of putting a meter on them, they would even tax the ultimate pleasures of life.