

THE LEGISLATIVE ASSEMBLY OF MANITOBA
10:00 o'clock, Wednesday, May 22, 1974

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the Honourable Members to the gallery where we have 30 students of Grades 10, 11 and 12 standing. These students are from Fargo North High School. They are under the direction of Miss Zakula. On behalf of all the Honourable Members I welcome you here today.

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports; Notices of Motion; Introduction of Bills; Questions.

ORAL QUESTION PERIOD

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SIDNEY SPIVAK, Q. C. (Leader of the Official Opposition) (River Heights): Mr. Speaker, my question is to the Minister of Consumer Affairs. It now appears, Mr. Speaker, as a result of the reports that have been presented that the rate of inflation in Canada is higher than that of the United States. I wonder now whether the Minister is in a position to indicate whether his department has conducted any studies that would indicate the rate of inflation in the Province of Manitoba and whether those studies are available to be tabled in the House?

MR. SPEAKER: The Honourable Minister of Consumer Affairs.

HON. IAN TURNBULL (Minister of Consumer, Corporate and Internal Services) (Osborne): Mr. Speaker, without conceding that the preliminary remarks of the Leader of the Opposition are in fact correct, I can say that I have been advertising for staff to conduct just that kind of a survey. There is at present no very extensive capacity within the Department of Consumer Affairs to carry on those kinds of studies but I do hope that we will shortly have that staff and will be able to carry on that type of study, and when they are conducted, when they are written and published, I would hope that they could be made available. That of course, Mr. Speaker, does not refer to other studies of pricing that are being undertaken in the Province of Manitoba, particularly of course with regard to prices in Northern Manitoba.

MR. SPIVAK: Then I wonder if the Minister can confirm that the government does not have any studies at this point which would indicate the rate of inflation in the Province of Manitoba?

MR. TURNBULL: Mr. Speaker, I don't think it behooves me as the Minister of a Department to confirm whether or not the government in totality has reports or not. That answer should properly be forthcoming I think from the Premier. But there are of course national studies available and rather than duplicate everything that the Federal Government does I'm inclined to think that we can rely presumably on the impartiality and the scientific objectivity of the Federal Department responsible for compiling statistics.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: To the First Minister. I wonder if he's in a position to produce for this House any studies by his government which would show the nature and the rate of inflation in the Province of Manitoba?

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Well, Mr. Speaker, even though we, this administration, is not of the same political background as the federal administration does not mean therefore that we do not put any store or confidence in studies on rates of inflation that are conducted by the rather comprehensive staffing of the Federal Government, and such studies exist. We have no intention of duplicating general studies of inflation. We are doing some work relating to specific commodities and when we are in a position to announce policy with respect to those that will be done. But let it be clear, Sir, with respect to general studies of inflation we have no intention of spending money on duplication.

MR. SPIVAK: Well I wonder then if the government's position will be to continue to rely on the Federal Government study in view of the fact that the Organization for Economic Co-operation and Development have now proven that the information supplied by the Federal Government with respect to inflation was incorrect?

ORAL QUESTIONS

MR. SCHREYER: Mr. Speaker, it may be that in certain very technical regards there may be some difference of interpretation as between the OECD and certain senior public servants of the Government of Canada. I will not enter into any argumentation as to difference of view on technical matters of that kind. But I certainly want to let my honourable friend know that I would put more store and confidence in data provided by the Government of Canada than by the Honourable the Leader of the Opposition.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, my question is for the Honourable the First Minister. In view of the effect of inflation on the operating costs of municipal governments in the province and the rapidly escalating costs that they're faced with, I wonder if the Minister is able to announce what the increase will be on the per capita grants to the municipalities this year.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, there is a formula. We anticipate that the amount by way of per capita grant that will be available to local government in 1975 will be approximately, approximately \$1.50 to \$2.00 per capita higher than this year.

MR. MCGILL: A supplementary question, Mr. Speaker, in respect to the grants for this year. I understand that last year they were \$10.00. Is the First Minister now saying that for 1974 they will be \$11.50?

MR. SCHREYER: Mr. Speaker, I just indicated for 1975. For 1974 I believe they are \$10.60. For 1973 they were \$10.00; for 1969 they were \$8.00; for 1963 they were \$3.00. But now it is on a formula which is in accordance with certain phenomenon at work in the economy, rates of inflation included, and is not dependent on the whim and caprice of government such as it was in the past.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. BOB BANMAN (La Verendrye): Thank you, Mr. Speaker. I direct my question to the Honourable the Minister of Tourism and Recreation. Is the government proposing a restructuring of cottage lot lease fees in the Whiteshell Provincial Park?

MR. SPEAKER: The Honourable Minister of Tourism.

HON. RENE E. TOUPIN (Minister of Tourism, Recreation and Cultural Affairs) (Springfield): Mr. Speaker, I didn't get the last part of the question clearly. Was the Honourable Member for La Verendrye asking, construction of cottages for lease purposes?

MR. BANMAN: The restructuring of the lot lease fees.

MR. TOUPIN: There is some activity in that area. I would prefer taking the question as notice and get a more comprehensive answer for the honourable member. When I say some activity in the Whiteshell, as the honourable member is quite aware it has to be somewhat limited because of the capacity that that area can maintain in the future. We have more activity in the rest of the province than we will have in the Whiteshell itself.

MR. SPEAKER: Orders of the Day. The Honourable House Leader.

ORDERS OF THE DAY

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management and House Leader) (Inkster): Yes, Mr. Speaker, I wonder if you would proceed with the adjourned debates on the second reading of bills as they stand on the Order Paper.

BILL NO. 55

MR. SPEAKER: Thank you. Bill No. 55. The Honourable Member for Souris-Killarney. The Honourable Member for Brandon West.

MR. MCGILL: Mr. Speaker, I am prepared to proceed on this bill and allow the bill to remain in the name of the Member for Souris-Killarney.

MR. SPEAKER: (Agreed) The Honourable Member for Brandon West.

MR. MCGILL: Mr. Speaker, I think it's an appropriate date to resume this debate in respect to the subject of taxation of centennial projects. It was a year ago this date, I believe, that the Bill No. 12 introduced by the City of Brandon which would have provided for an exemption of school taxes on the Keystone Centre came to the Law Amendments Committee and was held in that Committee for amendment by this government.

Mr. Speaker, the Member for Sturgeon Creek has commented on the general terms of

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(MR. MCGILL Cont'd) this bill and what it intends to cover. And he noted, I believe, although I did not hear his remarks, that the four projects that are listed as centennial projects and for which the government would now grant complete tax exemption, two of the projects, namely the Centennial Centre in Winnipeg and the St. Boniface Cultural Centre are already granted tax exemption under separate Acts. So I'm not just sure, Mr. Speaker, why those two particular projects were included in this Bill. There may be some reason which escapes me why they should be again covered in respect to their tax status, and also in respect to the title to the land and buildings reverting to the Province of Manitoba in the event that taxes or that the use for which the structures were put should in any way change from its present circumstance. I believe that the Acts covering those two centres already states that the land and buildings vest with the Province of Manitoba and that there shall be no taxes of any kind levied by the various municipal jurisdictions, other than amusement taxes which are specifically mentioned in this Bill.

The First Minister also in his explanation mentioned that this Bill would not preclude the levying of a business tax in respect to the operation of the four centres named, and I think that that explanation was somewhat brief and might bear some further explaining by the First Minister when he closes debate in this bill. I'm sure that the municipalities involved would like to know precisely what is intended or what is covered by the explanation that business taxes may be applied. I'm not sure that the bill itself specifically mentions business taxes; it does mention amusement taxes, but certainly the wording given by the First Minister indicated that there was something additional to the ability to levy an amusement tax.

Mr. Speaker, I'm sure that you and other members of this Assembly are very familiar with the Keystone Centre and of the fine facilities that it now provides for Western Manitoba as a centre which enables sporting events as well as agricultural displays and other events of great interest to the community to take place, and in an area and in a way in which it was not previously possible. In the planning of this Keystone Centre, the undertaking was that from the previous administration there would be some grants forthcoming, although those grants were never the intent of those undertakings by the previous administration, were never completed because of the change in government which occurred in 1969. And it is certainly to the credit of this administration that they proceeded to make good on the amounts that had been verbally agreed to by the Progressive Conservative administration. And I think the way in which the present administration undertook to join with the City of Brandon in providing grants up to I think \$1.5 million, and the City 1.1 or \$1.2 million and from private contributions an additional one million plus was obtained. I think this was the way in which the project was jointly funded by governments and private corporations and individuals.

In 1971, it appeared that there was a developing crisis in respect to the ability of the planners to carry on with the project, and it was at that time that the province of Manitoba moved in, met with and cooperated with the City of Brandon and came up with an agreement in which there would be a 50-50 sharing of any operating deficits which would occur. There was an additional assistance from the Province of Manitoba in respect to some deficits which then existed in the name of the Provincial Exhibition of Manitoba, and all these things were taken care of and it was a very reasonable and good approach by the Province of Manitoba. It demonstrated a completely cooperative effort on this part and a real desire to see this worthwhile facility come into being. I think that there are some occasions when we can give credit to the Government of Manitoba and this is one, and which I think particularly the people of Manitoba realize that this was a worthwhile effort. I know that members opposite wouldn't hesitate to compliment the previous administrations in Manitoba, as they have done I imagine on occasion when they are aware of some decisions that have been taken that have worked to the benefit and the advantage of the province, and I'm sure the First Minister has on occasion seen fit to compliment other administrations. I hope he won't rise at this time and challenge me on that respect because I might have to do some research to find a specific instance of his having done so; but nevertheless I do feel that there have been times in the last few months when he has reason to have said that the planning of the Roblin government was remarkably foresighted, and while it was criticized at the time, it nevertheless has in the past few months - by oppositions at the time at which the project was undertaken and which it was pressed forward by the then Progressive Conservative administration in Manitoba.

But, Mr. Speaker, I would like to again refer to the agreement which was signed and

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(MR. MCGILL Cont'd) which was, after having had a meeting in this respect and having agreed generally on the terms the province, undertook through its legal counsel to draw up and then return to the City of Brandon with an agreement, a contract which would be signed by both parties. And this was duly carried out, and it was not until the introduction of Bill No. 12 last year that the Province of Manitoba began to question the taxability of the Keystone Centre and it was then said that the Province of Manitoba assumed that the Keystone Centre was tax exempt because the Provincial Exhibition of Manitoba, its predecessor, had enjoyed a tax exempt status.

Well, Mr. Speaker, the differences of course are many, the Provincial Exhibition of Manitoba operated seven days out of each year, had a very large acreage of land which during the period when the Provincial Exhibition was not being held was used as a park and a small zoo. So that the City of Brandon was not faced with any great expense of day to day maintenance in the operation of the grounds and the area occupied by the Provincial Exhibition. But when the agreement was signed between the province and the City of Brandon, the land was transferred to the new corporation, the Keystone Centre Corporation, and the position of the whole enterprise changed, because it then became an almost daily operation in the Keystone Centre where police services, fire services and other maintenance services were required on a much more continuing basis than had been the case in the past.

So, Mr. Speaker, the differences I think were pretty obvious, and when we came to debate the Bill on the City's voluntary move to grant school tax exemption the City and the Province of Manitoba then stated that it was their understanding that there would be no taxes of any kind levied because the levying of taxes would in effect increase the amount of the deficit if any that might have to be paid by the Province of Manitoba.

Well, Mr. Speaker, the fact that there was no mention of taxes in the agreement would indicate that an assumption was made that was partially unwarranted, that there should have been mention of taxes and this it would seem to me was an oversight on the part of the people who drew up the agreement. To make an assumption that the Keystone Centre would not be taxable was, I would think, Mr. Speaker, one that was unwarranted under the circumstances and I would suggest that if I had as a private individual gone to court to contest an agreement I had made under these circumstances and I pleaded with the judge that I had assumed certain things to be the case in respect to taxes, he would have taken a somewhat benign view of the whole situation and simply said, Well you didn't take the trouble to apprise yourself of the facts. Mr. Speaker, the paradox here is that the government on the one hand assumed certain things about its taxability while another department of government seemed to have no doubt whatever about the taxability of the Keystone Centre because the municipal assessor as recently as March had written to the City of Brandon explaining clearly that certain assessments were required in respect to the Keystone Centre.

For the Province of Manitoba now, Mr. Speaker, to pass a bill to exempt the Centre from all taxes other than those mentioned by the First Minister seems to be clearly unilateral action against a municipal government, a lower level of government, and an action which breeches a contract which this province entered into with the City of Brandon. The paradox which appears to be so evident here is that the government on the one hand is admitting by its actions and by its words there's an inflexibility of the tax sources and the revenue sources for municipal governments at this time, in a very difficult period of constantly inflating costs of operation, the municipal governments are faced with that constraint. Revenues do not increase as they do for the Provincial Government with the growing inflationary rates, and they're recognizing these problems by increasing per capita grants to the municipalities. As the First Minister mentioned earlier today in the question period, the grants went up from 8 to \$10 last year and will increase this year on a formula basis to something like \$10.60 per capita. This is in recognition, Mr. Speaker, of the difficulties which municipalities now face in covering costs of operation which have rapidly escalated in the past few years.

Now, Mr. Speaker, by this Bill, the government of the Province of Manitoba is directing the City of Brandon to grant a tax exemption which will increase the mill rate in Brandon by 2.91 mills. Mr. Speaker, I think perhaps a good way to demonstrate or to make this problem of municipal tax fairly clear is to do what one concerned citizen of Brandon did and that is to take his last year's assessment notice and send it to the assessors in Portage la Prairie and in the City of Winnipeg. He wanted to find out really if he were able to transport his home to

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(MR. MCGILL Cont'd) a new site in Portage, how his taxes would compare with that which he paid in the City of Brandon, and he made the same supposition to the City of Winnipeg. He had a notice of assessment and he said, What would my taxes be in the City of Winnipeg if I were able to transfer my home to a new site in that city? I think, Mr. Speaker, the results of his research are significant and this deals with the 1973 situation. I quote this because there has been a great deal of controversy from the urban centre of Winnipeg as to the amount of aid that they're receiving, the amount of tax revenues that they're getting from the Province of Manitoba. The First Minister is constantly receiving delegations I'm sure, from the City of Winnipeg and in recognition of the City's difficulties they have engaged in more direct cost sharing programs with the urban centres. There's been evidence of that, that they recognize that the City has a problem and they are prepared to engage in sort of 50-50 arrangements with the City of Winnipeg in various ways to somewhat reduce the impact of the rising tax rate for the property owners.

So let me go back to the results of my friend's research, my friend from Brandon who sent his tax notice to Portage and Winnipeg. He found out that last year, had he been able to move his house to Portage his taxes would have been \$806; if he had been able to move it to the City of Winnipeg his taxes would have been \$799, but what he did actually pay in the City of Brandon was \$931.00. I think, Mr. Speaker, that is a pretty significant figure because it somewhat takes the steam out of arguments that the taxpayers in the City of Winnipeg are the ones hardest hit and are most deserving of assistance, direct or indirect from the Province of Manitoba. Let me hasten to assure my colleagues who come from the City of Winnipeg that I am not in any way attempting to downgrade the arguments which they and their constituents are placing. They do have a serious tax problem but I suggest, Mr. Speaker, that at this moment it is not as serious a problem as it is for the taxpayers in the City of Brandon. The tax rate in mills in Brandon will increase this year by 10.69 mills residential and 10.36 mills commercial. Now this assumes the present situation, but if this Bill passes those rates will be up 2.91 mills. One mill in the City of Brandon is in the area of \$57,000. Well, Mr. Speaker, this is what this Bill will do for the City of Brandon. Up to this time I think in respect to the whole concept of the Keystone Centre we have a very good relationship between the City of Brandon and the Province of Manitoba. Somehow along the line the impression was gained that we've got to stop. We've done enough for the City of Brandon. The words were perhaps used that we have been generous with the City of Brandon and this should --(Interjection)-- over-generous? Well I think this tax comparison explains that in the ultimate analysis that has not taken place.

I would like, too, Mr. Speaker, to suggest to the First Minister in the Front Bench that this Bill should stand on its own merits; this bill should not stand or fall upon other considerations of other deals made at other times. This has nothing whatever to do with that. If the bill is a good bill, surely it can stand or fall on its own not upon the past performance of any government or of any individuals. So, Mr. Speaker, I would plead that the Province of Manitoba consider that in the ultimate analysis they have not been too generous with the City of Brandon and that to take this action, this unilateral action, to breach the agreement which they now have is in my view an unwarranted action. There is also I think embedded in this action by the government, some feeling that the Mayor of the City of Brandon has not always been as co-operative as he might have been, that there may have been some abrasiveness in the discussion that has occurred.

Mr. Speaker, I regard the performance of the Mayor of the City of Brandon as the kind of performance that a taxpayer should expect from his mayor. He has been fighting to do his best to keep the load on the taxpayers in that city at a minimum and he has done everything in that respect that a mayor should do. If he has, in some way, during his championing of the rights and the privileges of his taxpayers he has in some way alienated the affections of the Province of Manitoba, I think that's unfortunate; but, again, this Bill should stand on its own merits, there should be no personalities involved, there should be no past performance data entering into its consideration.

Mr. Speaker, a year ago it was in committee, a bill to give exemption for school taxes. That bill was amended by the Province of Manitoba and the amendment was such as to change the whole intent of the Bill and I think the amendment in retrospect should not have been allowed because it changed the bill from one which the City of Brandon supported to one

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(MR. MCGILL Cont'd) which they did not support and it changed the intent completely. Nevertheless the amendment was allowed, the Bill came for third reading and I as sponsor felt that I could not propose the bill for third reading, inasmuch as it was not the Bill that I had originally entered for this government. So we are now faced with the same situation, the same argument.

I put before you that we have an agreement with the Province of Manitoba, a good agreement. The Province of Manitoba made certain assumptions about taxes which were not backed up by their own Municipal Affairs Department. The Municipal Assessor said the property was taxable, the city had no recourse but to continue to consider that those revenues were collectible. If this bill passes Brandon will be faced with a 2.91 mill increase in its taxes. I think, Mr. Speaker, that we should revert to the situation which prevailed a year ago today in committee when the City of Brandon was prepared to grant an exemption of school taxes. I think they would still be prepared to do that and in a sense share the difficulty which the province now faces. --(Interjection)--

Well, Mr. Speaker, the Minister of Mines has had a great deal to say on this Bill, both last year and this year, and I've no doubt that he will enter the debate and I am looking forward to hearing how he will rationalize this kind of unilateral action by his government against a municipal government, to breach an agreement that was properly entered into, drawn by the Province of Manitoba and then objected to by the Province of Manitoba because they neglected to consider the tax position.

Mr. Speaker, I have nothing more to add to the observations that I've made. I hope that the Minister will explain what he means in respect to business taxes because the bill doesn't seem to really specify that ability. I hope he can explain in discussing the bill how it is that even the taxes which the old provincial exhibition paid in Brandon are now cut out, they paid local improvement taxes of roughly 8 or 9 hundred dollars a year which still have some years to run to 1977 which are now cut out. The Provincial Exhibition always paid taxes on residence in the grounds, 3 - 4 hundred dollars a year to the city, which are now apparently cut out. The City of Brandon also collected a frontage tax which provided for maintenance of sewers along the way, for some hundreds of dollars a year. These are now cancelled.

So all in all, Mr. Speaker, I think a decision has been made here based upon what the Province of Manitoba considered to be their past performance, that somehow Brandon had got a better deal than they were entitled to, and I put to you that the evidence in respect to the taxes that are paid by homeowners in the three areas which have been researched, indicate that that is not the case, that Brandon is still the highest taxed area in the country and that this agreement that is now in effect, and which will shortly be breached, will be adding to the disparity between the taxes paid in Brandon and in the rest of the province. Thank you.

MR. SPEAKER: The Bill remains in the name of the Honourable Member for Souris-Killarney. Bill No. 60. The Honourable Member for Rhineland. (Stand)

BILL NO. 61

MR. MR. SPEAKER: Bill No. 61. The Honourable Member for St. James.

MR. GEORGE MINAKER (St. James): Thank you very much, Mr. Speaker. I would like to make a few comments at this time with regard to Bill 61. My colleague the Honourable Member from Riel generally spoke on the principle that the Progressive Conservative Party believes with regard to tax reductions for the citizens of Manitoba and while we are for reducing taxes we cannot support a bill which takes the approach of a rebate that the government must get full credit for and use as a political tool. And I say that, Mr. Speaker, because from the experience that we had with the government when we were on City of Winnipeg Council that they insisted that a tax information form be included in our tax bills. The first one more or less indicated in very great propaganda methods that the good guys on Broadway down here were giving back money to the citizens and they had to make sure that in big bold print, "The Manitoba Government Information Tax Credit Plan," and at that time the council discussed whether in fact such an information slip was necessary and agreed to it.

But this government, Mr. Speaker, is so uptight about getting credit for this particular rebate and being recognized that it's the NDP Government that's giving it back, that they've even had to go to the point in Bill 38 that we had here before us to make sure there was an

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(MR. MINAKER Cont'd) amendment to The City of Winnipeg Act, that the Minister could demand that this slip of paper went in the tax bills that were mailed out. This is the type of rebate program we have. I'm happy at least to see that part of the taxes are going back to the citizens. One of the things that we cannot support is the fact why take it in the first place if you're going to use \$600,000 in administration costs to give it back by patting yourself on the back and making sure you advertise on TV and in the papers and so on to say that everybody is getting some money back.

I was somewhat bemused by the Honourable Minister of Mines and Natural Resources last night with some of his comments with regards to the City of Winnipeg and I guess what at one point got known as the road show. Last year the City of Winnipeg Council decided that we should go out to the people at that time and try and explain to the people the problems the city had with finances and their belief that they should share in the growth taxes and I might add that the honourable member I guess in his professional training as a former high-priced union lawyer had to twist the facts or leave out facts that implied that the City of Winnipeg wanted all the money, nobody else should get it. But I would think the honourable member would concur with me that in presentations both public and with the government that there was indication that the City of Winnipeg was not looking for anything special, that they believed that this was the type of program that should be made available to all urban areas and municipalities, not just the City of Winnipeg. And it was publicly stated by the Mayor of Winnipeg and it was publicly stated by the city officials that it wasn't just for the City of Winnipeg, they also felt that this should be made available to other urban areas. But obviously as the elected members for a city council that we couldn't say that Brandon should get 15 percent or ten percent or five percent. At that time the delegation was dealing on behalf of the City of Winnipeg but they indicated that they were not asking for a favour for them alone, that they thought if this was applicable to the City of Winnipeg that it should also be applicable to Brandon, Morris, Gladstone and so on.

I mentioned last night that I never indicated in this House any percentages. Well I didn't think it proper to indicate in this House any percentages that the City of Winnipeg or other urban areas should get because I believe that they are more intimately close to their problems than I am at this time and it is up to them to indicate the type of percentages or the formula that they feel would be fair. So, Mr. Speaker, --(Interjection)-- Mr. Speaker, the Honourable Minister of Mines and Natural Resources indicated that they wanted 16.6 million and they wanted 80 million. But really, Mr. Speaker, is it out of the ordinary to ask for a portion of a revenue that is collected within an area or a plant? This government is very quick, very quick indeed to invest \$18 million in Saunders, or very quick indeed to invest \$1.3 million in W.E. Clare with the idea of possibly developing work for our citizens but also getting back at some future date a revenue. Yet this same government won't invest money in the plants in the city and the urban areas where they get their biggest revenue from. Where, where, Mr. Speaker, are they investing?

This year, Mr. Speaker - and I'm sorry that the First Minister isn't in his chair at this time - this year in discussion of education, debate on the estimates, the Honourable Minister of Education indicated very clearly that he had all of that \$50 million rebate for his department. We questioned him on it and he said that includes the \$50 million rebate. Yet when we have problems with municipal costs rising and soaring the First Minister stands up and says aha but we have the tax rebate program. But how can his department have the tax rebate program if the Minister of Education is claiming it all for himself, his own department? How are you going to pull the money out of the piggybank twice? I suggest, Mr. Speaker, you can't. But this is the type of approach that this government is taking with this problem that the municipalities are having at the present time in Manitoba, that we will use and hide behind the guise of a tax rebate program. This is the approach they're taking. And one can understand why, because this government wants to control the cash flow of Manitobans. This is basically what they're trying to do. They not only want to control the individuals' cash flow but they also want to control the municipalities and the towns. Because they know as well as we do that 70 percent of the people in Manitoba live in towns and cities. I think the last statistics which were prepared by the then - I guess it's the Minister of Municipal Affairs - he gave us the report, it's right here on the desk. There is somewhere in the order of 700,000 people who live in towns, who live in cities in our particular area. So that if they can control that one particular

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(MR. MINAKER Cont'd) level of government, keep them hopping around and saying well we might give you a grant this year and we might not but if we do give you a grant we want to have control. A typical example was the City of Winnipeg Park. They said sure we will give you \$1.5 million, or I imagine this year somewhere in the order of 1.9, but we want to have the say in the matter. A 30 million-plus asset that they have been able to pick up and control, pick up and control by a grant, an annual grant.

But this, Mr. Speaker, is the typical type of approach that this government takes. And the Honourable Minister of Mines and Natural Resources says that he can't stand bureaucrats. We know why he can't stand bureaucrats, because they get in the way of dictators. And this is exactly what this government is trying to do, become dictators. They want to have that dictatorship. And that's exactly what this government is trying to do in all phases of this taxing program. And the principle of the tax system that they are giving out is saying, well we'll give tax, we'll give tax back but you have to earn less than \$4,000 a year or thereabouts, but if you happen to earn up to near \$14,000 a year and you have a wife and three children then you're considered above the middle class.

And why I say that, Mr. Speaker, there was a question thrown out yesterday to the Honourable Member from Riel by the Honourable Minister of Mines and Natural Resources, or maybe it was the Honourable Minister of Finance. He said, what is the middle class? So I thought about that and I know what the middle class is in terms of the government that we have. It has to relate to the tax rebate program and I thought well let's look at myself. I'm married, I have three children, I can claim a rebate or an exemption of about \$4,000 on my income tax. So I look at the tax rebate program and it says, well we'll give you \$250.00 this year less one percent of your taxable income. So one must assume that they think that the low income people - and I have nothing against that - that the low income people should get the maximum amount at this point, \$250.00. Then one must then conclude that between the \$250.00 and the \$150.00 rebate that they must be the middle income people, that as you get higher in that middle income you get less of the rebate back. So one would have to assume in my case that if I happen to earn \$14,000 a year I get the minimum rebate of \$150.00. I would be considered I guess a fat cat by the Honourable Minister of Northern Affairs because I would maybe be earning over \$14,000.00. So we have to assume from the rebate program that the middle income is somebody that earns between \$4,000 and \$14,000.00. Yet, Mr. Speaker, as I indicated earlier --(Interjection)-- Well he's trying hard, Mr. Speaker.

Anyways, Mr. Speaker, getting back to what's happened in our urban areas with regards to the tax rebate and the problems that the city has whether it be Brandon or Portage la Prairie or the towns, they're all experiencing the same problem. And the City of Winnipeg last year went with the approach of five percent. Well I guess when one is dealing with a former union lawyer one starts to think that you're in union negotiations and there has always been that rivalry between the City of Winnipeg for some reason and the Provincial Government. And there is a rivalry there because we at that time were part of the official delegation, we went and said, we've got a problem and this is one of the ways we think can satisfy that problem. And we got our answer, we got our answer: Two million dollars is what you'll get. And I would presume one million dollars for the City of Winnipeg and one million for the other urban areas. So that that way they can control and that's what they want. They want to be able to control the cash flow of the municipal governments, they want to be able to control the cash flow of the individuals.

And was it out of the ordinary to ask for \$16 million? Because if we look at the anticipated growth of revenue this year in five of the taxes that were mentioned the Liquor Control Commission is going to have an increase of \$3 million this year. The individual income tax is going to increase \$31 million this year in the province. The corporation income tax is going to increase somewhere in the order of \$9 million. The national equalization - now there's an interesting thing, Mr. Speaker. One of the arguments the government uses that why the municipalities and the cities cannot share in the growth tax is because they should be responsible for their spending; they should be responsible by collecting taxes. Yet on the other hand right in our book this year the province is going to get somewhere in the order of \$113 million in equalization payments, and are they responsible, are they responsible for collection of these moneys? So that we have an increase of \$15 million in that. We have an increase of \$30 million in the revenue tax. Somewhere in the order of \$75 million increased

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(MR. MINAKER Cont'd) revenue in one year and about I would think somewhere in the order of 60 percent of that revenue is collected in the City of Winnipeg. And is that out of the question to say, well let's maybe consider giving a share to Brandon, a share to Winnipeg, because really if the cities break down our source of revenue is going to break down with it. And for some reason, Mr. Speaker, the government feels that businesses shouldn't have any breaks. They shouldn't have any tax reduction, no, or anybody over \$14,000 shouldn't have any tax reduction. Yet I suggest, Mr. Speaker, that our businesses, our cities are in competition with other cities, who I am happy to say have governments that not necessarily think in the same pattern as the one that we have on the other side thinks, that they at least recognize that it's just as easy to locate in say Edmonton or Calgary as it is to locate in Winnipeg.

So that if the taxes keep rising on services within an urban area - and again I have to review the situation, that 70 percent of our people live and work in cities and probably more, that if we run into problems where our businesses cannot compete and say it's not favourable to live in Brandon or have our companies in Brandon or in Winnipeg or Portage then we will have employment problems. And so, Mr. Speaker, I say that any moneys that go to our municipalities and urban areas are an investment. They're an investment into our revenue because you can look at them as if they were plants, plants that house our particular industries, our commerce where we get all these revenues, where we get probably 70 percent of the \$800 million that is collected. So that we have to look at the thing from an over-all picture, not from an individual itself type of picture. And I suggest it's about time that the middle man got a break in some of this particular tax rebate and so on, and I'd like to read one comment. Because, Mr. Speaker, I think this is where we're heading, and it's a satirical type of comment that occurred in the Florida Police Journal, in a publication of the Florida Peace Officers Association. And this is exactly what is happening in our society these days with the idea that the middle class doesn't count. And I will read it verbatim.

"The middle class is disadvantaged. For years the greatest fear in a man's life was to be poor. It was about the worst thing that could happen but gradually that's changing. In fact nowadays you can get subsidized housing, health and dental care, university scholarships and various other welfare benefits provided you are poor." That's if you're poor now. "All you need to enjoy many of the advantages of life is proof that you are disadvantaged. Nobody can complain about that, it's humane and kind. However in curing poverty society has created another problem group and that's the middle class. Nobody wants to be middle class anymore because middle class has an awkward amount of money. Too much to be eligible to live as well as the poor, too little to live as well as the rich. The middle class wage earner is caught in between. Instead of living downtown (like the rich and the poor) the poor chap has to buy a lot 35 miles from town because that's all he can afford. And then he spends the rest of his life trying to pay his bills, educate the kids and meet the mortgage because nobody will help him. If poverty gets any more attractive this is the sort of thing we may run into at the department." And this I said related to a comment in a Police Journal in Florida and it goes as follows: "Captain Goody, I wonder if I could speak to you for a minute? What is it Smedley? I'm busy. It's about my salary, Captain Goody. I wonder if you could give me a decrease? You had a decrease less than a year ago, Smedley. I know, Sir, but I wouldn't ask if it wasn't important but I sure could use less money. What size decrease did you have in mind? I was hoping for a \$25.00 cut in salary. Twenty-five dollars? That's a big slice, Smedley. What have you done to merit it? I have worked for the force 22 years, Captain Goody and I've never let you down. My work has always been up to standard. I realize that, Smedley, but \$25.00? Wouldn't you be satisfied with a \$15.00 cut? We have a budget right now, we're already below last year's salary figures and I hear that the province is furious taxwise. Captain Goody a \$15.00 cutback is better than nothing but my wife and I had our hearts set on a \$25.00 decrease. How about \$20.00? If I made \$25.00 less we'd be eligible for an apartment in the city's new development, the one downtown with a pool, sauna and tennis court. Besides, my son would qualify for a government scholarship and we could get his teeth fixed. You drive a hard bargain, Smedley, but you win. You get your \$25.00 decrease on this condition. If your work slips you'll take a \$10.00 raise, no questions asked. Bless you, Captain Goody. And Smedley, will you invite me over for tennis and a swim some night when you get into your new place? Certainly, Sir, I believe the poor should share with the less fortunate. "

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(MR. MINAKER Cont'd)

And that's what we're leading to, Mr. Speaker, that's what we're leading to in this type of tax policy that the present government has is that, take from those people who want to work and add to our community and give, give to anybody that, you know, we've got to give it back but we've got to take the credit and we'll select who gets it back. And, Mr. Speaker, I suggest, why take it in the first place? Why not operate, and instead of collecting \$50 million and giving it back and spending a million or thereabouts to give it back so you can pat yourself on the back and so on. Why take it, Mr. Speaker? Because this is what we're leading to. It might sound funny now, but that's exactly what's happening to our people in the province, that we have to change this approach, that we have to recognize that there are other methods of providing tax concessions. And also, that's simply not to charge the taxes in the first place so you can give it back, because what this government is saying is, we're going to save your money, Mr. Speaker. They're saying to the individual. We'll decide how we're going to save the money for you and who will save it. Because if you happen to be qualified to pay more taxes to the Federal Government, they say to themselves, Ah hah, this individual has some money to save and that's not too good, so we'll take it in terms of a rebate and we'll save it for him and give it back the way we think he should spend it or what services he should get.

I suggest, Mr. Speaker, that that is the wrong approach. It's the right approach if you want dictatorship, I guess, Mr. Speaker, but I don't stand for dictatorship - but obviously those people in the first row do. There's no doubt about it. That's what they want, they want to have control and the easiest way they can control is, they know, by controlling their finances, and that's the basic policy of this tax rebate program is, that we will select who gets it back, who we'll give it back to, and it's obviously they're giving it back to the people that are not generally in the middle income; some of the people, you know, I can't understand it why they would think somebody earning over \$14,000 - I think a corporal in the police force or a constable is making close to \$14,000 now - I guess he's considered a fat cat too. --(Interjection)-- Yes, you know, it's too bad that our government feels this way, but I think the people are realizing it now, and you can twist the facts around but the people look at their bill, their tax bill - and I got mine yesterday like everybody else, and I can tell you that three years ago my taxes were less than \$450; you know what my taxes are today, Mr. Speaker? They're \$797 - \$798; and then if we take off that famous rebate of \$150 - \$650 thereabouts. In three years, three years, Mr. Speaker - and what does that government do? It stands up like big heroes and say, 'We're going to give you another \$8 million this year,' \$8 million for the whole province. And you know what the increase in municipal costs - not just for the City of Winnipeg, but the towns and the villages and the education costs to the whole province - I would suggest, Mr. Speaker, that it has probably increased in the order of \$40 million. So the big guys on the other side have decided, we're going to give you \$8 million back - \$50 per homeowner, property owner, that's what they're going to give back, less than 20 percent of the increased costs.

And yet they have no intention of changing their process because, Mr. Speaker, obviously if the taxes have gone up - and in my particular community alone in three years, the cost for municipal services has gone up 90 percent - three years - and this year alone our education costs went up 45 percent. But the government doesn't care because eventually at some point, Mr. Speaker, these houses will have to go up for sale and if everybody has to sell their home at once, who's going to buy it? Probably the province, because after all what are they after is ownership of land; they're after the ownership of corporations, they want to control, Mr. Speaker, so this is the type of tax rebate policy that we have before us. It's one where they want to control the cash flow of the individual, they want to control the cash flow of the municipalities and cities because they want to be the dictators, that's exactly what they want to do. And, Mr. Speaker, the people of Manitoba realize this and the twisting of facts, the attacking of individuals or trying to claim that the City of Winnipeg is greedy won't work, because you look at your tax bill and you see it - and the Honourable Member from Brandon indicated the same problem that they have in their city. Why don't we hear from the Honourable Member from Brandon West, and let us hear from him about the costs in Brandon? You know, --(Interjection)-- I mean Brandon East, my apologies to my colleague. But, you know, they think that the City of Brandon got too many rebates because they're still free in half of Brandon and that's a problem. That's a real problem, because they don't have quite control of that area

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(MR. MINAKER Cont'd) yet and so they feel, well, there's a problem.

So, Mr. Speaker, with those comments, that we can support a tax reduction but we cannot support a principle where a tax rebate program is used as a political tool, it is not the solution to the problem that's facing our municipalities - and I say that again, our municipalities and our cities, including Winnipeg, that if we keep on this particular path that eventually the only people who will be able to afford the homes and the houses will be the government, and heaven forbid that to happen because I cannot help but see that from then on the dictatorship will take over and they will have control of our residence and everything else. So, Mr. Speaker, with those comments, thank you.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON (Sturgeon Creek): Thank you, Mr. Speaker. Mr. Speaker - yes, Mr. Speaker, I notice the comments that are coming from the other side this morning, the first time we have sat in the morning other than on Fridays, and the circus seems to have come out and been watered this morning and they're all hep to go and chattery. I notice the Minister of Mines and Natural Resources is in a very charming mood this morning when people are speaking; and that's probably one of the reasons I once said to him, I would never vote for speed-up while he was the House Leader because his personality goes completely crazy and we never know where we're going from there.

Mr. Speaker, I'd just like to rise to speak on this bill because - as I mentioned a circus. You know, we now have the Minister of Finance in front of all the performers over there with his little shell game. He has got the little shells on the table and he's saying, "Come forward everybody and see where the pea is" type of game. Now, Mr. Speaker, the Minister of Education got up and said, I gave you back a rebate. That's one. The First Minister has got up on occasion when we've talked about provincial tax and he says, I gave you back a rebate. The Minister of Mines and Natural Resources yesterday spoke a long time on real taxes and said, I gave you back a rebate. Now there's where, you know, where's pea, you see. Now the bean is being moved around in the shell game by the Minister of Finance in front of the circus over there and nobody really knows where it's going.

Now, Mr. Speaker, if the fellows on the other side would take out their pencils, and I'll tell you how -- you take it out of your pocket and you hold it in your hand like this - I know you have to learn these things because I don't think you ever really figure these type of things out. Now in 1969, Mr. Speaker, the provincial tax, the provincial tax, you know, the percentage we paid of federal tax was \$346 in 1969. We also paid, Mr. Speaker, \$204 medicare or medical. In 1969 the real taxes paid in the city of St. James-Assiniboia was 49.89 mills which was on a \$8,000 assessment, would work out to approximately \$399.00. Now that would be, the assessment is usually a third, it would be about a \$24,000 house, I guess. Now that, Mr. Speaker, adds up to \$949.00. Mr. Speaker, if the same person in a \$8,000 assessed house, earning \$6,000 a year net, which would probably be about 10,000 if he has a wife and two or three children, but \$6,000 a year net. His provincial tax now is \$517; in 1974 his taxes will be at a rate of 91 point something mills which will be \$729; that all adds up to \$1,246 - and this man because he's \$6,000 a year net, he would receive \$190 rebate and he is now paying \$1,056 in taxes.

Now if the government is going to use all of these things - if you're going to say, I'm getting it back for education, I'm giving it back on real taxes, I'm giving it back on provincial taxes; now tell me - I want the Minister of Finance to answer this and I've asked this question on the other side before when I've given out these figures - when you total up the actual taxes paid by a person in St. James-Assiniboia which is 91, or you could take it pretty well anywhere in Winnipeg, it's very close, on a \$6,000 a year net income, \$8,000 assessment, you are going to be paying more taxes than you paid in '69, total taxes. It's a lot of money. But, Mr. Speaker, we have those hypocrites on the other side who stand up and continually say, "Well, you know, you're paying less taxes because I gave you a rebate," and when he figures out the provincial tax he says, "It's less, because I gave you a rebate." He uses that same rebate. Then he says, "You're paying less real taxes," and he takes the same rebate. And then he says, "You're paying less education taxes" and he uses the same rebate again. Now the Minister of Finance better get the shell game organized and start.

Mr. Speaker, the Minister of Finance stood up about a few days ago and he said, We don't figure out how much of that rebate is for education, we don't figure out how much is for

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(MR. F. JOHNSTON Cont'd) real tax and we don't figure out how much is for provincial. Now isn't it time the Minister of Finance started to tell us how much of the rebate goes towards education, how much of the rebate goes toward provincial tax and how much of the rebate goes to real tax. And, Mr. Speaker, last year, we got a \$100 in 1973, we got it off our taxes; this year, if you had \$190 coming like this gentleman has, he gets 90 - he got 100 last year. In fact I phoned -- well, Mr. Speaker, the Minister of Finance better explain it, I phoned the --(Interjection)-- He'll have a chance to close debate, Mr. Speaker. I phoned the office that asks you about the number they gave us about tax rebate. You know, the office that costs \$400,000 a year to operate the tax rebate. And I phoned that office and I said to them, "Now if I get my \$100 off my taxes this year, do I get the \$100 again next year?" No, no, it was an election year so we got \$100 and you'll only get the balance this year. So, you know, they split up the rebate between years, of course '73 was an election year and these bunch of hypocritical guys over there play around with the money again.

MR. SPEAKER: Order please. I would like to remind the honourable member that that particular word is unparliamentary. I'm sure it was a slip of the tongue and he'll reconsider how he's going to use that language.

MR. F. JOHNSTON: Thank you, Mr. Speaker. I would withdraw the word, I thank you for bringing it to my attention. But these gentlemen over here, honourable gentlemen over here.

A MEMBER: Do funny things.

MR. F. JOHNSTON: Right, do very funny things. I've never seen a shell game played better than played by the Minister of Finance.

So, Mr. Speaker, now we have the discussion about who's paying the most, you know; I took this out of the '73 book and I've repeated it before and it was right, it's the Minister of Finance's book on '73. I notice he didn't put this table in in '74. 62.5 percent of the people were making between 5,000 and 15,000 in Manitoba - pardon me, it's 62.5 percent of the income in Manitoba was paid, people making between six and 15,000, that's 48.5 percent of the people. 2.9 percent of the people of Manitoba make more than \$20,000. --(Interjection)-- Yes. 2.9 and they pay 13.4 percent of the money.

A MEMBER: They're the fat cats.

MR. F. JOHNSTON: They're the fat cats. And the fellows that make over \$20,000 a year have a benefit of investment, they'll put their money into . . .

INTRODUCTION OF GUESTS

MR. SPEAKER: I wonder if I could interrupt the honourable gentleman for just a brief moment. We have up in the gallery with us some 26 senior citizens of the Golden Age Club. On behalf of all the honourable members I welcome you here this morning. The Honourable Member for Sturgeon Creek.

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MR. F. JOHNSTON: The gentlemen that make more than \$20,000 a year will place money into pension plans, so the person paying the big taxes, the person paying most of the taxes in the Province of Manitoba is the man between 5,000 and 15,000 a year, and this government doesn't seem to have any attitude whatsoever that would give any relief to these people. And the Minister of Finance keeps saying, I'm giving you back a tax rebate. You know, Mr. Speaker, the Minister of Mines said, well you know, I think he intimated yesterday what would you do, you know, how are we going to give back senior citizens taxes? Well our policy was we would take the school tax off senior citizens homes. There's be no question about it. We said it would be done, we would take if off.

Mr. Speaker, I can assure you that I remember the meeting that was talked about by the Minister of Mines, and it was at the St. James Civic Centre; it was referred to again as the travelling show, as my colleague from St. James said. And I spoke to the Minister after that, I remember saying to him, I said, you know, by gosh the NDP sure packed that meeting. He said, well you know, he says, they have the right to speak too, you know; they've got the right to come out. And mind you at that meeting in St. James-Assiniboia, we had councillor Cherniack there who spoke for a long time - it seems to run in the family. We had councillors from all over the city; we had NDP people from all over the city - not many

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(MR. F. JOHNSTON Cont'd) NDP people from St. James - and I say to the Minister right now, as I said to him in the hall, it was a packed meeting, almost a representation of the Provincial Government's attitudes at that meeting. Mr. Speaker, there's no question about it.

But I don't want to dwell on a meeting, I just want to go back and say this, that here we have a tax situation, and if you happen to be making more money net and your assessment happens to be higher, it's going to work out even worse for you. There is no reason to keep taking money out of people's pockets, you deciding how much, and when you will give it back; the old deal of the man who pays the piper calls the tune. You know, I said this before, and the Minister of Mines wasn't there, because he used to like to talk about how many people were on the dole in London, England, or in Britain at one time, Britain. Well I said to him also, and he'll argue this again sometimes, that everybody in Manitoba is on the dole at the present time. We all go to work every morning; we all make an income; we all get it taken from us, and we all stand around come tax time and wonder how much our big brother over there is going to give us back of our money after they've spent close to \$500,000 administrating the giving back.

Now, Mr. Speaker, Mr. Speaker, it's rather ridiculous for a Minister of Finance who passes warrants for his money, mind you; he doesn't really have to be here. He just knows that if he would like to, we have on the legislation in Manitoba, we have a situation whereby the Minister of Finance can go in, and into Cabinet, and pass enough warrants to get all the money that he likes, he doesn't have to - and then he comes in and he might want the Estimates voted on, but he really doesn't care, it's because he can go in and get as much as he likes at any time, you know, and most of the people in Manitoba don't realize that there's legislation like that in Manitoba, and I voted for it, I voted for it, and I say it's wrong and should be corrected but that government does not want to correct it. So, Mr. Speaker, why would anybody in their right mind, why would anybody who wants to look their constituents square in the face . . .

A MEMBER: . . . in the eye.

MR. F. JOHNSTON: Well, that's not my saying and if you want to use it, it's probably a good one, because that's about as backwards as that government can be. So, Mr. Speaker, why would we vote for more rebates of our own money, to line up in front of Big Brother over there and wonder how much he's going to give us in any given year. Thank you.

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MR. SPEAKER: The Honourable Minister of Finance will be closing debate. The Honourable Minister.

HON. SAUL CHERNIACK Q. C. (Minister of Finance) (St. Johns): Mr. Speaker, I would like to express my appreciation to members who have spoken. I mean that quite sincerely. I know it's a customary thing to say in closing debate on second reading. In this case, I feel that it is a correct assessment of the value to the people of Manitoba of what has been said, and by whom it was said, not that there was anything particular discussed on the bill itself, and that's the proper way because the bill will be discussed in committee stage and each section will be looked at separately, but principles have been involved, principles have been discussed, and we have a fairly clear recognition of the differences between the political parties in Manitoba, and I think that's very important. I suppose the only thing I do regret is the absence of the Leader of the Opposition during the major part of the last two speeches by members of his caucus because I have the uncomfortable feeling, it's satisfying I suppose although uncomfortable, that the Leader of the Opposition, and the vast majority of the people behind him, do not really agree on many issues that the Progressive Conservative Party base on "principle".

The last two speakers to me embodied the exact concept of conservatism, as I understand it. They are, and of course the Member for Pembina supports that and I agree with him, so he should. Because if anybody is capable of expressing the true feelings of the Conservative Party on that as a principle, it is not the Leader of the Opposition, it is members of his backbench, it is members such as already have spoken today. It is the Member for Sturgeon Creek of course who stands out as being one of the more of the reactionary members of his party, and therefore a proper description of the majority of his party.

The Leader of the Opposition of course is the true Leader of the Opposition in that the bitterness that characterizes the party in opposition is best exemplified by the activities and the words and the expressions of the Leader of the Opposition. When he called us hypocrites yesterday, Mr. Speaker, I accepted it as being so common to his way of thinking and way of speaking, that I didn't even realize that it was a word that is not parliamentary, it has become almost that by the usage to which he put it yesterday, if on no other occasion. But that again is demeaning of him, it's degrading, it's not attractive, but it's typical, so that that's why I was not really that much conscious of the fact that he was transgressing against the rules of the House.

Mr. Speaker, I have a number of, I suppose, disjointed remarks I wish to make in response to various statements made by honourable members. I will have to be selective in my response because of the volume of trivia and of peculiar attitudes that have come across from the other side, but then of course selectivity is the basis of this bill that we are discussing today, and therefore I'm consistent in being selective in responding to remarks made.

Let me first comment on some of the remarks made by the Leader of the Liberal Party, who indicated that Mr. Roblin had invented the technique to reduce property taxes and we are carrying it forward. That of course gives us the true proof that he doesn't really understand the entire concept and purpose of this bill because it is not only to reduce taxation, it is also to help in the redistribution of income, which of course is something that the Conservative Party is opposed to, and that is why I appreciate the fact that there is this difference of point of view. The Liberal Party, I don't know how they stand on redistribution of income and therefore I cannot comment on what the Leader of the Liberal Party really should have said, had he understood what we were dealing with.

Of course, Mr. Speaker, both he and others talked about the use of this as an election gimmick. They forget that we brought in this form of tax reduction, tax credit. -- (Interjection) -- Now you see, Mr. Speaker, another bitter member of the Conservative Party finds that by slip of the tongue I said taxation, and he says taxation's the proper word when he knows full well that it couldn't possibly be, even in his mind taxation is the proper word. But it's cute, so he is prepared to enter into to make his contribution to the debate, for which of course I acknowledge his presence.

But the tax reduction, this tax rebate plan, was brought in by us a year and more before the election. It was extended last year; it was added to this year and to talk about it as an election purpose is just to recognize that when we do something that people remember at election time it hurts them. When we brought in the reduction in medicare premium and did it in the very best first summer of our election we did that at a time when there was no election

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(MR. CHERNIACK cont'd) forthcoming but it was consistent with our program and our policy.

So, Mr. Speaker, this talk about the Leader of the Liberal Party talked about sending our cheque out just before election time, forgetting of course that it was a cheque of the Liberal Party Government of Ottawa that is the cheque that went out in payment of the rebate when indeed there was a cheque payable rather than a reduction of taxation filed with the federal authority. If the honourable members question the need of this government to make clear to people that they understand where their money goes to and where it comes from it is just that that makes it necessary that we inform the people of this province how the tax form they are filling out differs from that of many other Canadians in that they do not have the tax rebate benefit.

Now the Leader of the Liberal Party seems to complain that when we do rebate taxes, and it's admitted that we do, he says, and I quote him, "Not to all of us, just to some of us". And that's absolutely correct. We have no intent and no feeling that it is essential that we should treat all Manitobans regardless of income in the same manner of rebate. That is where we differ from the Member for Sturgeon Creek, from the Member of St. James, from members opposite generally. Of course the Leader of the Liberal Party also accused the Manitoba Government of the increase in oil taxation, which is typical of a person who doesn't have anything to say but feels the need to say it in any event.

Now, Mr. Speaker, there are a few other matters I would like to refer to. I would like to recognize the fact that the Member for Assiniboia did make the point, and made it strongly, that when it comes to benefitting people that count in his mind, he will vote in favour of the bill. That's what he said, and he said that's what his party is doing because it will benefit people who are the most in need of that kind of benefit and he will vote for it because he believes that that's important. But members of the Conservative Party are so hung up on their age-old concept of taxation being something that is to be spread across the board in such a way that it's proportional, or at least, I shouldn't say only proportional but regressive as the medicare premiums, hospital premiums that they had, that they will not recognize that there are people in society today who need a greater benefit and a greater credit than others. They will not recognize this because to them it is abhorrent. That is why they were able to live with a medicare premium with a flat tax because they believe in it and regardless of what their leader will say on occasion, his party believes in that kind of tax philosophy.

The Member for Riel did make some remarks, questioned whether the system was equitable. He said it was ineffective and then he proceeded with his colleagues to prove that it was extremely effective because it did put money in the hands of those who were in the lowest income, those who had the least ability to pay for the increasing costs and that's what they are objecting to. He called it expensive without understanding what he was talking about and he said it was not equitable, and this is a question then of what is equity and that again is a philosophic question. As to what is equitable depends on the person who assesses equity, and there of course, we have the substantial difference.

He talked about the government policy creating this program and what he didn't seem to accept or understand is that the program is a selective one designed to assist those in greatest need and not designed to assist the Member for St. James who gave us his problems, and not designed to assist the Member of Sturgeon Creek, and not designed to assist me or any of my colleagues in the front row. Now once we get that clear, then we are really discussing philosophy because it has to be understood that it is designed in order to create a certain change in the opportunities of people to live a fuller life, and that is the policy and that is the program and unless it is understood that way, then it is not even debatable because you have to understand our point of view in order to be able to deal with it in an intelligent way. That's why I said that I appreciated the contributions made by some of the members opposite. The Member for Lakeside, the Member for Sturgeon Creek, the Member for St. James, they spoke on the philosophic basis, because they did understand what we aimed at and they disagreed with it, and I do exclude the Leader of the Opposition who did not discuss this on that philosophic basis at all but rather in a vituperative manner.

Mr. Speaker, I want to deal with what has been said in two aspects. Firstly I'd like to mention the problems of municipalities which have been referred to, their taxation needs and their taxation policy. I want to tell the Leader of the Opposition that he deliberately, or through ignorance, distorted the sense of what I said, not only on the occasion in which he quoted, which

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(MR. CHERNIACK cont'd) was at a meeting of Federal-Provincial Finance Ministers, but on other occasions, and what the Premier said when he spoke on the 1973 budget, and that is the burden of taxation as it affects federal compared with provincial and municipal. What the Leader of the Opposition, in ignorance of deliberately, did not clarify is that we were talking about a comparison on a national accounts basis, and I agree to the possibility of his ignorance because he may not know that national accounts basis includes current and capital in the same calculation. When the Federal people prepare a budget they lump both capital and current expenditures into one; our tradition, our practice in the past has always been that we separate current from capital or deficit financing. When we said what we did, and what was correctly quoted by the Leader of the Opposition, we were talking about nationally prepared figures that were calculated over a period of time with considerable study and considerable expense, which put together current expenditures and capital expenditures, and projected future needs of both current and capital at the federal-provincial and municipal level, and putting them together it became absolutely clear that the federal people were not in any problem situation for the future but provincial and municipal are in the future.

And then he talked about the current surplus of the Government of Manitoba, ignoring completely the fact that we had a capital program that lumped together with the current clearly put us into a deficit position. And he ignored and I'm saying, either through ignorance which is not excusable, or deliberately which is inexcusable. But that's what he did.

Mr. Speaker, we have had dealings with the City of Winnipeg, the newly created City of Winnipeg, for some two years and there are a couple of members opposite who were members of the negotiating committee, or whatever they called their committee, who came to see government about a year and a half ago and came and said, give us money, we have a proposal. We want to share in growth taxes. We want five percent of certain taxes, growth taxes, this year, and increasing multiples of five percent up to 25 percent at the end of five years. They said it. One or both were present when it was said. It was endorsed by the City Council. When the government came back and said, look fellows, how about looking for your own sources of revenue. Shall we discuss that, and made some proposals; and the proposals included taking over the responsibility and the liability of the management of Assiniboine Park; and they included an offer to make available the right to tax for the enhanced value of land, this committee and their counsel scurried away and stayed away for a year. No more discussions about tax policy, nothing more than a rejection of the provincial proposals. No attempt whatsoever to carry on meaningful discussions over a year's time in order to consider what the future tax policies ought to be. But a week, or was it two weeks, before the City found it necessary -- or maybe a month -- before they had to strike a mill rate, they were back here again in the same old traditional way of saying, give us money. Give us money. Don't give us the right to tax because the right to tax includes the responsibility for taxation. Give us money. You are rich. Give us money.

You know, Mr. Speaker, I got into a problem because at one stage at this meeting I challenged them and I said, why aren't you coming along with a request for tax room? Why, instead of saying give us money, are you not saying, give us the ability to obtain money in different ways. And they said, what kinds of ways? I said, well really that's for you to study. That's for you to consider, but I could tell you. How about a payroll tax? How about an income tax? How about an increased parking meter on the streets, if you want to do something to help public transit? How about asking for a sales tax rights? Now I didn't suggest that any one or other of these were the things they ought to be asking for, but I gave suggestions as to the kinds of things they could be asking for. Tax room, not gimme money. -- (Interjection) --

Now the Member from St. Boniface, who was talking about the need for the City of Winnipeg to raise taxes, is saying that any tax room where they will tax the City of Winnipeg, will be discriminatory against their own members. Mr. Speaker, now I must say there's utter stupidity in that statement, and I hate to say that to the Member for St. Boniface because I've never used that kind of language to him before. But, Mr. Speaker, in order to reduce a property tax that is being paid by City of Winnipeg taxpayers, I suggest that there could be another form of tax room, and he says those would be discriminatory against citizens of Winnipeg. Whom would they benefit? Whom would they benefit if not the people who would be the property taxpayers of the City of Winnipeg. To say it's discriminatory against the City of Winnipeg is ridiculous. A payroll tax? A payroll tax would indeed bring into the city the payrolls of people who don't live in the city. Do you realize that? It would be discriminatory that a person who

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(MR. CHERNIACK cont'd) works in the city and gets paid for working here but lives somewhere else would have to pay that, or his employer would.

So now that's the point that the Member for Morris is now realizing that the City of Winnipeg had been busily asking for a share of taxation, of tax revenues which belongs to all the people of Manitoba, including the people from Morris, and when the people from the City of Winnipeg came and said, we want five percent up to 25 percent of the revenues of the province, whose money were they asking for? They were asking for the money from the people of the City of Winnipeg, people of the City of Brandon, the people from Swan River, the people from Morris, the people from everywhere outside of Winnipeg as a contribution. And that was fine. That they had a right to ask for. But the Member for St. Boniface agrees, he agrees that it's right that they should ask for it. Well, Mr. Speaker, I don't agree with that, and I'm sorry the honourable member - if he wants to ask a question which is truly a question, I will accept it.

MR. DEPUTY SPEAKER: The Honourable Member for St. Boniface.

MR. J. PAUL MARION (St. Boniface): I would like to ask the Honourable Minister a question, and it is truly a question. When the official delegation asked, or made the proposal, to introduce that cost-sharing agreement on the growth taxes, did it at any time preclude other municipal governments in this province of asking for exactly the same kind of deal? Was it asking for something unto itself alone?

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: You will notice the honourable member said "cost-sharing". I'm sure he didn't mean that because they didn't want to share any cost, all they wanted to share was revenue. I was not present but I have read the brief, and I do believe that they did not preclude it, which justifies the statement of the Minister of Mines yesterday who said, that if indeed they plan that this be done for the entire province, then they wanted that in five years' time 50 percent of all the growth revenues of the Province of Manitoba should be paid over to the municipalities. That's what they wanted. And the Member for St. Boniface agrees, although the Member for St. James has not yet agreed to that statement. He is the one who rejected the thought that he - who should he in this House suggest a percentage, and what the percentage should be. He did not do it. But the Member for St. Boniface agrees. Fifty percent of the revenues of the growth revenues of the Province of Manitoba should go to all the municipalities in Manitoba. Mr. Speaker, I must only excuse the Member for St. Boniface as being a neophyte here and not knowing something about the provincial financial picture to think that one-half of the growth taxes could be passed on to the municipalities without endangering all the programs of the Province of Manitoba is so far beyond anybody's intelligent appraisal of the province's budget as to make his comment ludicrous.

Well, Mr. Speaker, we had discussions with the City of Winnipeg, year ago, a month ago. At no time do I believe did the representatives of Council come with an intelligent approach to discussing a long-range review of tax room, ability to tax. When I said, why aren't you asking for the right to sales tax? They said, oh yes we like that. You add one percent on to your tax and pay it out to us. We said, no, we want you to have the responsibility of deciding that if you want one percent of sales tax, you decide that you want to tax one percent. Where are they, Mr. Speaker? They've sort of backed away because they did not want the responsibility to tax, they wanted the opportunity to share. Gimme, was the expression they knew.

When we offered them the amusement tax because we said that is an area where Winnipeg is the biggest contributor to amusement taxes today, and we said therefore, as one of our reasons, the amusement tax is a field that we will vacate to make it possible for municipalities, and I explained then that one of the problems of amusement taxation is to review the exemptions, and most of those problems arise in the small towns where there is a community hall where somebody wants to put on a show and wants to have an exemption, where there is a church that is being used for fund raising where they need an exemption. Most of the problems of exemptions are in the small towns, and we felt that the municipal councils were more capable of judging the validity of taxation or not at the local level than we are here in Winnipeg, and that being one of the problems we thought let each municipality make its own decisions, and that would give Winnipeg some three-quarters of a million dollars of revenue based on existing taxes of 10 percent, based on existing exemptions in Winnipeg. Apparently they don't want it. Apparently to continue a present tax, to continue a tax, is not acceptable to the City of Winnipeg. Now we're

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(MR. CHERNIACK cont'd)not saying that they should make it 15 percent instead of 10 percent and then add 50 percent to their revenue, that's their business. We're not saying to put it in - to cut it in half. That would be their business. But to continue an existing tax is something that apparently they don't want, and I read somewhere they said, somebody said - they didn't attribute the quote to anybody - somebody in the City said, well if the government wants to give it up, and if that Finance Minister want to give it up, then that's a good reason for us not to accept it, there must be something suspicious about it.

Well, Mr. Speaker, the Member for St. James spoke about attitudes. No I don't think it was that member, it was someone else who spoke about attitudes as between the city and the province. But that kind of an attitude sort of makes you feel that the city is not prepared to study tax methods and to have the courage to bring in taxation on their own. If they don't want, if they reject three-quarters of a million, and of course if they listen to the Leader of the Opposition who can blame them? He just told us that the cost of - yesterday - that the cost of collection is some \$400, 000 because he said that the net would be \$300, 000. Mr. Speaker, that shows the lack of, again, either integrity in making statements, or knowledge of the Leader of the Opposition in suggesting that the costs of collecting that amusement tax is somewhere in the neighbourhood of \$400, 000. It is so fantastically wrong that I phoned my department today and I asked, how many people are involved in collecting amusement taxation? I learned that there is not one individual who does only that. The amusement taxes in the main come from movie theatres, and the movie theatres have a regular procedure whereby they fill out forms - I don't know how often, weekly I suppose - and remit their cheques. The enforcement means that whenever a tax auditor goes into any one place where there is amusement tax collected, he checks that as well as other things.

So I said in the City of Winnipeg what would they need? They said they would need a clerk, they would need one tax assessor, one reviewer, and maybe they would need a stenographer. I would guess - and there was a figure given to me of some \$20, 000, but let's say that that is too low so it might cost 30, 000 so it might cost 40, 000. But to put that figure at some 400, 000 is only an indication of the value of the contribution made by the Leader of the Opposition to this debate yesterday. It was just that kind of speech he made where I feel that the person who does his research was not a participant in that at all, because there was just no validity to anything he stated of a factual nature.

And when he called me hypocritical, that's an example of not realizing or understanding, or wishing to, what was said in Ottawa at the time.

Of course he and members opposite are supporting the idea that any increase in cost of the City of Winnipeg is completely attributable to the combination of services in Winnipeg, and of course the Member for St. James feels badly about his tax increase. Of course he doesn't for one moment regret the fact that for many many years he as a resident of St. James was the beneficiary of the tremendous industrial complex in St. James, which in itself earned money out of all the other taxpayers of the City of Winnipeg, that he doesn't resent at all. He never rejected that benefit he received. But suddenly today he is saying they're taking away that asset of Assiniboine Park. Mr. Speaker, can you comprehend the problem that must race around in the mind of the Member for St. James of trying to understand why it is that as a former citizen of St. James he could benefit from the fact that the airport was in St. James, that there was all that industry there, that I used the airport and was thus able to contribute to the fact that there was an industrial complex there that other people from Winnipeg, and all of Manitoba, added to the industrial complex of St. James, that was fine. He would be happy to be the beneficiary of the reduced tax rate because of that. But when the City of Winnipeg, the former City of Winnipeg of which I was a taxpayer, builds, purchased, maintained, developed the Assiniboine Park, and he was closer to it than I was, and he and his family no doubt made full use of Assiniboine Park when it was a City of Winnipeg property, I don't remember his saying we should be contributing to that; there should be some entry fee. He didn't say it at all. He did not for one moment say, I feel that I am using something that somebody else built. He did not for one moment say, I feel that I am using something that somebody else built.

You know, Mr. Speaker, one of the most conservative people I was with on City Council of the City of Winnipeg, was Walter Crawford, who was the Chairman of Finance, I think - well part of the time that I was there - a conservative man with his approach to many philosophical

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(MR. CHERNIACK cont'd) matters but one who had a real understanding of money, of money's use and a real commonsense approach. I respected him for his mind, I respected him for his opinions that he held; I didn't agree with him in many respects, but I respected him. And I recall vividly how when I was a councillor of the City of Winnipeg - and before Metro was actually enacted, but while it was in the debate stage in this building - there was talk then about Metro being given Assiniboine Park and Kildonan Park to take over as a responsibility without paying anything for it, but just taking it over. And indeed my fellow aldermen were screaming, What do you mean? The Citizens of Winnipeg have built, contributed to building these wonderful parks, and then all you do is just give it to Metro; and when you give it to Metro, why the people of St. James will get a benefit, look, they're going to acquire an asset. The people of St. James will be beneficiaries of what Roblin was doing when he was transferring Assiniboine Park from the City of Winnipeg to the Metropolitan Corporation of Greater Winnipeg.

MR. F. JOHNSTON: What side of the river is the park on?

MR. CHERNIACK: Well, Mr. Speaker, it's not my job to give geographic lessons to the Member for Sturgeon Creek, but he should know that rivers don't exist where there are bridges. However, I'll ignore that. The fact is that citizens of St. James, citizens of Assiniboia and St. James - and I believe the Member for Sturgeon Creek lives in one or other of those areas where people who did not contribute a penny to Assiniboine Park, a penny to Assiniboine Park at the time Metro was created - and citizens of Winnipeg then were saying, You're giving up an asset to those people that didn't contribute. Walter Crawford sat there, he laughed and he said, Are you people so dull and so dumb that you cannot comprehend that a park, no matter what it costs, is an amenity to a city but a liability to the treasury? He said, Can't you conceive that unless you are going to subdivide and sell that park for development, that that park is a burden and you should be happy to be relieved of the burden at the expense of those who are the users of the park - and that is all of Metropolitan Winnipeg including St. James, including the Member for St. James and his family, who no doubt have made use of it.

He said it is fair, only fair and proper that the users of the parks who are the members of the Metropolitan Corporation area should be the payers for it, and we in the City of Winnipeg are better off because it is a liability. And here we have the Member from St. James, who until 10 years ago wouldn't have - well, wouldn't have dared say that he had a stake, a share in one blade of grass in Assiniboine Park; who is now righteously saying that we, the province took away from the city this great asset. It is a marvelous asset, an asset to people, not to money. It is an asset to those who use it, not to the statement of assets and liabilities of any municipal corporation, but it is a marvelous amenity and has become such to the extent that it is used not only by the present City of Winnipeg but it is a provincial park in nature and for that reason we undertook it.

I would think that the member who sits to his left, the Member for Pembina may complain about the province taking over the cost of Assiniboine Park because -- (Interjection) -- - to his left - Assiniboine Park, because his people are contributing to the cost of maintaining Assiniboine Park. Maybe he'll say that, and the Member for Swan River seems to agree; and yet the Member for St. James says, You're taking it away, and I have not yet heard the Member for Pembina or Swan River say, You shouldn't have taken it away because we resent the expenditure of provincial funds. Because you can't have it both ways; one way or the other, fellows, get together in caucus and make your decisions about your attitude. Meanwhile I can say, that in addition to the 1.9 million dollars estimated for Assiniboine Park maintenance, the Urban Transit Operating Grant was increased by some 1.7 million in this year's, making the grant 3.8 million. The Regional Street Maintenance Grant was increased by some \$700,000, to make it close to 2 million; Magistrates Court is being assumed at a relief of - cost of some 400,000; Unconditional Grant has been increased by some 300, by a third of a million dollars; Innovative Urban Transportation Grants have been authorized to the extent of close to half a million dollars; Health Department Grants was increased by close to \$200,000; Transit Bus purchases are being continued; Provincial Grants in lieu of taxes of course, are increased merely because of the increase in mill rate and there is therefore considerable that is being done to recognize that.

But let's not forget that the responsibility for the provision of services in the City of Winnipeg is with the councillors, two of whom deserted their council to come here; that the

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(MR. CHERNIACK cont'd) responsibility for maintaining a level of cost which is acceptable is that of the Council, and the responsibility for deciding on the distribution of service is that of Council. And I am rather sick of hearing members opposite and members in the City saying that the unification of the City of Winnipeg forced an immediate increase in levels of service and in levels of cost, because that is not so, because there are people in the former suburban areas who were not getting the same level of services. Nowhere do I see that it was necessary in one year to raise the level of services to that of the others, nor am I aware was there a compulsion to maintain a high level of service all along the board. Equalization of mill rate, equalization of assessment, equalization of tax base, equalization of revenues and equalization of responsibilities doesn't mean to the highest level. But the councillors were incapable of measuring up to that kind of responsibility, and I accuse them of that.

And the Member for Sturgeon Creek seems to feel that it is the union that makes all the decisions, and if one were to believe him, one would believe that the unions are doing the work of the councillors. And why the councillors are there, I don't know, because he seems to feel that a union is to be blamed for attempting to raise the pay of its members. I don't blame them one bit, but I do blame councillors for increasing services to the extent where they are amalgamating the police force and concurrently they're increasing the number of policemen. I don't know, it's not my responsibility. But just like they feel free to criticize us, I feel free to wonder that when we had 12 police forces, and we are amalgamating them, they now find it necessary to increase the number. Where the people apparently were satisfied with a reduced number in various areas, now suddenly there's a need for an increase. And if indeed there is a need for an increase, then the honourable members opposite should realize that there is an improvement in service; and if the councillors in their wisdom decide that it is necessary to increase the number of police force to provide a greater service to their residents, then they are recognizing obviously that the residents were not getting an adequate service before; and if in their wisdom they feel it necessary so to do, then they go ahead and do it and that's their responsibility. But don't come here and say it's because of unification; unification made it possible, but did not make it essential. And I say that members of the City Council who don't agree with an improvement of service or who don't agree with an increase in cost in certain areas, should have said so rather than coming here and saying, We need more money, it is your fault. I don't blame them one bit for asking for a greater participation in the revenues of the province; but not to say, Gimme, but rather to say, Give us tax room, let's discuss what we can do, because I believe it is true to say that Winnipeg today is getting more from its provincial government than any other large urban area in Canada, and that is a statement that's been made time and again without challenge.

Now, Mr. Speaker, the Member for Sturgeon Creek invited us to take pencil in hand and even showed us how to hold a pencil in our hands, for which of course I appreciate his lesson - even though he doesn't know what side of the river Assiniboine Park is on. And I did write down what he said, and here is what I think he said - and I want him to take, not pencil in hand, but take his figures before him because I want to repeat them back to him to make sure I've got them. -- (Interjection) -- Well I think he can read, because he read the figures - and he has a library, he showed us his book once. He said I believe, that in 1969 the tax bill of that person that he took as his example totalled \$949; that is provincial, medicare premiums and real property tax, \$949 -- (Interjection) -- 99? Oh, 949. And he said that in 1974 a person earning the same income, occupying the same assessed value of home, would be charged a tax of \$1246, would be getting a rebate through this Bill we are discussing today, of \$190, netting 1,056 as his cost. And he's nodding his head, Mr. Speaker, so I took his figures down correctly.

Mr. Speaker, from 1969 to 1974, that person's cost has risen by \$107 in taxation.

MR. F. JOHNSTON: I gave him back 190, and he's still paying more.

MR. CHERNIACK: Yes, he's paying \$107 more, Mr. Speaker, taking into account what we all recognize; the cost of government having gone up just along with all the inflationary costs; the cost of government at every level; the provision of services; the increased cost of health, both medical and hospital; which has gone up tremendously and has been absorbed by the province; the increased cost of every service that is being contributed has gone up. And we know that a man earning \$6,000 at that time is certainly earning more now, but that person at that level is paying more - we know that, but let's not forget that there are tremendous changes in

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(MR. CHERNIACK cont'd) the contributions which he is receiving, the services he is receiving from government now than he was then.

Mr. Speaker, I have before me one of the inserts in the tax bill that was referred to by the Member for Riel, where the City of Winnipeg gave its breakdown of revenue and expenditures. Mr. Speaker, it shows 75 cents coming out of realty tax; it shows grants in lieu of taxes of 4.6 cents; it doesn't indicate that that is half provincial, half federal, approximately. It says Provincial Government Grants of 6.9 cents, and it shows in the expenditures as if the City of Winnipeg itself is paying for schools some \$74,000,000.36. It was apparent to me as soon as I saw it, that the City of Winnipeg was playing a - what did the Leader of the Opposition Liberal for Sturgeon Creek call it? That game they're so familiar with?

A MEMBER: The shell game.

MR. CHERNIACK: The shell game, that's the game that they're familiar with and which the City of Winnipeg was using, because I saw that what they said, 36 cents on the dollar in expenditures. The City of Winnipeg isn't, isn't, isn't paying the school board for education for schools; it is collecting taxes for schools. And if the truth were told as it should be, then the money paid to schools out of the tax dollar are only a part of the total burden of education costs in the City of Winnipeg. The City didn't tell us that, they took the one sided figure of the property tax and presented it as if it's 100 percent. So if we take that schools out of it, and we look at it, I find - and these are the figures provided to me, and they're rough, because they were only prepared within the last half hour - that the realty tax levy is some 54 percent, that is after taking out school grants and adding transit grants, because the transit utility is kept as a separate budgetary item apparently by the City of Winnipeg; but since there is a contribution by the province, we have added it back.

And as I say, these figures are rough and are subject to review and correction. Realty tax some 54 percent; business tax some 10 percent; utility sales tax 1-1/2 percent; grants in lieu of taxes, close to 7 percent; provincial government grants something in excess of 10 percent; provincial transit assistance almost 4 percent, and then there is some miscellaneous. So breaking that down, estimating provincial grants in lieu of taxes at about half of the total, we find the contribution from the province; in grants, 4-1/2 million - in grants in lieu of taxes rather, 4-1/2 million; in grants themselves 13,688,000; in Transit grants something over \$5 million, a total of \$23 million or about 17-1/2 percent, not the figure of 6.9 as it appears in the tax enclosure of the City. And this, Mr. Speaker, does not include capital grants which are for regional streets, municipal loan fund, centennial grant, convention centre etc. It does not include the transitional tax base equalization payment, which this year is some 3/4 of a million, and it does not include any of the benefits under the Property Tax Credit Plan.

If you look at the schools, Mr. Speaker, we find the realty taxes at 49.45 percent on school levy; we find the grants in lieu of school taxes of 8 million plus of which the province I assume contributes half; we find the net provincial contribution of some 42.33 percent of school costs; and I find here that the province contributes approximately 45 percent of school costs before calculating the impact of the Property Tax Credit Plan. These are the things that the member should bear in mind. So we find that the total contribution of municipal, some 23 million out of 132 million is 17.5 percent; in schools of 59 million out of 129 million is 45 percent; it averages out to 31.35 percent. And if you add the estimated Property Tax Credit for the Winnipeg people - and that's credit to people on the basis of their property taxes and their income - another 27 million, we find a provincial contribution of 109 million out of a total municipal and school cost of \$262 million, which is some 41 percent of the total cost. And that's, Mr. Speaker, the value of the city's insert with their tax bill and that of the members opposite who commented.

Now, Mr. Speaker, I'd like to deal somewhat with the tax rebate itself. I want to talk about the difference in people and I want to tell the Honourable Member for St. James that at \$14,000 a year income, he is probably in a group of 10 percent . . .

MR. SPEAKER: The Honourable Member for St. James.

MR. MINAKER: . . . personal privilege, Mr. Speaker, I didn't say it was my income. I was using it as an example of a person with a family of three. I didn't suggest that it was my income, just to make that point.

MR. SPEAKER: The Honourable Minister of Finance.

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MR. CHERNIACK: Mr. Speaker, I misunderstood, but that doesn't really matter. It's none of my concern really how much he earns and I hope he earns more than I think he earns.

Mr. Speaker, at \$14,000 a year income he is probably - that person, that mythical person - is probably in the 5 or 10 percent bracket of people who earn in excess of 14,000 and over. The vast majority of our wage earners earn less, and substantially less than \$14,000 a year. So it is true, you talk about the middle income poor, and that's why I asked the Member for Riel what is his definition. As I recall it he said from 5,000 to 15,000, but generally a person with a family who earns \$7,000 is to him middle income poor. -- (Interjection) -- Well no, I wish the Member for Sturgeon Creek would tell the Member for Riel not to be ridiculous, because I'm quoting him. He said that, what I just said, which the Member for Sturgeon Creek said is ridiculous, but of course he doesn't have to agree with the Member for Riel; he can have his own opinions and I honour him for having them. -- (Interjection) -- I think he'd rather we didn't talk to him but unfortunately I don't have a choice. I have to talk to the Member for Riel because in this House I have to carry on a debate, so being given a choice, I really wouldn't seek him out to talk to him but that's the way it is. Mr. Speaker, I'm glad the Member for Sturgeon Creek recognizes sarcasm, what is said by others; I don't know if he recognizes it when he uses it himself.

Mr. Speaker, I find a statement which I would like to quote to honourable members, it says: "To the extent that regressive tendencies do exist in the property tax, their effects have been sharply curtailed by provincial legislation providing for property tax rebates, homeowner grants and credits and subsidies against income tax." Honourable members would think that this was written in the New Democrat magazine or in some of the material that we distribute, but indeed it was part of a paper presented by the Federal Government at a federal Tri-Level Conference which was held last October, and it is a statement made by the federal people in recognition by them of something that the honourable members opposite seem to reject.

May I also read another statement. It's a resolution, and I'll just read one of the preamble portions which reads: "Whereas this conference commends governmental policies which have cushioned the effects of inflation, such as increases in the minimum wage, certain tax credit programs and certain income redistribution policies," and the conclusion is, "Therefore this conference recommends further provincial and federal governmental actions to cushion the effects of inflation and to combat it directly." And members opposite will think that this is a resolution of the last convention of the New Democratic Party but, Mr. Speaker, it wasn't. It happens to have been passed on May 17, 1974 - just a week ago - in Jasper, Alberta, at a conference of provincial Consumer Affairs Ministers, at which this was accepted unanimously. And I questioned the Minister of Consumer Affairs, who was there, as to whether everyone was there at the time, and he said, "No, the Ontario delegation left before the final wording," but I'm not going to worry about that because they brought in this form of credit plan before we did, although we both negotiated concurrently with the Federal Government. But of course the Member for Sturgeon Creek, I think he said they were -- did he say "crazy"? He said something yesterday in describing the Ontario Conservatives for what they have done in their tax policies. I also was told that the Minister from Newfoundland left before the conclusion of this so that we cannot say that he endorsed the exact wording. But this principle was accepted by all the Ministers present at that meeting.

Mr. Speaker, we do know that the Ontario Government has carried it forward. It's interesting to know that the Conservative Ontario has carried forward a tax credit program which is not as large in its contribution as that of the Province of Manitoba. They call it a fair share -- Well, let me show you what they call it. Yes, the Member for Sturgeon Creek wants to see the ad, he asked me to show it to him and here it is. "Get your fair share of Ontario's new tax credits." The Member for Morris says it's wasteful extravagance and, you know, this self-serving advertisement of the Ontario Government, it says, "Two out of three people who filed income tax returns will share in the 300 million tax credits," and they enumerate who they are, they tell them they should make sure to file their income tax return, and they even give examples with pictures, if you please. Pictures.

Mrs. Gloria Prentice is a secretary supporting two children. She gets \$158.00 Ontario tax. You know, if she lived in Winnipeg, Manitoba she'd get more. Mr. Art Kuluchi, Assistant Sales Manager, married with five children; he gets \$121.00; he'd get more if he lived in

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(MR. CHERNIACK cont'd) Manitoba. Mr. Olgurts K a miner; he's married with four children and he gets \$123.00. And Mrs. Mary Zuber, a pensioner, a widow living alone, her Ontario tax credit is \$273.00. Let me talk for a minute about the Member for Sturgeon Creek who said, "This ad is an indication of what is advisable to do to make sure that people who have a benefit are able to get the full share of their benefit." The nature of the wording is one that I don't have to subscribe to, but I want to talk about the Member for Sturgeon Creek who looked up at the Golden Age Club and he said, "We in the Conservative Party have concern about pensioners. We said, eliminate education tax." Mr. Speaker, does not the -- (Interjection) -- for old age, for senior citizens. Does not the Member for Sturgeon Creek realize that in this program, against which he voted before and is going to vote again, does more than eliminate the education tax of the senior citizens of this province? Doesn't he know that? -- (Interjection) -- No, it doesn't for everybody. It doesn't for the Minister of Labour. He's the one who said, "At my income I don't get it, because I'm a senior citizen." However he does get \$150.00. That's the minimum and that comes very close to paying, I don't know, a very substantial part of his education property tax. But that's true. The Member for Sturgeon Creek apparently wished to eliminate education property tax from all senior citizens regardless of income, and we differed from him on that. But we have done fairly good, we have done fairly good, and maybe I should refer to that right now. Maybe I should ask the Member for Sturgeon Creek to keep quite for awhile because I don't think he can hear me while he listens to himself, and if he wants to listen to me he should stop making his own obstruction.

Mr. Speaker, here is an interesting statistic that appears attached to the Budget Address 1974, Manitoba. I'd like him to take his pencil - he knows how to write - and with his pencil if he will note this: that the claimants, the number of individuals receiving maximum benefits under the 1972 Manitoba Education Property Tax Credit Plan, 47 percent of all claimants received the maximum benefit. Let the Member for St. James consider for a minute who are in the middle income poor, if he knows that 47 percent of all claimants received the maximum benefit, maximum benefit. Let him think about middle income poor when he knows that 84 percent of all pensioners received not partial, but maximum benefits, 84 percent. Let him know that 62 percent of farmers received the maximum benefit, not the partial benefit, and let him realize when we talk about middle income poor we are talking here in our tax about the large majority of people who are in that income group which is in the greatest need. And these are figures about which I am proud and I know my colleagues share that, and which must make members of the Conservative Party feel pretty cheap in voting against.

Mr. Speaker, the Member for Riel spoke about a \$7,000 income person, \$7,000 gross income person, and I am reading now again from Page 87 of the Budget document, that is after the addition of the \$50.00 that is covered in this bill: "The total benefits payable to a married taxpayer with two dependants under age 16 with \$7,000 income is \$268.52." It does not cut out, Mr. Speaker, for a married person with two dependants until you reach \$15,000, at which time it levels at \$150.00 minimum payable, but up to \$15,000 income there is a reducing benefit which started at \$326.76, and that's for a married taxpayer with two dependants under 16. For a married taxpayer over 65, the benefits start at \$335.28; they reduce as income increases and at \$15,000 they level off at \$150.00. Does that cover your middle income poor? No. Well I don't know; the Member for St. James is shaking his head. I don't want to attribute to him the thought that middle income poor are in a higher bracket than 15,000 a year. No, of course, I'd be wrong in that, but there is a reducing amount to that extent. So I don't weep, I don't weep for the people he represents, for the concept he represents in terms of income as being the people entitled to greater benefit at those high incomes. May I tell you, though, Mr. Speaker, compared with crazy Ontario - and I use the word "crazy" only in the term that I believed was used by the Member for Sturgeon Creek - we are giving more to people of a \$15,000 income than is Ontario. We find here that the difference between what we are giving on our tax credit benefit is some \$82.00 higher than Ontario at a \$15,000 income, whereas it's only \$59.00 higher at lower incomes. And that is a quirk of the changes in taxation effect between us.

I have here a copy of the Ontario budget, 1974, where they talk about enriched tax credits being involved including doubling of the property credit, where they talk about substantial improvement and enrichment of Ontario's tax credits, doubling the credit from \$90.00 to 180.00, pensioner credit from 100.00 to 110.00 and tax credit entitlement from 400.00 to

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(MR. CHERNIACK cont'd) 500.00. And, Mr. Speaker, we've already given figures to indicate that the tax credit benefits given by the Province of Manitoba are in excess of those given by Ontario but along the same lines. But of course the Member for Sturgeon Creek is not alone. He has the company of every member on his side who votes against this bill and who therefore, by voting, supports his statement in attacking the Ontario government and is actually disagreeing with the Ontario government's attitude on taxation in this respect. They are voting against, and yet they use the same name, we are Progressive Conservatives; I suppose when Stanfield comes here they will greet him the same as the people of Ontario will greet him. But if we talk philosophy - and we did Mr. Speaker, if we talk philosophy and we did except for the Leader of the Opposition, then what is the philosophy of a Conservative of Ontario compared with the philosophy of a Conservative of Manitoba? And I want to conclude with that question, because since I don't have the ability to recognize the difference between Conservatives of Ontario and of Manitoba, and probably of Alberta which also has a tax credit scheme, I come back to a statement made by the Member for Lakeside. The Member for Lakeside, who was comparing our philosophies, said that the NDP believes in the greater management of the affairs of Manitoba, and that to him is the big difference, the big difference as he sees it - and I agree with him; he's right.

Mr. Speaker, I say that the reason that members opposite are voting against this is that they were caught in a trap. Was it last year or two years ago they voted against this because they did not want to give credit to the government for bringing in a worthwhile plan that is helpful to people of Manitoba? This year they are voting against it because if they vote for it it will be a further indication that they accept the fact that this is a worthwhile program; and they don't, and they've made all their speeches. And the main difference - and that's a practical, that's not a philosophic difference - the philosophic difference raised by the Member for Lakeside with which I agree, is that we in the NDP believe in a greater management of the affairs of Manitoba, because, Mr. Speaker, in 100 years we have found that the way the affairs of Manitoba and of this country were managed by those in control was such that kept the poor poor and kept the rich rich, only made the difference even greater.

Mr. Speaker, the New Democratic Party lost complete faith in the free enterprise system, in the laissez faire approach which some of the die-hard Conservatives still have, and I don't say that that approach, that free enterprise, laissez-faire approach is one that their leadership or their brains really endorses. It's the people who lack them, who work by tradition, who are still hung-up on that. And I don't say the Liberals are really for free enterprise, for laissez-faire, because every government in this country other than a New Democratic government has brought in all kinds of measures to try and patch up the capitalist system, the laissez-faire system, which has acted to destroy lives of people, honour and integrity amongst people, and therefore there isn't the slightest doubt in my mind that there is that difference and we do believe that it is high time that government became involved in something simple like in this bill, a redistribution of income and a reduction of taxation for those for whom the burden is greatest, for an effort to make sure that when tax credits are given, when there is a reduction, it is given to those who are most hurt by taxation and the cost of living. And that's basically the difference between us. Across-the-board on that side, preferential and selective on our side. And if you call that management, we accept that, we agree, and that's really why we are here on this side and why the opposition is there. Because the people of Manitoba are realizing where their interests really lie.

QUESTION on second reading of Bill No. 61 put, MOTION carried. (On Division)

MR. SPEAKER: The hour being almost the time of adjournment, I am now adjourning the House and we shall reconvene at 2:30 this afternoon.