

THE LEGISLATIVE ASSEMBLY OF MANITOBA

8 p.m., Tuesday, March 9, 1976

SUPPLY - URBAN AFFAIRS

MR. CHAIRMAN: Resolution 112(b) Administrative Salaries--pass? The Honourable Member for Fort Rouge.

MR. AXWORTHY: I had felt, Mr. Chairman, that the Member for Sturgeon Creek was going to continue his treatise but I have some comments to make on this initial portion of the Administrative section of the Department of Urban Affairs. Before beginning, Mr. Chairman, I'd like to add my own particular comments to those already made concerning the Deputy Minister of Urban Affairs, Mr. Currie, who I've also had occasion to work with in different capacities in the past and feel that the contribution he has made to this particular endeavour of the Department of Urban Affairs as well as to the general conduct of local government and government in the province is one that is not only well-recognized but needs to be acknowledged in fact by all sides of the House and I think that one of the particular qualities that will be sorely lost is his ability to work with all kinds of people of all kinds of persuasions and all kinds of philosophies. That is a very rare particular quality and characteristic in this day and age, Mr. Chairman, when so much of our discussion is tinged by sometimes the bitter edge of ideological rigidity and I think that it's a great tribute to the Deputy Minister that he has been able to oftentimes transcend those particular divisions and provide a sense of balance and evenness in his conduct of affairs for the Province of Manitoba. I think that all of us, whatever side of the House, have to pay our particular compliments to him in that respect.

I'd also like to say, Mr. Chairman, that I was - if I might take a moment - very appreciative of the presentation of the Minister on these estimates. It has been I guess really since I've been in this House always the unfortunate occasion that the estimates for Urban Affairs have always seemed to come up very late in the year or in a fairly hurried spastic fashion and it was a real treat this year to be able to listen with some leisure to the very full explanation of the Minister and I think that for many of us it was quite revealing to have laid before us the full story of the government's efforts in the field of Urban Affairs and housing and I again want to express my own appreciation to that presentation. I think that it was a very helpful one and will certainly provide a, I would trust, a constructive tone to the kind of discussion that we will engage in over the next while.

Mr. Chairman, on the Administrative area of the Department of Urban Affairs, if I might I'd like to approach it in this way that I think that the judgment and measurement of any administrative planning organization must first be made according to the goals that it sets for itself. It's very difficult to assess the capacity or performance of the administration of a particular department unless one understands or at least has a sense of what its particular direction is and what it's trying to achieve in its administration. It seems pretty silly to try to treat it in some sort of abstract way without knowing what in fact it's trying to do. Therefore it was very interesting to hear from the Minister when he opened discussion on this department, that he felt that the major requirement or purpose of this particular department was the co-ordinating function, that that is in fact the... really of what is it trying to do. I think in discussing this particular section I would like to address myself to that particular issue of the degree to which the co-ordination of activities on the part of the Department of Urban Affairs has resulted first in a proper setting of goals and purposes for the Provincial Government in the urban field and then secondly the degree to which it may have carried those out.

Mr. Chairman, the difficulties of working in the urban field I think are well-recognized by most people. It is not a simple kind of policy area, it's one that is complicated by a number of either jurisdictional complications and requirements and one that is certainly overwhelmed at times by the sort of pace of change and the pace of events that surround it. It's not something that one can approach with any sense of composure because it really is occurring all the time. Therefore I think it is really incumbent, Mr. Chairman, on any administration system to make sure in approaching its task that it has a very clear set of objectives as to what it is trying to achieve. Therefore I must confess, Mr. Chairman, that while I was appreciative of the Minister's remarks I felt that there was some very serious gaps in his presentation, particularly the gap of not really

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(MR. AXWORTHY cont'd)indicating more than the mechanical function of co-ordination, but co-ordination to achieve what? In other words did the province itself have any particular objectives that it would set for the functioning of the department? Or was it purely kind of a mechanical administrative activity to kind of make sure that the departments communicated with themselves once in awhile? Or was it co-ordination directed towards specific ends, towards specific goals? That, Mr. Chairman, was not at all clear.

So for the first comment and really question I guess I would like to make with the Minister is to have defined for us much more clearly how this particular provincial government defines its role in relation to the urban problems of the province and therefore then how does it go about administering and planning that role according to those objectives. Because I don't think that in this day and age, Mr. Chairman, when we are somewhat skilled in the arts of management that we can any longer simply approach management from a point of view of making sure that all the pennies are counted at night and that the change box is locked up. I think we must approach it according to the degree to which we feel there is effective application of the resources of the provincial government to very precise, very well spelled out, very clear kinds of problem areas and that the theory or the approach that the provincial government uses falls logically from those purposes. That I think, Mr. Chairman, is the first set of concerns I would raise, that I've never really had properly spelled out for us, and again the Minister has perhaps passed over it quickly but I didn't get a full comprehension of it in his opening remarks as to what does he see as the role of his department, of the offices of his department in relation to the city itself to these urban problems.

Is it an interventionist role? Is it a support role? Is it one that the province itself has very specific things it would like to have the city do? Does it want the city to grow any larger? Does it want to restrain growth? Does it want to manage land more effectively? Does it want to somehow strike a balance between economic development in the city? In fact, Mr. Chairman, the only goals that the Minister put forward, and I can be qualified on this but I think it is true, he said we have set certain objectives in the core area and are carrying them out in this fashion and we have set certain goals in terms of helping review the City of Winnipeg Act and I believe develop or provide for a new Development Act with a couple of subsidiary sort of projects such as the Tri-level Task Force Report.

Mr. Chairman, I think that the weakness in effect of the present approach to urban affairs is revealed in the very way in which those particular goals that were enunciated were set out because in effect they were not in any way what I would consider to be the range of the objectives that the provincial government should exercise when it begins to manage its responsibilities in the area of urban affairs. I think that it certainly didn't spell out the degree to which it was prepared to aid and abet the city in its management of growth. It was simply saying we are going to tackle one small part of the problem which is the problem of how you manage it in the core area. There was nothing really any further than that, Mr. Chairman. They didn't talk about what kind of planning was going on in the department to deal with the numbers question. How many people will live in the City of Winnipeg in the next ten years versus the rural areas? How much money, how much finance is the city going to require to enable it to manage that growth?

The City of Winnipeg just recently published a five-year capital works project which talked about several hundred millions of dollars of capital investments and the thing that struck me very carefully, Mr. Chairman, when I read that was I went back to look at the investment patterns of public bodies in the Province of Manitoba over the past ten years in relation to the urban areas and there has been a decline, not an increase. But when you look at the exact amount of money that goes into roads and sewers and services and infrastructures we find in fact that the kind of investment we are making in urban areas is in fact on a decline not an increase. At the same time the urban population of this province grows by 10,000-15,000 people a year, so at the very time in which the growth of the urban area is increasing the investment of the governments of

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(MR. AXWORTHY cont'd)all levels is decreasing and particularly the contribution and investment of senior levels of government, both federal and provincial have not been at all keeping pace with that kind of problem. So when you begin to say now what is the objective of the government, does that really mean that it's trying to say that we are going to discourage further growth by not investing in it, that maybe if people in Winnipeg begin falling all over themselves, they can't provide sufficient services or the roadways are too clogged that that will so discourage them that they are all going to stay in Neepawa? I mean is that really the kind of objective we are setting? Or in fact are we really saying that there really isn't any purpose at all and we're simply reacting to events. Mr. Chairman, that is really what concerns me in terms of the administration and management of the urban affairs of this province, that it hasn't articulated in any way a set of objectives commensurate with the kind of conditions that are appearing in our urban areas, primarily the chief urban area of the province which is the City of Winnipeg which now has close to 60 percent of the population.

I recognize, Mr. Chairman, that there can be a certain cop out in this area or a certain rationalization of why not. We can say, will we have passed on to the City of Winnipeg itself the responsibility for making those judgments and determining those goals and setting those objectives and we are simply supporting partners; we are simply the silent partner in this agreement. Mr. Chairman, the reality of that is simply not so, because the reality is that in fact the provincial government and in fact the Federal Government along with it have a very high degree of interventionist effect in the city itself. If you look at the kind of activities that the Minister of Urban Affairs is supposed to be co-ordinating and look at the significance that they have for basic patterns of growth and management in the City of Winnipeg you realize that in fact decisions made by the Province, may be far more important than those made by the City of Winnipeg itself, that when it comes down to the basic question of managing growth managing the movement of population, the location of industry, the decisions on services that the decisions made in fact by Manitoba Housing and Renewal Corporation, by the Public Works Department, by the Department of Finance and others, may be far more significant and far more influential in determining the quality and character of conditions in the City of Winnipeg than anything the City of Winnipeg itself has the capacity or ability to do. So to say that we have transferred the decision-making of that to the city is simply to say I think, Mr. Chairman, that that's a little bit of a flim flam. Because it's simply not so because the decisions on investments, on taxation, on housing, on servicing, on transportation are the basic decisions. Those affect the fundamental elements that make and determine the shape or location of the city. So in large part, Mr. Chairman, decision-making is here. If the decision-making is here we want to know what are we trying to do with it? What are we trying to achieve? I think, Mr. Chairman, the same kind of comment can be made about the Federal Government.

So I think it's very important, Mr. Chairman, that we then go on to the Minister's further remarks saying, well he has been working in conjunction, and I know that he has and I think that the Province of Manitoba in many ways has gone further than most other provinces in developing co-ordinating machinery with federal, provincial and municipal affairs. I think one of the first tri-level groups was formed in the Province of Manitoba and I think we should pay credit to the province's part in that.

But let's again ask some questions about that kind of consultative operation as in the administrative-management function. Because the one thing wrong with that system, Mr. Chairman, is it is a closed system. No one knows what's going on inside those rooms. That the discussions and parleys and trade-offs that occur between those offices of government are basically immune from the elected chambers to which they represent and they must rely upon secondhand or thirdhand information, bits and pieces, and that was no more clearly demonstrated than in the somewhat shock to the system when that secret tri-level report was somehow released talking about the foolishness of the Trizec project. Now, Mr. Chairman, those discussions have been going on for a long time. Where was the debate going on? In effect, Mr. Chairman, what we're in danger of doing under this new administrative system is setting up a forced level of government or setting up a system of government which is oftentimes unaccountable and irresponsible; not that

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(MR. AXWORTHY cont'd)its actions are irresponsible, but who does it answer to? I think that one of the concerns that the people of the City of Winnipeg are beginning to voice more strenuously is they are tired of decisions being made behind closed doors in forms of star chambers which are in many cases not open, not touched by disclosure and have none of that kind of access to them. So, Mr. Chairman, that is one of the issues that one must raise about the management of Urban Affairs. Who knows what's going on? I don't think it's sufficient to simply say that the Mayor and the Minister and the Federal Minister or his delegations get together and have chit-chats every once in awhile. That's nice. But the decisions that they're talking about, they've got to be very fundamental decisions in terms of the character of the city. We cannot allow a downtown to be developed without a proper debate in this Legislative Chamber and in the City Council. Yet those decisions are being made or have been made in large part without any kind of debate or discussion or disclosure.

We find, Mr. Chairman, that even on a very important investment decision such as the Convention Centre, which was a \$25 million capital investment, which is now carrying close to a million dollar deficit a year, which was designed presumably to spur on downtown development, how often and how frequently has the validity of that decision been discussed in this Chamber? Well, it hasn't been. Because it's been very difficult to get information. That body doesn't even tell anybody what it's doing. It's a closed book. It's a closed corporation.

So, Mr. Chairman, one of the first objections I would raise about the way we manage and administer our urban affairs is that we do so in a closed fashion, almost in a secretive fashion. As a result many of the decisions that are made are not in any way made with full consultation or full participation of those who are being affected by it. That seems to me a pretty fundamental principle in this day and age, and one which I think, oftentimes for reasons of expediency or presumably for efficiency are being made in that way, but in fact they become self-defeating in their purpose. Because I suppose if we have learned anything about the way in which management of urban matters should be handled and that is that the best decisions, the most effective decisions are those that are made most openly with the highest degree of consultation and participation, that you save yourself an awful lot of money and an awful lot of time and an awful lot of resources if you get away from that kind of elite type planning behind closed doors which too often epitomizes what goes on in this day and age.

In saying that, Mr. Chairman, I suppose it leads naturally to an issue that has been raised in this Chamber before. I know it has because I've raised it, and that is the kind of planning that was conducted in relation to the core area of the city which the Minister put upon as one of the major achievements that he thought his department has accomplished over the past couple of years. Now, Mr. Chairman I don't intend to go over some of the past ground. I think my objections to that project have been known before. Let me say this about it because I think it does come to the question of management, that if you don't understand the problem correctly you don't get the right answer. I think what's happened here, Mr. Chairman, is that the problem has been grossly misunderstood and therefore we have a grossly bad answer for the problem of the core area.

The problem in the core area of Winnipeg which includes something like 50,000 or 60,000 people is that basically they're much poorer than anybody else and that the gaps in their income have been widening not shortening over the past ten years. The residents of the core area make far less money in comparison to their fellow citizens in the suburbs than they did ten years ago. That gap has been widening.

Another part of the problem is the almost total failure of the educational system to respond to the province because as I looked at the problem this last summer I found out that the transiency rates in the schools, sometimes it's 70, 80, sometimes close to 90 percent in those schools. Now that's not education. That's not even baby-sitting. That's a revolving door and you can't presume that the schools are going to be able to provide the kind of skills and training and upward mobility to allow people in that area to achieve anything if they're simply passing through every two or three months. So the problem is one of income.

The problem is also a diversity of population: 700 or 800 single parent mothers

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(MR. AXWORTHY cont'd)with children who have very special needs. A large number of older people, close to 25 percent over 60 years old with very low incomes. A large degree of alcoholism. In other words, Mr. Chairman, we're talking about a problem that deals with human beings and their difficulties in making it in our urban society. What is the answer? If that is the problem - and I would like to hear if the Minister agrees whether that is the problem or not - what is the answer we can supply? Well by any measure of cost benefit we would say that the investment of the money that the provincial government is putting in doesn't address that problem at all, that the 75 some odd units of housing as the Minister well knows, he wasn't being totally straight, as he well knows was only a small part of the investment. The major proportion of provincial investment in the downtown core area of Winnipeg is going to build public buildings for the Province of Manitoba. That's where the \$40 million is going. Not for housing but for public buildings.

Now if the Minister can explain to me somehow how the location of an Autopac garage is going to affect the poverty, the lack of education, the alcoholism, the lack of any kind of economic wherewithall of the residents of that area then I would be very open to that argument basically because it won't. It will provide more space for Autopac officials which is certainly a good thing to do but it's not a solution to the core area. It's a solution to the housing problem of provincial civil servants. That's what it is a solution to; it has nothing to do with the real problems in those areas. It has nothing to do, Mr. Chairman, even if you want to say, well look, the First Minister got very perturbed a while back and he said, well that's all romantic nonsense. Well I always thought romanticism was living in the past and my notion of living in the past is using old solutions. What's the old solutions, Mr. Chairman? The old solution is using the old public works methodology to solve problems. That's romanticism; that's living in a daydream world; that's living in a world of sort of some kind of syncopated figment of imagination. It has nothing to do with the reality of what's going on in the core area of Winnipeg. It may have something to do with what was in the Regina Manifesto or some of those social democratic tracts that members opposite bring back from Sweden every once in a while but it sure as heck has nothing to do with the core area of Winnipeg. That's what we're talking about.

It is how have we developed a system that will identify the problem and then manage the application of scarce resources to really solve the particular kinds of problems that exist in that area. I would simply suggest that we haven't got one and that's why I'm critical of it. Because the point that I'm making, Mr. Chairman, is this: even if the government was saying that we don't want to indulge ourselves in any innovative approaches, I mean, God forbid that we should be innovative, says the government. I mean why? Don't ask us to try anything new because goodness knows we might get those Tories yelling at us again for being somewhat kind of using our imaginations and that we all know is an . . . in this day and age.

But even, Mr. Chairman, if we were to say, let's do the conventional thing. What are the conventional problems? One of the conventional problems is the lack of proper police services in that area. The conventional problem is a lack of fire protection services. The problem is a lack of basic sewer and water so that if they are going to build new housing, the basic service system in the downtown area can't support it and the city is crying for the kind of investment that will build it up and allow it to do something proper and new. So let's not even kind of go beyond the normal conventional routines. Let's just use our common sense, our old fashioned common sense if you like. That means we should be putting money into the City of Winnipeg to deal with those problems in a direct way.

All I can simply say, Mr. Chairman, I think the government's indulging in a form of C.D. Howe socialism where if you build big projects somehow progress will be made. You know this is the kind of craziness that we've experienced all throughout the province. Boy if we only build enough sort of you know, kind of Austrian style ice cream cake palaces - and I shouldn't use the word "Austrian" because I know my friends to the right will be very sensitive about that - that we will simply somehow solve real problems. Well it doesn't, Mr. Chairman. That's a waste of money.

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(MR. AXWORTHY cont'd)

So when the Minister says we have a real money problem I agree with him. I'll tell you what the real money problem and the real management problem in this department is. It is that we're putting our money in the wrong place and we're not getting much use out of it. That's the real problem; that's the management problem that we experience in Urban Affairs. It's that we're simply not getting effective use out of the investments that we're now making. If the Premier wants to call that romanticism then I'm prepared to debate with him on that because I think that frankly the tendency of our First Minister is that when he doesn't have a logical response to a problem, he begins name calling and that's his way of dealing with problems.

So Mr. Chairman, I simply want to say that the management of Urban Affairs in this province is critically weak because of its lack of purpose, its lack of comprehension of the kind of realisms that are existing in the City of Winnipeg and the application of the scarce resources in a way that will effectively meet those problems. Instead we are engaging in the provincial government syndrome of large gargantuan sort of ribbon-cutting type projects that is engaged in by every province. The provincial government is not alone in its particular psychosis because every province does its Syncrudes and its heavy water plants and its Bricklins and its you know whatever I know that all politicians like to cut ribbons and open up office buildings and name them after past heroes and I know that I wouldn't want to deprive the Minister of Public Works of another occasion to wear his very fancy suits and all the rest of it but the fact of the matter it's not a good use of the money.

As a result the City of Winnipeg as an economic ante and as a social ante is not able to cope with the kind of changes in population, the kind of pressures of growth, the kind of difficulties of having to be the reception centre for large numbers of native people and rural people coming in with very limited education and very limited income and are trying to make it. We're not providing any kind of response to that problem by our provincial government's responses. That is not the kind of reaction that could or should be expected. We are simply in a way deflecting our money to satisfy - I don't know I can't explain it. I try to tell myself after all they've got so many members elected from that area you'd think that they would know what's going on. I can tell them what's not going on. It's that the kind of planning and management we have now simply will not make any impact upon the real problems. I suppose if we are going to satisfy ourselves with knowing that we have better served the Autopac officials and some members of the court with cleaner, more sanitary facilities well then I guess that is the limit of our satisfaction. But it will bring no satisfaction, Mr. Chairman, to those who live in the core area because it's not going to do anything at all for them. I think that that is my concern when we deal with the management of our urban affairs on the provincial level.

Now, Mr. Chairman, there will obviously be some other issues that we will approach but perhaps the Minister might like to comment.

MR. CHAIRMAN: The Honourable Member for St. Johns.

MR. CHERNIACK: I couldn't help but listen to the honourable member with a great deal of interest and I must tell the Minister for Urban Affairs that he may shrug his shoulders and say: look somebody else is speaking without giving him a chance, nevertheless I just felt I had to rise firstly to point out to the Honourable Member for Fort Rouge that it ill behooves him to make snide remarks about the clothing of a member of the government or about any personality characteristics of others lest he just invite comment back to him of a similar and degrading nature.

I would rather talk about his role in the provincial government and wonder why he isn't at City Hall. Why isn't he there making the speeches either as a councillor or indeed as an interested citizen because he's more than an interested citizen, he's indeed a specialist. If anyone has a profession that professes to be completely knowledgeable of how a municipal corporation should operate in municipal planning and municipal operations that indeed is his profession.

So he comes here and he gives me the impression that he believes that it is the duty and role of the Provincial Government to do the planning, economic, social and otherwise, for the City of Winnipeg. Yet it seems to me and I may be completely wrong and

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(MR. CHERNIACK cont'd)misinterpreting statements he's made in the past and during the time that we were discussing the Unicity Bill, that he believed - I thought he did - that a municipality, a city, an urban centre such as Winnipeg is, ought to be given more and more responsibility and authority to work within its own area and jurisdiction to develop its own needs and to cater to its own needs.

Mr. Chairman, that is nothing like what he said today. Today he was being sarcastic and critical and somewhat superior to the activities of government, provincial government, in relation to the City of Winnipeg. All that is very well if we take his premise - and I think it must be his premise - that it's the provincial government that should be doing the planning and development of the City of Winnipeg. I personally don't agree with him.

I believe, and I had something to do with the Department of Urban Affairs, that it is the role of the provincial government to work along with, to assist and hopefully to guide, to suggest to the city manners in which it could improve the service it has to offer to the citizens. I believe that - well I have a great deal of pride in knowing that I was the first Minister for Urban Affairs in all of Canada including the Federal Government. It somehow made me feel that our government was forward looking to the extent that we even appointed a Minister for Urban Affairs ahead of that of the Federal Government itself, which government I believe is one that has in the past succeeded in having the support of the Honourable Member for Fort Rouge. I think that when we spoke about the need for a Minister for Urban Affairs that we felt it advisable to create that kind of a liaison which would relate provincial government planning to that of the city's wishes for the city's development. That indeed is what we said we wanted to do. We wanted to create a very small administration and indeed it is a very small administration, not to make decisions, but rather to co-ordinate, to discuss with the city, to plan with the city and then see whether all the various departments of government which are able to add or detract from the city's development to see to it that they are able to do what they are doing in a positive way to assist the city in its own development.

Mr. Chairman, the member now says, oh it's all very well to satisfy some need of the provincial government for housing offices in a particular area of the city. Well I recall very vividly that the city was very pleased at the provincial government's decision that once it was going to construct certain buildings that it was choosing that part of the city where the city felt it was advantageous. --(Interjection)-- I am reminded it was urged by the City of Winnipeg to do the construction there. For my part, frankly, Mr. Chairman, if I were sitting in the city councillors' seats, I might not have agreed with the location. But the fact is the city wanted it there. The fact is the province was committed to certain construction plans and the city wanted it there and the province co-operated. So instead of saying, well all right that's part of the two-way relationship, the honourable member is pleased to laugh at the wearing apparel of a Minister. Well that's fine. If that's the level at which he wants to debate this, that's his choice.

I'd rather discuss the extent to which it is a two-way street because that's what we wanted it to be. I have to say, Mr. Chairman, in my experience the province I believe has continually begged the city councillors, the city representatives to come forward with planning proposals to try and establish some sort of modus vivendi for itself; to try and have some long range plan with which the province could co-operate. I say that we have not had that kind of offer or acceptance of an offer from the city. I blame the councillors and I blame the method in which the city operates. Now maybe the provincial government did not try hard enough. I have heard criticism; I have heard criticism from members of our own party on city council that we have not done more to try and get the city to proceed with certain of its plans. Those criticisms may be valid and on the other hand maybe it is correct to say that it was not for the province to tell the city what to do and how to plan it.

The Member did make a valid point in saying that the provincial government has opportunities and fiscal powers and planning powers to do certain things. That is true, just as his own example about the construction of provincial buildings. It is true. It is also true that the province has, and I believe without exception, the foremost in Canada made possible for the city, for the urban government to achieve greater fiscal power on

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(MR. CHERNIACK cont'd)its own. I think the province has more, than any other city in Canada made possible --(Interjection)-- Now the Member for Swan River who knows as little about Winnipeg as I know about Swan River tells me to quit bragging. I tell him that if he had the opportunity to speak as I have, to recollect to him and to others what this province has done in the sense of urban government then he too would want to recount it with a sense of pride. I tell him that I am proud of what we have done. Now the Member for Swan River who I've said before has made some of his best speeches from his seat

MR. CHAIRMAN: Order please. If the Honourable Member for Swan River wishes to be recognized I shall recognize him after the member. The Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, I cannot overlook repeating what the member for Swan River has said from his seat because I suspect he is busy saying it elsewhere. He is now saying that what this province has done for the City of Winnipeg is at the expense of the other taxpayers of Manitoba. If I am not quoting him correctly I invite him to stand now and on a point of order or privilege to correct my accounting of what he said. He's not doing it; he's suggesting that I go on with my speech and I will. To the extent of pointing out that that kind of insidious propaganda which I believe he carries outside of this city does nothing but create division between Winnipeg and the rest of the province. I ask him to check with those few members of his party who have succeeded in being elected from within the City of Winnipeg whether or not they are prepared to stand beside him and repeat the statements that he apparently is happily making. I would suggest that they would not agree with him and if they did agree with him they wouldn't dare say what he's saying.

I want to come back to the City of Winnipeg. I say that the Province of Manitoba has made possible for the urban government of Winnipeg an opportunity to become more independent in terms of revenue sources than any other city in Canada has achieved. The growth taxes that they wanted to participate have been made available to the city. Not one did they say they wanted.

If honourable members would recall the Province of Manitoba said we are vacating the field of amusement tax; we are leaving it to the municipalities to pick it up. And indicated to the City of Winnipeg that if they wanted to take over the amusement tax at the same level as the province had had, then Winnipeg itself would receive something, I think from seven to eight - \$600,000. You know the response that I heard from City Hall? Well if the province is willing to give it up there must be something fishy so we better not take it. We better be careful about that kind of an offer. Well apparently after a little while, cooler heads prevailed down there and they decided to pick it up. They didn't increase it; they didn't reduce it; they took it at the same level. Then when the province offered them a participation in those very growth taxes that they claim they had a right to participate in and said we will give it to you but you have to make the decision, they backed away from it.

So the province unilaterally made available to the city an equivalent of two percent of personal income tax, 2 points of the 42½ points of provincial tax, to be available to municipalities of personal income tax and one point of corporate income tax. We said to the city and to all the municipalities of the province, if you feel that you want to get in on growth taxes and if you feel as you must, that income taxes are the most progressive and the most that reflect growth, then you can apply to us, discuss with us the possibility of increasing that form of taxation and reducing land taxes if you so deem it advisable. Did they do it? Have any members present heard from the city directly or indirectly that they would like to do that?

We said to them if you want to impose a tax on liquor then discuss it with us and we'll see whether it's possible, that liquor sales in Winnipeg could be taxed additionally for the benefit of the city's revenue. Did they pick us up on that? No they did not. You see, Mr. Chairman, what we just heard from the Honourable Member from Wolseley is still typical of most of the members of the city council. He said: "Give us what you have got." That is so typical of the politician who hasn't got the courage to make his own decision as to how to raise his own taxes but would rather find it easier to go to

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(MR. CHERNIACK cont'd) someone else and say: "Give us what you've got."

Now the fact is that the province does go to the Federal Government and say to the Federal Government, it's time you got more involved in, let us say, urban transportation. We think you should devote a larger share of the moneys available for redistribution amongst the provinces in the field of transportation. The province has gone further in other areas. It has said, give us tax points. Just vacate the field. Just as we did in personal and corporate income tax by saying, there are areas where it is possible to develop growth in revenues other than real property taxes. We said to the City of Winnipeg, would you like to consider an extra tax on hotels? I remember that. --(Interjection)-- The Member for Wolseley with all his great knowledge, with all his great experience, the expert in taxation has now announced that a ten percent tax for hotels in Winnipeg would ruin us. I don't know whom he means by "us". It might be the Progressive Conservative Party; it might be the - what do they call them - ICEC, of which he may have been a member; it may be his personal - maybe he has some special interest in that. But let me tell you, Mr. Chairman, there are many municipalities right on this continent, all over, who are able very readily to find that a hotel tax is a revenue source. It may not be the best one. I'm sure the Member for Wolseley will soon learn from people other than the Member for Swan River that one is respected much more if one makes his speeches while on the feet rather than sitting on his behind. So I suggest to him he should . . .

MR. CHAIRMAN: The honourable member is a former Speaker of this House, he should be setting an example to other people. The Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, it so happens that I consider the Honourable Member for Swan River one of my friends in this House and I would not want to hurt his feelings. On the other hand --(Interjection)-- What? I like to get a rise out of him just like he likes to get a rise out of me and it's said with affection, especially since I have to remind him that when he's back home he lives in my house and he should at least recognize that I am favourably inclined towards him. I'm getting another rise out of him

It was really the Member for Wolseley that I suggest - I haven't heard him speak here very much and I'm looking forward to more and more of his contributions in this House, and now I have to say something unkind, because I suspect that the more speeches he makes here the more readily will we be able to gain the seat of Wolseley for our own party.

Mr. Chairman, I am pointing out to the Member for Fort Rouge that he took a very one-sided view, which may be good politics on his part, of laying at the doorstep of the Provincial Government a great deal of blame for the lack, I believe, of the councillors of the City of Winnipeg to develop a positive program to deal with all the problems which he raised. And those problems, Mr. Chairman, are not easily cured and are not cured overnight and are not cured by a simple program such as I think he seemed to suggest that we should be carrying out. But they are dealt with in an overall approach by the people elected for that job, and those people are some 50 councillors and the Mayor for the City of Winnipeg.

I would just love to hear them respond to the Member for Fort Rouge on the question of what are they doing. If one only reflects about all the efforts, and we will hear about it I'm sure, that the Manitoba Housing and Renewal Corporation have made to develop housing programs within the city, and how they've been thwarted, and to this day I don't know why it is that the City of Winnipeg cannot react by making it possible to go ahead with all the construction work that the Housing and Renewal Corporation would like to do. What the problems are I have yet to understand and I cannot fathom. Yet it appears that there have been real problems raised and I have not been able to find out from city councillors what it is that prevents them from seeing to it that the housing program, at least, for which this province has assumed a great deal of responsibility, cannot go ahead. I remind the Member for Fort Rouge that this province and this government was the first, I believe, to eliminate the requirement that a Municipal Government put up its share, its 20 percent I think it was, share of a housing program by assuming the full responsibility for the Province of Manitoba itself.

I remind the honourable member and I'm told now by the Minister for Urban

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(MR. CHERNIACK cont'd) Affairs we are still the only province with that kind of a program. Well I don't know, I was going to say it surprises me that the Honourable Member for Fort Rouge overlooks the kind of proposals which have come from this government to assist the urban growth or the growth within the urban area of Winnipeg, to ignore that completely and come out and say, well a few buildings that you proposed to build are no help at all. I am convinced, as he seems to be, that building some government buildings will not cure the social ills that exist in certain parts of this province.

I challenge the honourable member some day to come along and show in a practical way how he would proceed to cure those social ills in the space of time that he allows this or any other government. It is a problem which is facing all areas probably all over the world and none of them have shown the ability to really settle the problem. But to do it in a systematic way, I believe, requires the work and the dedication of firstly the elected councillors of the City of Winnipeg and I believe that they have not measured up to their responsibility at all and I believe that since the province should not interfere with their operations, not instruct them on how to carry on their program, that this government has done everything else short of that possible to indicate a co-operative spirit and a desire to assist the citizens of Winnipeg in helping to make their city grow.

MR. CHAIRMAN: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Chairman I was going to wait until the Minister spoke but I think it's rather appropriate that a few remarks be made.

First, I should say to the Honourable Member for St. Johns that I would welcome the opportunity for him to go through the Constituency of Wolseley and talk to the residents of Wolseley along with the Honourable Member for Wolseley and then I think he would revise the opinion as to what will really happen at the next election. Because, Mr. Chairman, if he walked and knocked on the doors in Wolseley, he would find the kind of disillusionment and anger that I expressed before existed with respect to the New Democratic Party and its policies, reflected in the whole range of programs.

--(Interjection)-- The Honourable Minister of Mines and Natural Resources, I agree. Not at his door. As a matter of fact his door will be barricaded with signs for whoever the NDP candidate will be.

Mr. Chairman, in many respects what the Honourable Member for St. Johns has said is a cop-out. It's a cop-out because it goes back to the original concept of Unicity, to the good things that were going to arise as a result of the unification of the City of Winnipeg, and to the ability of the government and the new councillors to deal with the problems of the city itself. Now no one can expect within a short period of time for everything to be resolved; no one can expect for miracles to occur. But I suggest to you that if you analyze in this particular budget the administrative responsibilities that the department has with respect to urban matters and particularly that of the City of Winnipeg, and you examine the problems of people in the City of Winnipeg and the implications of government program for people, you would find that the government is failing miserably. It is a cop-out to suggest that it arises because of the lack of response of the city council itself. Because there is still a responsibility on the part of the province to use its resources, to use its energy and to marshal the horses that it has and its economic capacity to try and assist the city in coping with some of the problems. I suggest to you that that has not occurred and there are failures here.

It has nothing to do with the individual ability of the Minister. That's not in question. It has to do with the state of mind. The state of mind is the kind of state of mind expressed by the Honourable Member for St. Johns who basically says, well the council was formed; they have the responsibility; they must deal with it; they must come to us and when they come to us we will consider it. But, Mr. Chairman, in reality you have an unwieldy council of 50 members trying to cope at this point - and I say an unwieldy council - trying to cope with the basic problems of providing the services that now exist at a time when there is severe escalation of costs and in which there is a limited growth with respect to the real estate assessment in the City of Winnipeg because the growth has not occurred with the exception of government enterprises and as a result the inability for them to be able to basically provide those services which are

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(MR. SPIVAK cont'd) essentially required in a modern context and the inability to be able to raise taxation levels any higher than they are today.

Because, Mr. Chairman, when we talk about taxation we talk about taxation in this province, and the Honourable Member for St. Johns can stand up and talk about the fact that the Medicare premium doesn't exist, but in reality, Mr. Speaker, the taxation levels of municipal and provincial and federal has become intolerable in this province and in the City of Winnipeg. I don't know whether there'll be new taxes raised or not; we'll find that out on April 15th. But let me suggest to the members opposite, if you think that the people of Manitoba are prepared or the people of Winnipeg are prepared for more taxes, you're mistaken. Well, Mr. Chairman, they're prepared for you doing the things that are required, in eliminating those programs and getting your management under control. They are not prepared for increased taxation.

But the problem, Mr. Chairman, is along with all of what I'm saying we have the real basic problems that the Honourable Member for Fort Rouge referred to in the core area that have to be met, that are not being met, and there are severe problems. Mr. Speaker, I wonder who do we target as the group of people that we want to be responsive to in this Assembly. We want to be responsive to all sectors in our community. We want to be responsive to the farmers in our community; we want to be responsive to the businessmen; we want to be responsive to labour. Mr. Chairman, we have a commitment I would believe to dedicate ourselves to those people who through one misfortune or another have been placed in a disadvantaged position and who are living and working in intolerable conditions and in the main are living in those conditions in the City of Winnipeg. Mr. Chairman, I don't see anything that really is taking place on the part of the government to try and meet and respond to this. I suggest, Mr. Chairman, it's an absolute cop-out to simply suggest it is because the members of the city council themselves have not come forward.

Now I'm not suggesting that there's not blame to be attached to them and that's something that can be argued back and forth. But I think we have to at least examine realistically what has really happened. You know who is solving the problem? I know studies have been undertaken and I think it would be a very good exercise for the members on this side, and probably the backbenchers who don't know about it, to see all the studies that have been done by the research departments in Planning and Priorities and through the research activities and through the contracts that have been set for the whole host of programs. It would be interesting to see what was produced, to examine the practicality of what was produced and to see whether in effect there are priorities that can be undertaken. But the fact is that nothing that I can see has happened in the last year's Speech from the Throne, and in the subsequent information supplied by the Government or in this year's, that would indicate any meaningful response.

Now the problem we face is the kind of problem that the Honourable Member for St. Johns has when he talks about it. He basically says, well, we created a new Department of Urban Affairs. For that we get marks. You know that's very important. We created that and we didn't want to have a big budget so we only had a budget of a million dollars and for that we have administration and we haven't increased that very much and for that we should get good marks. And we co-ordinated a host of programs and if we're lucky we'll get a lot of money from the Federal Government that we can announce as our programs and carry them through so that in the course of doing that we'll be in a position to take full credit for that. We've got a very fortunate situation. We don't control the city council so we can blame them for everything. Yes, we don't control - I'm now talking about the government - we don't control it. You know, God forbid, if the NDP had been elected we would have had no excuse, but now that they're not the majority we can blame the ICEC for everything that has happened. You know, we can sit back for the next three, four, five year period, we don't have to do anything. They're going to have to raise taxes and we're going to blame them.

Mr. Speaker, you know the kind of scenario that I'm talking about I believe, really has taken place. I believe it's demonstrated by the lack of response on the part of the members opposite to the problem areas that exist in the City of Winnipeg and the failure to respond. That I think has to be the greatest criticism of the government.

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(MR. SPIVAK cont'd)

You know we can criticize you for mismanagement in Autopac; we may or may not be right. We can criticize you on CEDF and we may or may not be right. We can criticize you on MDC and flying planes and Flyer buses and we may or may not be right. But, Mr. Speaker, we can criticize you on the fact that you are not responding to the needs of the people in the City of Winnipeg and the needs of the thousands of disadvantaged who require your help and there we are right. We're right for a number of reasons. We're right because you've copped out. Because in effect the energy that you had to bring Unicity together brought forward with that the realization that you had tremendous problems. You've been prepared to let it evolve over a period of time and you've been prepared to let it happen. Hasn't happened in the last 10 years, it won't happen in the next 10 years, so what. At least you've started it in motion and you can take credit. The Honourable Member for St. Johns will be able to stand up over and over again and say, "At least I was the first Minister of Urban Affairs across the country." But so what. What have you done really in responding to the housing needs of the people in the core area. Very little. --(Interjection)-- Oh, come on. More than you do. Well if that's the response, if that's the response, if you believe that that's the response then you really have copped out.

MR. CHAIRMAN: Order please. Order.

MR. SPIVAK: The native people are a substantial part of the City of Winnipeg now and their numbers are growing. Where is your program to assist and help them? Where is your program to assist and help them? These are the people who are disadvantaged; these are the people who require help. Where is it? It's not there. Where are the recreational --(Interjection)-- You know the Honourable Member from Flin Flon can debate that afterwards but I'm now talking in reality about the problems that exist. The housing requirements have not been met; the rehabilitation programs that should be carried out are still very piecemeal. You've got 80 different kinds of organizations operating in the core area down in the centre of Winnipeg, all of them unco-ordinated; many of them funded by the provincial government one way or the other in the most unco-ordinated mess; each one groping and trying to assist and help their own programs. If you look at the core area of the city it hasn't improved.

An announcement was made last year over the programs that were going to be conducted and the Honourable Member for Fort Rouge is correct, in the main what really they are, are government buildings and government payment to pave over the problems, not to deal with them. In effect what we are faced with is the reality that the city has not tackled the problems that are going to be attached there. The likelihood is that they will not tackle them, certainly not after the '77 election and probably for some time after that. The likelihood is that you'll not tackle them because you haven't the energy and at this time the ability to do it, because in effect the great achievement was creating Unicity and that seems to satisfy you. The problem is that it had nothing to do with the will on your part because I think the will exists. It's a failure to get yourself organized and you have had, as I have indicated before, a whole host of programs researched, very few of which have been introduced, some of whom have maybe provided some insight and there has been a general feeling that, look, we're not going to tackle it; it's costly. It requires, you know, our complete attention and we've got other problem areas and we'll concentrate on them; with the result that a lot of people with whom we in this Chamber should be concerned and who require the kind of co-operation and assistance at a very critical time for them are not receiving the kind of support and help that should be forthcoming.

What we have here, is the standard kind of response. The Honourable Member for Fort Rouge will stand up and the answer will be, well he sounds like a city councillor let him go to the city council and it's the city council's fault. We're ready and available. When they come, you know, we'll deal with the problems. The reality is they are going to have one heck of a problem not raising taxes substantially this year. They're going to be raised; there's no question about that. There will not be sufficient money to meet - whether or not in the transit settlement that the mediator's report is the base settlement or not, whatever the transit strike results in in settlement will become the basis for

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(MR. SPIVAK cont'd)negotiation on every department within government, within the city government, and there will have to be a substantial amount of money realized there as there will have to be realized for school tax, for the school budgets themselves. The result is that there is not going to be the ability to be able to deal with this because the main economic pie in terms of the taxation resources comes from within the province. It was always understood and it was implied in everything that was discussed during the Unicity debate that the government would respond. The question at this point is: your failure to respond, is it really because of the city council or because you don't want to deal with it now? I have to suggest to you that everything would indicate that you don't want to respond now for a number of reasons.

I've examined enough of Dominion-Federal Relations, Dominion-Provincial Relations to know that much of what has taken place came as a result of the initiation of the Federal Government and the provinces responded to the Federal Government's initiative. --(Interjection)-- Yes, a great deal of that came from the - well we would not have had Medicare in this country without the Federal Government's initiation of it. --(Interjection)-- Yes, but the Federal Government initiated it and the provincial governments then dealt with them. The truth of the matter is the Federal Government financed on the basis of the resources of the country. I'm simply suggesting to you that it is an absolute cop-out to suggest that because the city council hasn't come forward with its program, that we can sit back. Because in doing that, politically you have an answer, no question. And the Member for St. Johns can answer. But the reality is that you're not dealing with the people who require the help and assistance and you're not in effect improving the situations.

You know maybe what we should do is close the House for a day and travel through the core area of the city. Maybe it would be a good thing to take everyone including the Ministers and travel right through and I'll tell you one thing. Maybe it would be a good idea to close the Legislature and go down Main Street for one night. Maybe it would be a good idea to take the members opposite and the members on this side and to go and speak with the people involved in the various organizations who are trying to help themselves. Maybe as a result of that you'd have some idea of what we're talking about. Maybe we should go and visit the homes where the people live in what is known as slum housing. Maybe we should examine the kind of legislation that should have been introduced and should be introduced to protect them.

MR. CHAIRMAN: Order please. It's very difficult for the Chair to hear what's going on. You'll all be recognized in turn. The Honourable Member for River Heights.

MR. SPIVAK: Well, I don't know how recently you visited Main Street, the Honourable Minister. --(Interjection)-- Yes, you're there all the time. Yes, you walk down there all the time. Yes, to the Centennial Hall and the City Hall and that's Main Street to you. Maybe at the Liquor Commission. I suggest to you that if you do that then you'll understand what I'm saying.

I say to the Honourable Minister and again I say it's not a question of his competence because there's no question on that and I'm not in any way questioning that. It seemed to me that the government is --(Interjection)-- No. I want to say to the Member for Flin Flon, the government is not perfect by any means. I would say to the Minister that I would think that if we could objectively, and we can of course in this Chamber do that, we objectively analyze what has happened in his department in the last two years, I would say it's a failure. I would say it's a failure because it's a failure to respond to the needs of the people and that's why it's a failure. It's not a failure to deal on a day to day basis in an administrative way with a department that co-ordinates a number of programs which aggregate a lot of dollars, but it's a failure to recognize that there is needs, and there is energy, there is leadership, and there is activity that has to take place. Because if it doesn't, all that will happen is the continuation of the same . . .

MR. CHAIRMAN: Would the Honourable Member for Flin Flon like to take a walk?

MR. SPIVAK: Mr. Chairman, I suggest that he goes to Main Street, yes. He's probably the only one, Mr. Chairman, who has been on Main Street. Mr. Chairman, to the Minister I say this: that unless there is some new evidence and I don't see it in the Estimates and I've done as much analysis as I can with the information that's available

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(MR. SPIVAK cont'd)and it may be that more will come forward when we deal with other Estimates in which he has some knowledge of things that will happen, I don't sense or see the kind of response. What I see is a situation in which the status quo will be maintained with the hope that the normal kind of evolution that is taking place will continue to take place and with the hope that some of the money that is being spent in other areas will trickle down and somehow or other help some people in some ways and with the belief on the part of the government that there is not very much they can do anyway, that they're historical problems that have caused these things and that to a large extent they are trying their best and that in effect they have at least unified the city and they have certain things that stand, you know, would stand very well on any record that was to be presented. I say that at this point, is a cop-out. That I'm afraid is what has happened and I have to say this: maybe the Minister will be able to respond in a different way. But certainly if his answer is similar to the Member for St. Johns, it is a cop-out.

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MR. CHAIRMAN: The Honourable Minister for Urban Affairs.

MR. MILLER: Well, Mr. Chairman, thank you for recognizing me. I've listened intently and found the debate very interesting. The comments - I don't know where to start first, to deal with the comments from the Member for St. Johns or River Heights or Fort Rouge, but I guess I'll settle for the last one first. The suggestion that the province has copped out, that having created Unicity, one entity, one tax base, one financial unit that somehow we've copped out. Well, Mr. Chairman, I totally reject that. I do appreciate, I think, what the Member for River Heights is trying to say, and I can sympathize with a lot of what he is trying to say. Because there is no question, Winnipeg, like every other major city has a problem in its core. Winnipeg, that area of the city, has slums; Winnipeg, like every other city, has its districts where the alcoholism is rampant. That's the claim of distinction, I suppose, which every major city has to cope with. I'm not suggesting for a moment that we have eliminated it, and I'm not suggesting for a moment that I can eliminate it in the immediate future and the foreseeable future, whether I listen to the Member for Fort Rouge or whether I listen to the Member for River Heights or the Member for St. Johns. Because those problems are part and parcel of urbanization that is part and parcel of the fabric and the dilemma which faces every major city, of which Winnipeg is one.

And those problems are not going to go away no matter what we do. They are problems with people, and in this regard I agree with members opposite, because it is a people problem. And to deal with a people problem, it isn't through a ministry of Urban Affairs, or a Department of Urban Affairs; it's a problem for all the apparatus of every level of government, be it federal or provincial or municipal, through various instruments that they possess, whether it be in the field of Education, the field of Social Services, the field of Health, the field of Alcoholism prevention, the Correction. It's in those fields that hopefully you try to come to grips with the problems. Not to eliminate them, because unfortunately I don't have the faith perhaps that I should have, I don't think that those problems can be that easily eradicated. They are too well rooted, there are too many causes for those problems; some are within our economic system, some are within our social system, but certainly they're so deep rooted that it isn't simply a matter for this particular department or that particular department to do this or that or the other.

I reject totally the idea that there has been a cop-out of any kind. What was created was a vehicle, a vehicle whereby the city with one administrative unit, one financial unit could try to come to grips with the problem which is infecting it from within, the core of the city, which like other cores was rotting. As in other cities, unfortunately the flight to suburbia has simply compounded the problem, because as people with affluence, with means, fled the city centres to the suburbs, taking with them their wealth, their tax base. And followed shortly by the movement of commerce and industry out of the core cities to the suburbs, you've got an imbalance, and you have today in most major cities across the continent an imbalance where the old cities were literally being torn apart by the problems of migration of the lowest income with all the major problems and without having the fiscal capacity to cope with them. This government was the first government to recognize it, and this government was the first government to do anything about it, and Unicity was created.

I can tell the Honourable Member for River Heights that what we did took a lot of guts, because that government would never have done it. That government was very happy to have 12 municipalities fighting each other: let the Mayor of Winnipeg argue with the Mayor of St. James; let St. James argue with St. Boniface; let St. Boniface argue with St. Vital; let the Kildonans fight one another; let 'em squabble, let them fight; don't let them unite, because if they unite, they become too powerful. So let them fight one another, and then what do you do? You create Metro. Then you can all unite and fight Metro. Because that's what they did. I recall the charade that we had to go through in January of every year when we were called to a meeting of Metro, and the Chairman of Metro, the Chairman of the Finance Committee, and perhaps the other members of Metro were there too, I don't recall. I went once. You know, once is

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(MR. MILLER cont'd) enough. It was called, "The Consultative Committee" - the Member for Sturgeon Creek is laughing, I suppose he recalls it too. And they gathered, and there was a consultation that took place I think from 10:00 to 12:00, including coffee breaks, and after that great consultative exercise, Metro would strike its budget. The hue and cry from the other municipalities was fantastic, of course. I recall one mayor saying that Metro operated as they didn't know what money was; or money was going out of style; and they were drunken sailors - yes, that's true - they were, you know, they were just bleeding the municipalities. You know, this kind of nonsense is what the other former government had and was I think, prepared to live with perhaps on a limited scale; they'd have come up with 9 cities instead of 12 - you know, that sort of horsing around.

What we did took political guts, because what we did, we created a power block which is the most potent in Manitoba, and we did it consciously, knowingly, and politically unwise - if we were just politicians . . . but we're not. We try to look ahead, we try to recognize the needs of the city. And we said that here is a vehicle, and we'll work with that vehicle; we'll try to work along with it, we'll try and give them access to tax sources which no other provincial government has yet made available. They haven't responded, I think they will in time; I think these things happen slowly, but in time they will. Quebec has, yes. They raised their sales tax to 10 percent, and said two percent goes to the municipalities. I'm waiting for the municipalities in Manitoba to say, "yes, let the sales tax go to seven percent and two percent is ours." The moment they ask us, I'll gladly give it very serious consideration, believe me.

Mr. Chairman, the references made by both the Member for Fort Rouge and River Heights in the fact that the province has really done nothing, the core city we're just ignoring it - you know, they've heard from me and from others, the Federal Government as well, about neighbourhood improvement programs which were introduced to avoid the kind of problems that developed under the old urban renewal schemes, where bulldozers were brought in, as in Lord Selkirk Park, entire areas were flattened out and rebuilt. And this was a very common method in its day. Then it was found, of course, that people who were displaced by the bulldozers somehow never came back to live in those same areas, because there was a time gap of two or three years between what the bulldozer knocked over and what was then rebuilt; people scattered, simply moved away, so the neighbourhood was destroyed. So the program today, the Neighbourhood Improvement Program, is an attempt to deal with that kind of displacement in a different way.

You know, Mr. Chairman, one would never know that they're aware of the scope of these programs, and they're not aware, for example, that the Neighbourhood Improvement expenditures in Winnipeg are going to amount to \$11½ million. And what is the purpose of it? I'm not talking about housing, I'm not talking about a public works building, I'm not thinking about any of that. I'm talking about the Neighbourhood Improvement Program. What's its purpose? The purpose is to upgrade municipal services that somebody was talking about here a minute ago - upgrade the social and recreational facilities; that's what this \$11½ million is for, to upgrade the core area, to make such areas a better place to live. That's what the Neighbourhood Improvement programs are. And there are now three areas: one in north St. Boniface, one in the centennial community which is the Midlands area of centennial community, and north Point Douglas. The north Point Douglas is the one that's farthest along, and I can tell you if you haven't been around north Point Douglas, I say to the Member for River Heights, let him drive down to north Point Douglas and see what has happened in the last 18 months to 24 months. You may be surprised, that it's a pleasant change. And I suggest he's going to see the same thing in Midlands. Sure it's a slow process. It's a slow process, because people are involved. I know what the Member for Fort Rouge - talking about the fact that things are done behind closed doors, there's got to be a dialogue and so on. Well you know, I appreciate what he's saying. I know that is the emphasis today, the whole idea of participation and participation. I know, frankly, that I have to plead guilty to not having too much patience with that, although I recognize the validity that many are of that position because it's a very popular one today. Frankly, I find myself personally being somewhat

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(MR. MILLER cont'd) frustrated by that process because it's going to be, it's a tortuous process. One could talk himself into the ground, literally.

I recall, I went to what they call the freight shed on Isabel Street in the Midland railway area; it must be a year ago certainly, if not longer. They were discussing what sort of things would happen under the Neighbourhood Improvement program, and the housing that would go in there, and infill and so on. And I pleaded with them at that time, that although it's fine to discuss and talk about, and to have everyone's views; to listen to the tenant's view, listen to the landlord's view; listen to the view of the people who've been there for many years and those who've just recently moved in; that they can't just keep talking about it, that they've come to grips with the problem fast if something quick is going to happen. Well unfortunately, it took longer than it should have and they didn't respond as quickly.

Now, as I indicated in my opening comments this afternoon, I think there is movement now. The first new 50 units will be going in on the old Midland railway property. Infill housing is now under way, and more infill housing will take place as old and unsafe houses, condemned houses, are demolished and the land is made available for construction. And MHRC will step in at that point - and that's over and above the 11½ million I'm talking about. And will construct at no cost to the City of Winnipeg taxpayers, either in capital or in operating subsidy if it is public housing, and this province is still the only province that's doing this. So I cannot accept the Member for River Heights' suggesting that the government somehow is copping out. We're not copping out at all. As a matter of fact, we're trying to really deal in a meaningful way with it.

But at the same time, I have to say to the Member for Fort Rouge, we are not the government of the City of Winnipeg, that's what civic elections are all about. And I'll go one step further. I'll suggest to the Member for Fort Rouge if he feels as strongly as he does, maybe he can bring in a resolution to this Chamber and suggest that the City of Winnipeg Council simply be eliminated and the Province of Manitoba in this Legislature become the Council of the City of Winnipeg. And why not do the same for Brandon, and why not do the same for Dauphin and for Selkirk and a few other places? So forget about local authority, forget about local responsibility, forget about local elected people and just let him do it. That's the logical extension of where the Member for Fort Rouge's argument is leading him. And frankly, I'm not prepared to introduce that resolution because I don't believe in that resolution. So I say if he wants to do it, he's welcome to do it. He's welcome to do it.

The Member for Fort Rouge deplores the fact buildings are going into the core areas. You know, those buildings could have been placed elsewhere; they could have been placed on Broadway, they could have been placed on Fort Osborne Barracks - you know, the old Fort Osborne Barracks' grounds that were acquired by the province, there's land there. As a matter of fact, some of the plans originally were that that would be the logical place to build government buildings. On November 20th, 1974 the City of Winnipeg passed this very interesting resolution: "WHEREAS the area west of Main Street between CPR main line and William Avenue contains sections which are in a deplorable state of disrepair; AND WHEREAS in some instances conditions constitute a health and safety hazard to many of our citizens; AND WHEREAS City Council years ago recognized the need for urban redevelopment and has since acquired considerable amounts of land and property in this area; THEREFORE BE IT RESOLVED that Council consider this a priority item and urge the Provincial Government to assist in the urban redevelopment of this area and make whatever contribution they can to overcome this unsightly situation which is not complimentary to a modern city."

Mr. Chairman, this was introduced in the Council Chamber, was passed by Council at a subsequent date, and was brought by the official delegation to one of the meetings with the provincial Urban Affairs Committee. We discussed it and we heard them out, and we then agreed that in the light of this that the buildings which were slated to be built somewhere in Greater Winnipeg should be built in the core city. And it makes sense, despite the fact what the Member for Fort Rouge is saying; it makes sense, when you have an area in disrepair. Not just housing disrepair, but just general

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(MR. MILLER cont'd) dilapidation; the industries have moved out, commercial enterprises have moved out, and so it goes to seed. And when you live in an area where things are going to seed, where everything around you just seems to be drooping, then it affects the population in that area as well. Not only those who drive through, but those who live in that area.

So I say that the construction of buildings, be it an Autopac building, be it an environmental health lab, whatever it is, will help to improve the appearance in the area. It will lift the spirits of people living in that area. You know, there's an aesthetic involved as well. And that doesn't suggest, that doesn't mean that I am ignoring the fact that there are social problems in the core. I said that before. Of course there are. There are in every major city. And the Department of Education, Department of Health and Department of Social Services have to try to come to cope with them and to help meet the problem as best it can as well as school boards locally elected, and city councils locally elected. They too have responsibility, because in the first and final analysis, it's within their boundaries that it takes place. Now if there's a thought here that irrespective of that responsibility, the province should be charging ahead anyway, you know, you're talking to somebody who - as I indicated, a lot of talk and studies and researches and so on sometimes drive me to distraction because you can study yourself to death, and there have been many studies taken place. But until such time as the City is ready to seriously to accept its responsibilities, then perhaps some of those studies may not go beyond the study stage. Because it would be wrong, I think, under our present system of government, with the present understanding with regard to local government and their responsibility, to simply remove from the city its authority and simply take over as if the province was the City of Winnipeg, because they're not.

The Member for Fort Rouge says he's concerned about secretiveness and closed doors and so on and so forth. Now there are a number of studies - I indicated one this afternoon, the Development Plan Review, which is not a closed door study. There will be public participation in it, and there is a requirement for that. There's the Southwest Corridor Study, which is a study to see whether or not one of the old CNR lines - if the right-of-way for them could be used as an express route from around the University of Manitoba into downtown Winnipeg. That's not a secret study. There's been public participation in that study. There's an airport study taking place with the Federal Government and ourselves and the city, mostly the city and the Federal Government. And there's a Consultative Committee working with the public on that. I indicated earlier in the NIP area in the core areas there's been nothing but citizen participation through the NIP offices in everything that's happening there.

The Committee of Review is not being done privately in some office somewhere on their own. They're holding hearings, they've advertised. They've invited submissions and they're getting submissions of all kinds; organizations, individuals, you name them; various community committees, resident advisory groups and so on.

In the final analysis, Mr. Chairman, this government has to account for its actions in this Legislative Assembly. The City of Winnipeg Council has to account for its actions in the City Council Chambers, and in turn to their electorate. So what the Member for Fort Rouge talks about that we are somehow - we're not assuming our responsibilities and we're making decisions behind closed doors, that's absolute nonsense. And that there is no planning, that is absolute nonsense. We're doing it together with the instrument which is there, in place, and that's the City of Winnipeg. You know, he took objection to the fact that the First Minister referred to some of his comments as sort of being somewhat romantic, or romanticism; he took objection to that and felt that it was an insult. I don't think he should feel insulted, there's nothing wrong with being considered romantic in that sense. All of us like to think in terms of the ideal; social philosophy is fine and dandy, you can philosophize till the cows come home but nothing happens, and eventually you have to get down to grips with the problem. And that's what the city councillors are elected to do and that's what they've got to do, and this government has been standing ready, has worked with the City of Winnipeg and will continue to work for the City of Winnipeg. And we have made very major strides in the area of

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(MR. MILLER cont'd) finance. As I indicated this afternoon, due to our programs, over \$72 million was made available to the city, either in relieving them of certain programs which were costly or through the finances that were flowed to them, either through the citizens or direct to them - \$72 million was made available, money which the city never had before. So we are not certainly simply letting them float on their own and just letting them hang on their own.

The Member for Fort Rouge asked: Do we have a policy? What is our objective? Well Mr. Chairman, the objective is to work with the city to try to get them to achieve their objectives. The Development Planner Review is a review of the statements with regard to the City of Winnipeg's future, which is devised by Metro after many years of study, which is then issued by Metro - I think it was in 1970 - and it would be nonsense for the province to try to duplicate everything the city is doing or everything that every other level of government is doing.

Reference was made to the fact that there's a small staff. Frankly, we want to keep it small. There is no sense in having the province duplicate all the expertise and all the studies that the City of Winnipeg has the capacity to undertake and which is properly theirs to undertake.

The Member for Fort Rouge makes reference to the Convention Centre and something about closed doors. I'm not quite sure what he meant. But it's my understanding when the Convention Centre was built, that the city decided that the best way to run the Convention Centre was to set up a Convention Centre Board, and that Convention Centre Board was charged with the responsibility of operating the Convention Centre. The province many years ago indicated that we would support the effort by picking up 50 percent of the deficit, which is what we're doing, and I'm not sure why that's considered such a terrible thing by the Member for Fort Rouge, or why he thinks that it's so secretive because a board has been established. These are all citizens of Winnipeg. There's nothing secretive about it. I don't know the names of all the people there, but if he wants to know who is on the Board, I can find that out for him.

But basically the department does try to co-ordinate the programs of the city so that they mesh with the programs of the province and with the Federal Government. Because the Federal Government has indicated that it is interested in tri-level studies across Canada in major cities, and we are party to that exercise. And of course, you know, it's a long process. It's not going to simply dissolve the problems overnight. But the problems with regard to the City of Winnipeg can only be handled by the City of Winnipeg. To suggest that we somehow can take them over and simply relieve the City of Winnipeg to follow out this logic conclusion I said, would simply mean that we take over the City of Winnipeg and try to run it as if it was a provincial responsibility. And that's not something that I would look forward to, because I still think there is room in our society for a local authority and a local administration with people elected directly by the population involved, who are very close to the citizenry and who can try to reflect the needs of the citizens, the desires of their citizenry, the level of services they want and to deal with it on a day-to-day basis.

The Member for River Heights makes a suggestion - and it's not one he's ever heard me make - that somehow we blame everything on the ICEC. He's never heard me say that. Never, Mr. Chairman. The fact of the matter is - I'll tell him this - if there were 50 members of the NDP sitting in the City Council, my job wouldn't be any easier. It would be just as tough. My job would be no easier, it would be just as tough. Because within the system itself there is this basic confrontation built in. Long before the City of Winnipeg Act, there's always been a conflict between municipal people and the next senior level of government, just as between the provincial governments when they meet with the Federal Government. You've been to some of those meetings, I've been to quite a number encompassing almost every department of government, and certainly this interplay takes place all the time. And so, I am not blaming any particular group. I think that is, as I say, the system itself which creates this, because they are elected by their electorate to look after their city and they're not interested in Brandon or Dauphin or Swan River or anywhere else, just as the councillors in Swan River or Brandon or Dauphin

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(MR. MILLER cont'd) aren't losing much sleep about the City of Winnipeg. They don't and I'm not faulting them for that. At no time, as I said, am I blaming any particular group or any particular individual on council. Sure they are trying to get as much money as they can from the province. I don't think they're looking to the province to step in and do things or take over from them; I think they don't want that as a matter of fact. I think you'll find that they wouldn't want to go that route but they'd like to get many more millions of dollars, as would the Province of Manitoba like to get many more millions of dollars from the Federal Government. That's the realities of life I suppose. They've got to live with that problem; I have to live with it; the provincial government has to live with it.

But we are indeed, we are at the point, Mr. Chairman, where I can I think truthfully say that the City of Winnipeg in relation with the Provincial Government, that we have attempted to really come to grips with many problems in the city, that we are coming to grips with many problems and although it may not be moving as quickly as it should I am satisfied that some movement has started. If I felt that there was no hope at all then I might have to simply throw up my hands and say, well we can't do it and we'll have to seek another way. But until I am really satisfied that there is no other way I prefer to work with an elected body responsible to their citizens who can reflect their citizens and those 50 people, Mr. Chairman, I feel do reflect their citizens and do speak for their citizens and I don't believe small, little, vocal, minority groups, citizen groups, which rise from nowhere are really the majority. I think they're the minority. I think that the 50 members that sit there are representing the majority of Winnipeg.

MR. DEPUTY CHAIRMAN: The Honourable Member for St. James.

MR. MINAKER: Thank you very much, Mr. Chairman. This is the first time I've entered the debate on this particular part of the Estimates and I would like to say in my opening remarks that I was sorry to hear the Minister say today that Mr. Currie had decided to retire this year. I have had the opportunity of working with Mr. Currie not only as a city councillor but also as an MLA and I can assure you that I have never found a better administrator or a finer gentleman to work with. I know that the Minister will have difficulty in replacing his Deputy Minister. I'm sure that it will be very difficult.

Mr. Chairman, I was very pleased to hear the Minister say, and I hope he means it and I'm sure he means it, that there is a need for local governments, that he hopes that they will continue to be in existence. I hope his colleagues have the same thinking because at times one wonders whether that is the case. We hope that the Minister doesn't mean that the local governments will be puppets but they will have some say in matters and will have the financial abilities to make some of those decisions.

The Minister and the Honourable Member from St. Johns went on to some degree patting themselves on the back with regards to the financial assistance that they are giving the City of Winnipeg and I take them to task on that statement. I'm not just discussing the financial assistance of the City of Winnipeg but other urban centres in our province, because they all have the same difficulties that other urban areas have in our country. The answer, regardless of what you people say on that side about the financial assistance that you're giving the different urban areas, the fact of the matter is the property owner still has high municipal taxes, the highest they've ever been and have increased at a more rapid rate than they ever have with any government.

A MEMBER: Did you expect them to go down?

MR. MINAKER: Mr. Chairman, what we're talking about is a difference of opinion. When you look at the City of Winnipeg or the City of Thompson or the City of Brandon really one of their major roles is they are a maintenance government. What I mean by that is that they are the level of government that keeps the streets clean; they're the level of government that keeps the sewers flowing; they're the level of government that puts the fires out; they're the level of government that keeps the robbers away from the door. While they're doing this, this government reaps by the benefits of those growth taxes; the income tax that they get from the people that work in the stores, the liquor tax that they get from the liquor stores, the sales tax they get from the stores that are able to stay open and to serve the public.

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A MEMBER: We heard that today from the city's delegation.

MR. MINAKER: This is the difference of opinion that we have. I believe that that maintenance government should get a share of that growth tax. Now the Member from St. Johns says, "We now have given the cities a share of the growth tax." But what have they really given the cities? I don't have the figures that the government has on what the estimated revenues are or expected this year but I've assumed that the corporate tax and the personal income tax this year will be somewhere in the order, when you total the two, around \$300 million. That's about the revenue the government will get. When you apply that one point figure on the corporation tax and you apply that two point figure on the personal income tax we're looking at somewhere around \$16 million or \$17 million this year I would think. I might be off by a million dollars. But if I understand the Estimate Book correctly, they're no longer going to have the conditional grant of some \$13½ million. So what do we have?

We have a growth this year of somewhere in the order of what? \$3½ million that's not going to be just shared by the City of Winnipeg but all other municipalities and urban centres. I believe I'm correct in saying that the City of Winnipeg's budget this year for their municipal services are going to be somewhere in the order of \$100 million. If it represents half of the population of Manitoba I would presume that other cities in Manitoba and municipalities when you sum their budgets, will be somewhere in the order of \$200 million-plus. What has happened now? If the growth taxes have grown 20 percent in the last year - it's grown we'll say by \$60 million - how much of that will the cities get, the municipalities? They're going to get about \$7 million. What does that mean? It looks like it's pretty good. But if you take the average growth of the city budgets in the last year of some 17 percent and apply that to the \$200 million budget for the whole of the cities and municipalities of our province they're going to be faced with a \$35 million increase. That's what they're going to be faced with and they're going to look at \$7 million growth. So what you've locked the cities into and the urban centres into is for every \$4.00 of increase that they are faced with you're going to give them \$1.00. That's what you've locked them into right now. That's exactly what you've locked them into if you apply those figures.

MR. CHERNIACK: Would the honourable member permit a question?

MR. MINAKER: I think the Honourable Member from St. Johns knows my policy. I don't interrupt anybody else when they talk. I'll answer the questions afterwards.

Mr. Chairman, this is what the government will be locking the municipalities into, that for every \$100 increase they'll put up \$25.00. This government said, "Fine, if they want to put a sales tax on something, we'll raise it. If they want to put an income tax on let them, we'll allow them to do it." But has this government not heard of competition? Not competition with Winnipeg and Brandon but competition with Winnipeg and Toronto and Regina. Because when a company decides to come to an area it looks at the taxes. It looks at the property tax; it looks at the income tax. All of these things affect the person that comes to work for that company. So you're looking at competition not only in the Winnipeg and Manitoba area but you're looking at competition between major cities in Canada. It's just not a simple matter of saying, "Put two percent more sales tax on in Winnipeg or two percent more in Brandon or another five percent income tax." We already are the highest personal income tax province in Canada. Why do you want it to go higher?

But, Mr. Chairman, this government doesn't recognize that our municipalities are the maintenance government that keeps the whole economy rolling as far as the maintenance of that big factory that collects their revenue for them. They don't recognize that contribution that this level of government provides. How is it paid for? How is it paid for? By the homeowner that owns his house on Inkster or in Wolseley and that's how they raise their money to pay for all these costs. In the meantime the government sits over there fat and healthy with all its revenue coming in and it decides a policy, it's decided a policy that says, "We'll pay for 25 percent of your increase." That's basically what it said. The lower level government, the municipal government just can't cut off services. Because if they do then it will affect not only the cities themselves but it will

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(MR. MINAKER cont'd) affect your revenues, our revenues, that we collect.

Mr. Chairman, this government doesn't understand this. They say, "No, if the local level of government makes a decision they should pay for it." Fine, I agree to that. But I don't agree with the philosophy of let them put the taxes on. I say that responsibility is the provincial government's. If they want to increase the income tax then they take on that responsibility.

Mr. Chairman, this government has talked this way for years. I sat on the other side of the government as a councillor and listened to the stories, the same stories that we heard tonight and they haven't changed. They'll be still talking that way a year from today and the taxes on the homeowners' property will be higher and higher. We're looking at - last year, what happened? It went up 16 percent. This year it's going up, what? Another 17 percent? That's some 37 percent increase in two years. That's what it's gone up. In the last two years the cost for the municipalities have gone up some 37 percent when you apply those two percentages. What is this government going to do? It's going to give it roughly \$3½ million more dollars. That's the difference, 13½ million in the unconditional grants versus 17 million under the new corporation and income tax sharing. They're locked into a system now that looks like they're only going to get 25 percent of their increase in costs from year to year. If you work them out it'll be close to that.

The other comment I would like to make, Mr. Chairman, at this time is that back in 1970 we heard this government and the Honourable Member from St. Johns go around our city talking about the new concept of Unicity. He had a white paper. He went out and talked to people; he heard people's views. He listened to them. But did that matter? No it didn't. The government had made up its mind what it wanted to do and what it was going to do and I don't debate that fact. They're the government; they make the decision and that's their responsibility. But why go through the charades? Why take up the time? Why take up the people's time if you're not going to listen or accept some of their concerns. If you've made up your mind, fine.

Now I would ask you, Mr. Chairman, are we going through the same thing again this year? I ask it in sincerity because I'm very concerned, and I hope it's not the case. I'm talking about the Committee of Review that's reviewing The City of Winnipeg Act. Has the government already made up its mind? Has the Committee already made up its mind? I ask this in sincerity because back in January in the Free Press I read an article, it was on January 13th, it says, "Mayor must leave Council, Taraska says." And it says, "Peter Taraska, Chairman of the Committee reviewing The City of Winnipeg Act, said Saturday that the Mayor's position must be strengthened to the degree that he will be the leader in Council, provide leadership in debate, debating the issues." Then further on in the same article the following comments are made, "50 councillors for a city of 500,000 is far too cumbersome. We feel it will have to be reduced but we're not sure yet what the magic number will be, Mr. Taraska said." That was back on January 13th.

Mr. Chairman, it's obvious that the Honourable Minister of Public Works doesn't understand what has happened here. A chairman of a committee that's listening to the people of Winnipeg present their briefs has come out publicly and said what he has decided, what they're thinking right now. I have not seen a retraction statement printed by the Free Press so one has to presume that the chairman had said it. If I was the chairman of that committee and hadn't said it I'll tell you I would get a retracted statement pretty quick from the Free Press. I would get it the next day because that's no way for a chairman to operate.

Are we going through the same charade again? Has this government already made up its mind what it's going to do with the City of Winnipeg and it's just playing out the role that it did back in 1970, putting around listening to people when they've already made up their mind. I don't debate the government if they have. They're the government; they have the right to do that. But don't waste the money, don't waste the time of the people. If you've already made up your mind why set up this committee? One has to presume that this is what has been done because that's what I've read. I haven't

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(MR. MINAKER cont'd) seen a comment coming back that that's not the fact. This committee it would appear has already made up its mind in certain areas before it's heard all the briefs. Mr. Chairman, I would hope this is not the case; I would hope there would be a retracted statement. But obviously there hasn't been so the chairman must have said these remarks. Are we going through the same play acting that we went through before?

Mr. Chairman, I would like to say that with regards to the public housing that I think you'll find the majority of people aren't opposed to public housing per se coming into their areas. They're opposed to great numbers of them. If you want to bring 100 units in or 200 units into an area then people become concerned. But in general I don't believe that they're that opposed to the mingling of public housing coming into different areas. But they are concerned when great numbers of units come in, and rightfully so because we have seen what has happened when that occurs. There's a burden placed . . .

MR. DEPUTY CHAIRMAN: The Minister of Urban Affairs on a point of order.

MR. MILLER: I don't want to prevent the member from making his comments but I think we should stick to the Urban Affairs Department. What he's talking about now is really under MHRC.

MR. DEPUTY CHAIRMAN: The Honourable Member for St. James.

MR. MINAKER: Mr. Chairman, I thought we were still on the Administration Salary, that we could talk on this. If you feel it's not the place, then fine, I won't comment any further on it.

MR. DEPUTY CHAIRMAN: Continue.

MR. MINAKER: I would like the ruling from the Chair if I could. I understood that . . .

A MEMBER: You're okay, continue.

MR. DEPUTY CHAIRMAN: The item before the House is Resolution 112(b) Administrative Salaries of the Department of Urban Affairs. The Honourable Member should attempt to keep his remarks relatively appropriate to that appropriation.

MR. MINAKER: Well, Mr. Chairman, as I was saying, that I believe that in general people appreciate the problem that certain people find it difficult to provide housing for themselves under the present conditions and they're not opposed to the public housing coming into areas but they are opposed to large blocks of them coming in. I think the reason mainly is that we have seen what has happened, that there is a burden placed on our community clubs and recreational centres and schools if these things aren't planned out for in the future. This particularly happened in an area that I represented on council at one time when all of a sudden there was some 75 units plunked into I think about an acre and a half of land. So instead of the expected density that one would expect under a residential zoning, all of a sudden there was many times more population. As a result the schools and the recreational facilities were placed with a burden and for a period of time there was a shortage of these types of services in the community. So, Mr. Chairman, I hope that the Minister in his department will take this into consideration when they are dealing with the housing projects that they're proposing in the forthcoming year, that they are properly planned and the various recreational and educational facilities and any other complementary services are taken into consideration so that the burdens aren't placed on the people already in the community and also those people that will be moving into the public housing that will be provided. I think at that point, Mr. Chairman, I'll conclude my remarks.

MR. CHAIRMAN: The Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, I wanted to ask the honourable member, in view of his statement regarding competition of other cities in other provinces, whether he was aware that the sales tax, taxes east of Manitoba are: Ontario 7 percent, Quebec 8 percent, New Brunswick 8 percent, Nova Scotia 7 percent, Prince Edward Island 8 percent, Newfoundland 10 percent. The only provinces at 5 percent were the New Democratic provinces including British Columbia - except for Alberta which has none. I'm not through, I have the other question. Was he aware again that east of Manitoba - the gasoline tax in Manitoba is 21 cents, Ontario 25, Quebec 25,

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(MR. CHERNIACK cont'd) New Brunswick 23, Nova Scotia 27, Prince Edward Island 25, Newfoundland 25.

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

MR. MINAKER: Mr. Chairman, yes I was. I wonder if the Honourable Member from St. Johns was also aware that the personal income tax in the Province of Ontario is 30.5 percent.

MR. CHAIRMAN: The Honourable Minister of Mines.

MR. GREEN: Mr. Chairman, the Member for Fort Garry, is anguishedly trying to communicate with me. Perhaps I'll let him communicate with me before I take the floor.

MR. CHAIRMAN: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Chairman, with your leave, Sir, what I was trying to communicate to the House Leader was that I was hoping to speak on this particular resolution but I have the impression that he and other members would be inclined to conclude the day's sitting at this point and I simply wanted recognition at this point so that when the debate resumes tomorrow I would have the opportunity to speak then.

MR. GREEN: Mr. Chairman, the honourable member misinterpreted me. I was fighting with him for the floor. I wasn't intending that we should adjourn just yet.

MR. SHERMAN: Duped again.

MR. GREEN: It is better to be the duper than the dupee. Mr. Chairman, I hope I won't be long then the Member for Fort Garry will probably be recognized.

I was just going to deal briefly with some of the remarks that the Honourable Member for St. James was making with regard to taxation. I'll leave the rest of it out. I guess it's not really unusual that I should be entering into this debate because there were several of us who had to deal with this issue while we were Ministers of Urban Affairs. I think that the present Minister will understand my wanting to follow the argument further. The honourable member says that he has been arguing this point before and appears to be suggesting that all of the increase in City of Winnipeg budget, or a good portion of the increase in the City of Winnipeg budget, should be made up by what he calls growth taxation which the provinces are receiving. I gather that that is the strength of his submission, that the provinces growth taxes have grown by enormous amounts, that the city's budgets have grown and the city should get a share of the province's growth taxes. Now, Mr. Speaker, that's like a new twist.

The first argument that the city presented was that half of the province's revenues come from the City of Winnipeg, from residents of the City of Winnipeg, and therefore the City of Winnipeg should be entitled to an appropriate share of the provincial revenues that come in from the City of Winnipeg. Of course if one followed that to its logical conclusion, half of the province's revenues come from the city, the other half comes from some place else - if the city is entitled to half and the rest of the province is entitled to the balance of the half the province would be left without revenue. They followed that argument or a variation of it to the point of a dead end because it just didn't make any sense.

Then they started on this - this growth tax business which apparently has stretched out across the country or one has reinforced the other that this is now the basis of getting the money from the Provincial Government so that we can be politicians with power and no responsibility. That is the ultimate aim of the city councillors. They would like to have power to spend but no responsibility to tax. That is the essence of their position.

Well let's take the position and put it in its best light. What the Honourable Member for St. James is evidently saying is that if a taxpayer, if a resident of Inkster had a tax bill last year in the amount of \$650 and this year the city's budget is set down and there has been a ten percent increase in services which is completely uncontrollable, which is entirely due to inflation, he is saying that the tax bill should still be \$650.00. Well, Mr. Chairman, I say without hesitation that the city has growth taxes. They will grow. All you have to do is sprinkle them a little bit and they will grow. And that no citizen of Winnipeg can expect that he can buy for \$650 the same services that he

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(MR. GREEN cont'd) purchased last year for \$650.00. There has to be by inflation alone an automatic increase, if it's 10 percent, of \$65 in that person's tax bill if he's he's to get the same services, and he is not paying more money. He is paying the same money with a different valuation. If you need authority for that ask Jean Drapeau. He has developed that argument to the end. It is the same amount of taxes that is being paid, but it is a different figure. Mr. Chairman, does that not make sense? Does it not make sense that the citizen for the same service should pay the same taxation? Are we not recognizing that the dollar is reduced by 10 percent if there has been a ten percent increase in inflation. So the tax bill will go up automatically by that amount. But the City of Winnipeg is pretending, and I say with the object of seeking power without responsibility which is the worst thing to give any politician, provincial or federal or anybody else, to give them the power to spend money without the responsibility of taxing moneys. Because that way, Mr. Speaker, there is no limit to what politicians of whatever stripe will spend.

The honourable member disappoints me. You know, I really believe that the honourable member has ambition in the best sense of the word, and I don't use it in any derogatory manner; I believe that the honourable member wishes to be a member of a provincial government. I believe that he wishes to occupy these benches. And when he occupies these benches he's going to be saying exactly what I'm saying at this time. Because the Province of Ontario with a budget of \$12 billion, not \$1 billion, but \$12 billion, they spend more per capita than the Province of Manitoba who you say we're spending money like drunken sailors, and the highest spenders per capita in the country - and you know I guess one can forgive them, they've got it - but it's my understanding and you can correct me if I'm wrong, is the Province of Alberta. They are the highest provincial government spenders per capita. So when you talk about spendthrifts, the champion spenders in the country are the Province of Alberta. Mind you one can say if you've got it you should be able to spend it. But if you're saying that then don't blame the spending on the government, on the New Democratic Party Government. Because you are suggesting that we are spending because we are socialists. But the greatest spenders are the Conservatives in the Province of Alberta.

Now, Mr. Chairman, I am suggesting to the Member for St. James that the city taxes have not gone up as he has suggested, that as a matter of fact in the Province of Manitoba, it's probably one of the least increases in city taxes when one takes the entire picture into account. Now I'm going to be speaking from memory and therefore I'm going to be subject to error and I hope that I won't be too far in error.

A house in my constituency or very close to my constituency in 1969 had a tax bill of approximately \$500. The same tax bill today would be approximately \$850, and I'm trying to use figures which are like your way on both ends, so that if I'm wrong I'll be wrong erring the other way. In 1969 there was no rebate. At the present time if there was a person living in that house with a low income she'd be entitled to a rebate of as much as \$300.00. So her taxes would have gone up from \$500 to \$550 in a period of six years. At the same time that house has gone up in value from roughly \$16,000 to \$32,000. Now, Mr. Speaker, I would say that that person is getting very good value for a \$50 increase in taxes. The same is true for many many residences, I won't say all, in the City of Winnipeg, that the tax bill has gone up by that amount. If they are in a low income category, the rebate has eaten up much of the increase, and all of the increase has been eliminated when one considers that the value of the houses have doubled.

Now I challenge the honourable member to say that financially that has not been the case. One can't expect an enhanced value of a home from \$10,000 to \$20,000 a year and say that the tax bill will stay exactly the same during all of those years. Because the enhanced value reflects the enhanced costs of other things. The honourable member says that the growth taxes have gone up. The provincial expenditures for paper, for salaries, for MIAs salaries, for everything that we buy have gone up at the same rate as the growth taxes have gone up, or virtually the same rate. Therefore the province in order to meet its expenditures needs its taxes and the City of Winnipeg needs its taxes.

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(MR. GREEN cont'd)

If the City of Winnipeg first of all started off by indicating that the increase in inflation would be met by sprinkling the assessment and bringing up the taxes, by sprinkling the mill rate and causing the taxes to thereby grow, if they want growth taxes, and started talking about the balance then the Province of Manitoba has been very generous to the municipalities. When we came into government the per capita grant to municipalities was \$3.00 per capita. You know, I want to give the Conservatives credit. Before they left the House in 1969 they said they were going to take it to eight.

But if I want to argue your style then I will argue that factually speaking, like you know when you argue about the highest income tax in the country, you know damned well that income taxes are not all of the taxes and if one takes the income tax and goes to Ontario where you say that they have a 30 percent income tax on the personal taxes, you give the people of Ontario the \$300 that they're paying in a hospital and medical premiums, those in the middle income groups and they'll be happy to take another seven percent on their income tax. Because they'll save much more on the elimination of the premium of the medical taxes than the seven percent would cost them. The people of Manitoba found that out. But if you want to argue that way and if you want to see how it can be done in return, the Progressive Conservatives of the Province of Manitoba were giving the municipalities \$3.00 per capita. Three dollars per capita. What is it now? Has it been doubled? Has it been tripled? Is it four times as much? I believe that it's close to six times as much, that it is \$17 per capita. This year it's likely to be in the neighbourhood of \$17 per capita. An increase, Mr. Speaker, that goes to Winnipeg, it goes to everybody, an increase of 500 percent over the Progressive Conservative Party who are now telling us how generous they were going to be to the municipalities.

In addition to that the honourable member is saying that we should subsidize the city's budget. Let's say that we subsidized it by ten percent. You know this is what they are suggesting. You're suggesting that for my resident, my voter in Inkster, who you've suddenly shown great solicitude for, you know, let's say that my voter in Inkster in a house on Manitoba Avenue, west of McPhillips, let's assume that he's paying \$500 in taxes. Instead of these rebates, instead of these grants that we're giving to the citizen, you want to give him a ten percent reduction on his taxes. To the person who lives in Wolseley, in . . . ten percent reduction in taxes might mean as much as \$150.00. It could be between \$100 and \$150.00. To the resident voter that you have great solicitude for on Manitoba Avenue, in Inkster, it means \$50.00. That's what it means. We've given him as much as \$500 on the basis of need. I tell the Honourable Member for St. James as much as he is trying to help me, I do not have the courage to go to the resident of Manitoba Avenue and tell him that I'm going to follow the Conservative program of giving him a ten percent reduction in taxes of \$50 and take away the possibility of \$300 on the rebate, which is what the city is saying, that instead of giving the rebate we should be giving them a subsidy on their budget. The subsidy would save - the downtown business block which is paying \$400,000, it would save them \$40,000 in exchange. And you're going to do my constituents a favour by giving them a \$50 reduction. Well, Mr. Chairman, I hope that your party keeps on trying to sell my voter on that proposition because that will ensure my continued existence in this Legislature because there's no way that we are going to adopt such a program.

What we have done is subsidize the taxpayer, not the City of Winnipeg. We have subsidized the City of Winnipeg resident and we have said that we will subsidize your taxes on the basis of need, a minimum of \$175 and a maximum of \$300. If the honourable member continues to suggest that the only way that the City of Winnipeg politicians can continue to get elected is if we give them power, spending power, without the responsibility of going to their electorate and seeking the approval of their position in the normal way then, Mr. Speaker, I am quite happy that we are going to have to continue to fight it out on those grounds because those grounds are very favourable to us.

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MR. DEPUTY CHAIRMAN: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Chairman, it's with some reluctance that I enter the debate on these particular Estimates because of the fact that the Minister of Urban Affairs is one of my favourite ministers and one can hardly criticize the performance of the Department of Urban Affairs without by implication obviously criticizing the performance of the Minister. I hesitate to do that but as an urban member there are many things that must be said and must be placed on the record with regard to the condition of the urban community in this province and particularly with regard to the condition of the urban community of Winnipeg. I fear that the Minister as the officer of the government responsible must be held to account and called to account in that area.

I have two or three things I want to say specifically about the tole of the department, the role of the Minister and what I feel is the lack of proper leadership or direction in certain areas of community and urban life. But before I do that I'd just like to deal with one or two of the remarks just made by the Minister of Mines and Natural Resources.

In the Industrial Relations Committee today when we were talking about the degree to which some sectors of our economy may be pushing us to a point where we are pricing ourselves out of international and national markets, I made a reference to the condition that developed economically in England, in Britain, in recent years. I was instructed by a member on the other side that you can't compare England and Canada. There's no comparison between England and Canada. Well I don't particularly buy that instruction. I'm somewhat off the point, Mr. Chairman, but I'm getting back to it. I don't particularly buy that instruction because I think the only difference between England and Canada, in terms of what's happening to the economy and what's happening to our position vis-a-vis markets, is that England is thirty years further down the drain than this country is. That's the only difference. We so far have not slid that far down the drain and committed that degree of folly. But that point I make by way of challenging the comparison that the Minister of Mines and Natural Resources draws between the Province of Alberta and the Province of Manitoba when it comes to taxing and when it comes to spending.

If his colleagues, and I admit that because of other commitments he wasn't at the committee at that particular moment this morning when that challenge was thrown at me, but if his colleagues can tell me that I can't compare England and Canada economically, I can tell him that he can't compare Alberta and Manitoba when we're talking about taxes and spending. There's no comparison between the two conditions, between the two provinces.

Of course when you've got a tax base expanding and growing like the tax base in the Province of Alberta you can do things that are far more comfortable and far more amenable and far more portable as far as the average citizen of that province is concerned than you can do - and the average is concerned - than you can do in a province like Manitoba when we do not have a comparable expanding tax base, when in fact we probably have a declining tax base. So I suggest that that comparison although effective in terms of rhetoric and argument in attempting to refute the case made by my colleague, the Member for St. James, I suggest that that argument is somewhat specious, Mr. Chairman, because there is no comparison between the two respective provinces where those kinds of activities are concerned.

I also challenge the Minister of Mines and Natural Resources on the contention that related to his reference to Mayor Drapeau and the position he takes with respect to the tax base and the increased availability of revenues and how everything is relative to the other costs. I ask him whether or not income tax revenues and sales tax revenues in this province have not expanded enormously under the same inflationary pressures which have driven real estate prices up. Those kinds of additional revenues I suggest to him have expanded more rapidly than cost in many sectors of the economy and have expanded more rapidly than government costs should rightfully be permitted to expand. Perhaps if government costs were not at the level where they are imposing this kind of burden on the taxpayer there would be relief available through the increased revenues accruing from expansion of the income tax base and the sales tax base.

In any event, I think what the Member for St. James is saying and what all of

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(MR. SHERMAN cont'd) us urban members are saying and what the Minister of Mines and Resources as an urban member and the Minister of Urban Affairs himself must all be conscious of, is that there is critical problem in terms of financing city operations and city services, that the City of Winnipeg and indeed it's not alone among urban communities in the province but certainly is a most vivid and graphic example, must have, must have some relief and some avenue open to it for expanded access to revenues or access to expanded revenues to maintain the kinds of services that the half million Manitobans-plus who live in this area require. That's the problem and there's no rhetoric and there's no argument that's going to disguise that problem. All of us as urban members are conscious of the fact that the city is in deep deep trouble in terms of available revenues to meet services and citizens' needs. If that relief and assistance is not to come through the provincial government, is not to come through some proposal, some program in which an imaginative and a reasonably generous initiative is taken by the provincial government then I ask the Minister of Mines and Resources and the Minister of Urban Affairs where is it going to come from? What is the solution? Where does the relief and the salvation come for cities like Winnipeg, indeed for all major metropolitan centres in this condition today. If it doesn't come from growth taxes, if it doesn't come from a greater share of that sector of revenue, where does it come from? It's got to be provided somehow from somewhere. Surely it's the responsibility of members in this Chamber led by the government and led by ministers such as the two who are involved in this debate and the consideration of these Estimates up to this point to develop some programs, develop some initiatives for solving that problem.

What the Member for St. James and others on this side of the House have done have simply underscored, if it needs any underscoring, the seriousness and the degree of that problem. To suggest that it's easier to do in other provinces I think begs the question and the requirement for doing it, the necessity for doing it, and for coming up with some means of providing that relief here.

Mr. Chairman, last year during the consideration of the Estimates of this department, I spoke specifically to the Minister of Urban Affairs about what I thought was one of the biggest problems in the City of Winnipeg, developing problems, and in fact a problem that's already graphically obvious to most of us and that is the problem in the area of transportation and transportation corridors and vehicular traffic. I asked at that time whether the government, this Minister or this department had a specific policy with respect to developing traffic routes, arterial traffic ways that would enable the city to keep pace with the growth in traffic and the growth in its own size and I was told that the policy of this government essentially was to depend on transit. The policy of this government was, insofar as it was possible, to get the automobile off the streets and to depend on public transit to move pedestrians and move traffic in this city.

Well, Sir, I think that the evidence at hand and the situation that we have at hand now and have had in front of us for the last six weeks in the city in the form of the current transit strike, reveals the tunnel vision of that kind of a policy and that kind of an attitude towards transportation in this city. I know what the Minister of Urban Affairs was reaching for and was aiming at when he talked about his belief in developing public transit as a means of handling transportation problems in this city and avoiding the kinds of monstrous freeway developments that have been allowed to degrade many other metropolitan centres on the continent. I suggest, Mr. Chairman, that the Minister and the department have put all their transportation eggs in one isolated basket to bear to this city's sorrow. I don't believe that an attitude that permits that kind of emphasis to become that lopsided is realistic. I think in fact that it's a forlornly unrealistic attitude to take and I think that the evidence that we have today in the form of the transit strike is ample proof of that.

The Minister cannot guarantee me nor I him that there won't be future transit strikes in the City of Winnipeg. The Minister can't guarantee me nor I him that the present transit strike will be over in the near future. Perhaps it will, but there's no guarantee of that, at least not at this moment. In any event even if there is, I suggest to him that much of the traffic that has developed and accumulated as vehicular traffic

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(MR. SHERMAN cont'd) as a consequence of the transit strike is going to be here to stay for quite a while. People develop habits and they don't easily shuck off those habits; they don't easily go back to other methods of operation or other styles. The degree to which vehicles and vehicular traffic now clog many of the arteries in downtown Winnipeg I think poses an alarming problem for this Minister and this department and this government.

I don't lay it just to the doors of the transit strike, although it's become more vividly obvious to us. In my view and in the view of many citizens that I speak to and many of my own constituents in Fort Garry, the traffic problem in this city has become increasingly worse to the point of chaos at some hours of the day on some arteries for the past six or seven years. I think it is a serious indictment of the administration of the Urban Affairs of this city. I don't think it's good enough to say that, well in New York, in Chicago and Los Angeles and Toronto they've built these hideous freeways and half of them can't be maintained and half of them now can't be used and they have reduced their urban environment as a consequence to concrete jungles and we don't want Winnipeg to be like that. The fact of the matter is that in the lifestyle that we are stuck with for the foreseeable future, because it's not going to change overnight for any of us, in the lifestyle that we are stuck with for the foreseeable future we have to depend on vehicular traffic.

I'm not impressed by arguments or rationalizations by those who say that the energy shortage is going to mean that within ten years that whole style is going to change. I suggest to you that the energy shortage is simply going to mean that the type of engine we use is going to change. But it isn't going to reduce or it isn't going to lead to an end of the use of vehicles in urban centres because our whole economy and our whole society and our whole lifestyle is based on and depends on the ability to get from one point to another in an independent fashion. That means that for the foreseeable future, Sir, as I said a moment ago the vehicle and vehicular traffic are here to stay and if we don't make plans to cope and contend with that condition, then I think we're overlooking one of the most important requirements of the city and I think we're overlooking one of the most important needs of the populace and I think we're reneging on one of the most important responsibilities of a government and particularly an Urban Affairs Department.

I repeat that long before the transit strike there were arteries of traffic in this city that once were adequate that had become in the last six or seven years really little more than strangulated nightmares, Sir. They have become in many parts of the city in many hours of the day bottlenecks of appalling and maddening magnitude. I think that it can be said without fear of being accused of unfair criticism that this government has tended to allow that condition to develop simply by its attitude of insisting that other things should be done in the field of transportation other than developing routes for vehicles to use.

We have been awaiting for some years development of transportation corridors, rapid transportation corridors, major bridges much needed in the urban community and I think all those requirements and all those needs are now coming home to haunt us. I suggest that when the Minister responded to me last year by saying that the policy of this government was to look to public transit as a means of meeting our transportation needs that that was a policy that now rings very hollow and very forlorn and very unrealistic and very sad indeed. I would hope that the present situation in traffic and in transit in this city will now prompt him and his department and his advisors to take a look at the needs in this area and to recognize the fact that to depend solely on the kind of thing that I believe he was depending upon is a foolish course of action.

Mr. Chairman, many people who I encounter in my constituency and in the city voice the same concerns that have been expressed from time to time in recent sessions in this Chamber with respect to the problems and the encumbrances of the present city and its structure and it's not my intention to go into them in any great detail here because I think I and others have gone into them in some detail in past debates. But I would like to just register once again for the record the fact that many citizens, I think, are still deeply disturbed and frustrated by the fact that under the new monolithic city structure that we have they do not enjoy the rapport with their municipal council that

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(MR. SHERMAN cont'd) . . . they used to enjoy and that they feel is necessary to their well-being as ratepayers and as citizens and to their satisfaction in terms of understanding city business and having their needs as individual taxpayers met. I think this is one of the most serious conditions still afflicting the unified city, the fact that the much desired and much sought after communication and participation which was part and parcel of the philosophy behind the unifying of the city, introduced by this government, has been most conspicuous by its absence right up to the present day.

Right up to the present time I find that community committee involvement, residents' advisory groups involvement is much much below the kinds of hopes and expectations that this government and the architects of this unified city held out for it, and indeed felt they could guarantee to us in this Chamber and to the citizens of Manitoba when the legislation was first proposed and debated. I think the average individual local ratepayer is still deeply frustrated by that condition and I would hope that the Review Committee looking into the city and its structure will be bringing in some proposals that all of us can examine with a view to solving this and other problems and resolving this and other criticisms of that nature.

I want to just make one or two other points in the remaining minute or two if I may, Mr. Chairman. They relate to the structure of the city and the opportunity for individual public servants or potential public servants to give the kind of service that all of us as citizens require. I think under the present structure it's become difficult for a number of individuals to serve in the capacity in which they would like to serve and I, for one, regret very much the fact that one leading councillor, one ranking member of council, recently resigned his seat after having found it necessary to do so because it had become impossible for him to devote the kind of time and commitment to the City of Winnipeg that he wished to devote and still be able to maintain his livelihood in a regular job. Under the old system, and I'm not suggesting we go back to it, but I just want to point up the difference in terms of opportunity for committed citizens to serve their municipality and their community.

Under the old system it was possible, because of the structure of the urban government, the main government and the suburban governments, for dedicated citizens to serve in a municipal public role and still maintain themselves and their families in terms of livelihood and income. I think it's become increasingly difficult to attract that kind of dedicated committed public servant to the structure of the City of Winnipeg as it exists today under the Unicity legislation and I fear that we may not only lose others, such as the one who recently resigned, but we may lose the chance to have dedicated citizens who would like to serve simply because it's impossible now under the present structure and the time demands, it's impossible now for anyone who virtually doesn't have some source of income available to him or her, to run and serve the city and the citizens of Winnipeg at the council level. I think the loss, the potential loss - and it's difficult to measure because we don't know of those who are discouraged by the present condition but I suggest there must be many - the potential loss to the city is a serious one and one which I deplore very much. I think this is one of the basic failings and faults and weaknesses in the huge council size and huge council structure and huge council program that members of the City of Winnipeg Council now are faced with in the present format. I think there are reforms that could be introduced that would enable citizens so dedicated and so committed once again to get back into that mainstream of service, such as that given by the Minister of Urban Affairs himself for many years in his own urban municipality. I would reiterate that I hope the Review Committee looking into the city will have some constructive proposals to make in that area.

Mr. Chairman, there may be other things on which I'd like to express an opinion before we finally pass the complete list of resolutions in connection with this department, but these are some of the considerations that I want to place on the record. I want to assure the Minister of Urban Affairs that they don't come simply from my own private musings, they come from my communication with my own constituents in my own constituency, which to a very large degree embodies or personifies an entire community, and a community that once was a separate municipality as he well knows. I believe that there are considerations that are general and widespread.

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(MR. SHERMAN cont'd)

On a purely parochial level, I would hope that the Minister will be able to deliver some good news without too much delay on the subject of the agreement to be reached on the construction of the Fort Garry-St. Vital Bridge, which is one of these links in the transportation corridor to which I've referred which is so badly needed and has been so long awaited. I know there is some dispute and some dichotomy over the accepted and acceptable final financial figure on the cost of the structure. I would hope that the two sides, the City and the Community of Fort Garry, are meeting with expertise necessary in the engineering field to arrive at a fair cost figure and not one that will not reflect the increases in construction that have occurred in recent months and that will occur while the bridge itself is being built. And I would hope that there won't be too much further delay in achieving agreement on that cost figure so that construction can begin on that unit in the overall transportation picture. So I will leave those thoughts with the Minister and look forward to his comments, particularly in the area of urban transportation and the need for solving the strangled traffic situation which developed long before the transit strike intensified it.

MR. DEPUTY CHAIRMAN: The Honourable Minister of Urban Affairs.

MR. MILLER: Mr. Chairman, I know the hour is late, but I would like to respond to some of the matters raised by the Member for Fort Garry and, as well, the Member for St. James.

In regard to the Member for Fort Garry and his question with regard to transportation, I know as the Member for Fort Garry that he of course is interested in that Fort Garry-St. Vital Bridge, the crossing. The province has indicated that it is in fact, prepared to participate in a crossing linking Fort Garry and St. Vital. We couldn't see our way clear, and wouldn't see our way clear to accept the approach taken by the City Transportation Department, and I can't fault them either. They are traffic engineers, and like every profession, they view everything from their point of view. But what they came up with is a \$30 million corridor which, frankly, was contrary to what we have expressed in the past; that we didn't want to go the route, I think the member himself indicated - the route gone in other cities of these massive overpasses and freeways and limited access high speed corridors; that we agreed that there should be a crossing linking Fort Garry and St. Vital; that on the other hand it should be a grade, that it should not be a high speed corridor; and therefore the right-of-way could be considerably reduced from what their plans indicated, and therefore the \$30 million could be reduced significantly. There are still a few things to straighten up with the city in regard to alignments and so on, but insofar as the bridge itself we have indicated to the city on February 19th that in fact we would participate if the city proceeded with that.

As well, we indicated to the city that the Sherbrooke-McGregor overpass which has been talked about for many years - that we agreed that that should be brought forward and a submission made to the Canadian Transportation Commission, because in order to build that bridge a submission has to be made to them. This is overpassing the railway yards - and also because the CTC will determine the nature of the passing and as well the extent of Federal financial participation.

Of course the member tries to depict a picture of a city strangled with traffic. Well he knows better than that. The fact of the matter is that it's true in certain peak hours traffic is heavy, but if a city tried to design its street systems to eliminate the peak traffic, then I think it would be spending dollars foolishly. Because you surely do not pour your money into trying to resolve a problem which appears for an hour or an hour and a half in the morning at most and an hour or an hour and a half in the evening. Because the fact is, that between 4:30 and 6 o'clock it can be tough and it takes a little longer, and it may take a few more minutes to get home, but if the member is suggesting that the City of Winnipeg and the province should pump in tens and tens and tens of millions of dollars into somehow ameliorating that peak period or to moving it, then I suggest to him that it just isn't a wise thing to do and I think the city would be making a mistake if they move in that direction.

And also the proof of the pudding is what has happened in other cities. For some reason which I can't fathom, the moment you build bridges, the moment you build

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(MR. MILLER cont'd) corridors, the moment you build these freeways, etc., they become choked with traffic within months, literally, of their opening. And it seems that no matter how much pavement you lay there seems to be more cars to take up the space. Now it's true that we have indicated our desire that in Winnipeg we would like to see public transportation play a more vital role. Now that doesn't mean, and I never did say that that was going to be the solution to all the problems. Now I'm not naive enough to think for a moment that people who in this day and age who've sprouted wheels suddenly as a third appendix to their body, are suddenly going to give it up. I know that in Europe when the oil shortage developed, there was a significant drop in vehicular traffic and private cars; the price of gasoline shot way up and there was a significant drop in cars. But within six months people adjusted their budgets and they obviously made do with less of something else, and the streets of Paris and elsewhere were just choked with cars as if there never had been an energy problem, and as if gas wasn't selling at \$1.85 to \$2.00 a gallon, because that's what the price was at that time, and this was a couple of years ago. So I'm not that naive to think the people are going to leave their cars at home. I'm probably the worst example of someone who won't.

So as I say, this idea that you often hear about get cars off the street, prevent people from using cars, just isn't going to work in our society. But what we do need is a good, very good, public transportation system. And it's got to attract riders, not by a prohibition against people using cars, but simply because the service is a good service and it's close at hand. That is why we supported financially, picking up 50 percent of the cost of the Dash experiment, and it was good, people used it; and to the extent they used it, their cars weren't flitting around downtown. And we supported the Dial-a-Bus experiment in the Fort Garry area, the constituency, to see how that would affect the transportation habits of people. As well, the Express bus, which again we supported, and that's why we are also involved in a study of the Southwest Corridor I referred to previously, in an attempt to have an expressway for public transit to link the area around the University of Manitoba with downtown Winnipeg and that study is now in process jointly with the city and the Federal Government, all three levels of government looking at it, and hopefully, that is something that I look forward to seeing because that can have a very meaningful impact within Winnipeg.

The member also stated that the City of Winnipeg needs funds and he, I'll give him credit, he indicated that of course this isn't a problem only in Winnipeg. It's a general problem which exists across Canada, North America and even in Europe. You know it's funny, listening to the Member for St. James one would get the impression that somehow what we did last year by introducing the concept of the city or any municipality participating in growth taxes, by taking the responsibility for asking for them even though they might be collected through the province, that somehow the Member for St. James gave the impression that that was sort of gimmickery. Well you know, Mr. Chairman, I'm absolutely convinced that this is going to happen right across the country, that in fact the municipalities are going to have to have access to other taxes. We have indicated that we are prepared to give them that access and really that's a major step forward.

It's such a step forward, that in another jurisdiction, Toronto, an editorial, when they heard of this announcement and the headline says, "Taking the Strings Off City Financing." Because you see in other provinces they don't even permit them to even talk about these things or do these things. Manitoba is just taking a big step towards easing the property tax burden on its urban citizens by allowing local governments a share of the income tax. While the property tax will remain, it will no longer have to bear the brunt of rapidly rising costs of running the cities alone. It will be made less regressive by an improved system of property tax credits for those less able to pay. It indicates that without a share of income tax cities will have to rely on provincial handouts to finance about half of their programs because that's about all property taxes are capable of paying for and the provincial funds usually come with strings attached, meaning that the province actually sets the spending priorities of local governments. This not only takes government further from the people but obscures who is responsible

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(MR. MILLER cont'd) for spending the tax dollars so the citizen doesn't know whom to hold accountable.

Well, Mr. Chairman, they're dead on, because that's exactly what we're trying to do here. As I said we made a major step forward as they suggested. The last lines "It's high time Ontario did the same." Well Ontario hasn't done it yet. As a matter of fact in Ontario, I can tell honourable members, that the Minister of Finance there had a very stormy meeting in Toronto when he advised Toronto that all they could look to this year in the way of an increase from the provincial government was eight percent and the rest was up to them.

In cash rich Alberta the story here is: "In cash rich Alberta, Edmonton is short. The Alberta Government has so much money, it doesn't know what to do with it. In fact it recently asked citizens for suggestions on how best to spend the \$1.5 billion in surplus oil revenues expected this year. But a few blocks north of the Legislative Building in Edmonton's city hall the problem is exactly the opposite. The city does not have enough money to balance its \$152.9 million operating budget. The city needs \$18.5 million, a gap caused by expenditures that are expected to rise 17.4 percent while the revenues are expected to increase by only 5.1." It continues, "They are simply going to have to apply a higher mill rate on property." I know that property tax is not the most elastic tax. It hasn't got the great flexibility but nonetheless it is a proper tax. If members are saying that somehow the city can continue to operate without increases in the mill rates, of course not. They know it and I know it. The mill rates are going to increase, they've always increased. They've never stopped in that sense, and they will continue to increase again. But the city and other municipalities have it within their power now to move into other tax areas.

The Member for St. James says, you know, the province should impose these taxes and then simply hand the money over. Well you know, Mr. Chairman, when this government took office and we said that we did not approve of a flat premium tax to pay for Medicare, medical and hospital services, we had the guts to come into this House, eliminate the premium tax and raise the income tax and the corporate tax so they can sit on that side of the House and say, it's the highest personal and corporate income tax in Canada. We did that. You know we had the guts to do it. But they're suggesting that the municipal councillors have no guts; they're saying they're gutless. I don't agree with him. I think the concept is so new that perhaps councillors haven't really grasped the significance. I think that the councillors once they grasp the significance of it will take the bit in their teeth, will grasp the nettle, and will recognize that they now have access to funds which they've been deprived of all these years because provinces up until now were most reluctant to make any room available in the traditional tax fields that provinces are in.

For instance the liquor tax. Liquor taxes don't have to be increased across the province as perhaps income tax would be. But liquor taxes, sold within the City of Winnipeg, it would be to me a logical area where the city could ask that within the City of Winnipeg certain liquor taxes could be levied over and above what are levied now. No commercial enterprise is going to be damaged in that regard because the only retailer of liquor, the bottled liquors, is the provincial government. So that it isn't as if some merchant is going to argue that his customers are going to run away and go elsewhere to buy their product.

The Member for St. James made a comment about the Committee of Review and he asked the question: is it a sham? Is it a farce? Is it really just window dressing? Well I don't know why he says this, maybe he thinks I would be party to that, I don't know. I don't know him that well, he doesn't know me that well. I can assure him that the Review Committee is for real, that the Review Committee is doing a job, that the Review Committee is listening and that to my knowledge have not made a decision; that the comments made by the Chairman, may have been made by the Chairman, I did not phone him to ask him, I didn't ask him why he made them if he did make them, they are his own comments. He has to live with the other two members of the committee and they may have asked him, I don't know. I don't know what the occasion was. But I can tell you this. I have confidence that the three people on that Committee are taking their

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(MR. MILLER cont'd)job seriously and I know I, for one, and I think that I can speak for government, will look at the recommendations as a sincere analysis by three capable people with a great deal of experience and will be certainly influenced by what they have to say about their view of what has developed in the city in the last five years, the Act, and how the city functions under that Act. There's absolutely nothing predetermined with regard to this Committee of Review. They got no instructions from me nor from anyone that they have to do this or that or the other, that they can double the council or half the council. Because the fact is I don't believe the number's game means anything. I don't think that if you increase or decrease the numbers of city council you haven't really come to grips with the problem. The problem, if there is any, is different from that. So I would like him to disabuse himself of that particular thought.

I know as I said that the members opposite are still of course taking the position that the city needs money and the province should levy and then turn over the funds. I say the municipalities now have the opportunity to enter the tax field and they should accept that particular opportunity. I know the Member for River Heights didn't say that. What he said is that the province should get out of certain programs, sort of eliminate certain programs and make that extra money available to the City of Winnipeg. I suppose if that party was in office this is exactly what they would do. The only way they could do it of course would be to cut certain programs and I assume they'd go back to the old premium on Medicare and hospital and that would of course free us some funds. They would of course I guess eliminate the personal care home program that has been introduced by this government. They'd slow down to where it was in 1969 the family and elderly public housing program which in their day was just about zilch. They'd toss out a Pharmacare program; they'd eliminate day care; they'd wine out the elderly supplement. They'd have to do all of these things, Mr. Chairman. The tax credit, the cost of living tax credit, they would do what they did to the health units of the City of Winnipeg where they didn't give them anything to all intents and purposes whereas we've relieved the costs to the municipalities totally of the Public Health Units. We've taken away the cost of the capital for hospitals, the home care program and I could go on indefinitely. Sure. We are raising money and we are spending money.

You know, Mr. Chairman, let members not forget that although we have a budget of over a billion dollars in the 1975-'76 Estimates, you may recall that, over half of that is spent within the City of Winnipeg. Over half of that flows in the City of Winnipeg. So that the programs that we brought in are programs that the citizens of Winnipeg enjoy and they are enjoyed because they're citizens of Manitoba, not just of the City of Winnipeg. Because they are citizens of Manitoba and they are entitled to it. So to suggest that somehow the province is living off this city and the province is somehow taking from the city, you know, is absolute nonsense. The Member for Wolseley says, right. I say it's absolute nonsense. Because the fact is as I said over half of the provincial budget expenditures are spent within the City of Winnipeg. The citizens of Winnipeg are getting the benefit and the property tax credit plan is going to the individual who needs it based on the ability to pay. So the money flows to him to help him pay his taxes, his property taxes, and the city has to levy those taxes and I'd rather do it that way than to just simply pay the money to the City of Winnipeg so they can lower everybody's taxes, so the Royal Bank Building will pay \$100,000 less, and 100,000 people will \$1.00 less. That's their calculation. Now if that's how they want to calculate, that's their business. I don't think that's how people want it. I think that what we have done is fair and equitable and I can tell you that across Canada, Manitoba is being looked at and examined and what we have done here is now being followed in other jurisdictions.

There is general talk about this tax growth, growth taxes, and I don't doubt, and this is perhaps where I differ with my colleague, the Minister of Mines, because I think it's coming. I don't think the municipalities in the bigger cities certainly cannot simply exist on the property tax. I think the day is coming when cities across the country will participate in and enter into other tax fields if their provincial governments will allow them. Well here's one provincial government that is allowing it. We are, as I say, standing ready to work with them and to assist them in every possible way even to the point where they don't have to set up their own administration if one exists.

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(MR. MILLER cont'd) We'd simply administer whatever it is that they would require. Mr. Chairman, I know that the hour is late and I just wanted to respond to some of the points raised by friends opposite.

MR. DEPUTY CHAIRMAN: The Honourable Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON (Sturgeon Creek): Thank you, Mr. Chairman. I'm going to be very brief because I know that the hour is late. I'd first like to thank the Minister for his answer that he has given tonight and compliment him for bringing the debate back to where it should be after the Member for St. John's moved it all over the place.

Mr. Chairman, the Minister has mentioned the property tax rebate on two occasions in the last five or ten minutes. While he was mentioning it the Minister of Mines reminded him that there was a property tax rebate. But you know I can't argue with the government that when we get our tax bills we have a property tax rebate shown on our tax bills. But I have a brochure here from Ed Schreyer. It was delivered to my home and the brochure is from the Premier of the Province. And the brochure, you know, the Minister of Mines has given away the Property Tax Rebate on about four occasions tonight. Well he reminded the Minister that it was there and the Minister has reminded us that there is a property tax rebate given to the citizens on real property taxes. But I don't know how they can do it. Because in this brochure the Premier gave it away on our provincial tax. It's right here. He's got the provincial tax for people of the Province of Manitoba in different earning classes and he goes across the board and he comes over here Property Tax Rebate. He gave it away. Now they're going to have to get together. They're going to have to get together. I will accept this brochure, Mr. Chairman, if you'll add the property taxes, if you figure that a fellow who makes \$10,000 a year lives in a house that has an assessment of \$6,000 or \$8,000 and you figure out his property taxes and you add it into this figure on the end here, and then, down here, take away the property tax. But tonight, tonight, Mr. Chairman, I've had it given away again. I've had it given away again. And we will have it given away, I'm sure in Education and all the other departments.

So I must say that I'm not here to debate and I can maybe later on in the debate talk about my feelings on the Property Tax Rebate and I can do that under the budget. But for Heavens sake, Mr. Chairman, would the Minister for Urban Affairs and the Minister of Mines please talk to the Premier and ask him - or find out if he gave it away first before you start giving it away. Thank you very much.

MR. DEPUTY CHAIRMAN: The Honourable Minister of Mines.

MR. GREEN: On that note I think the Committee should rise - having risen to these levels.

MR. DEPUTY CHAIRMAN: Committee rise. Call in the Speaker.

Mr. Speaker, the Committee of Supply has considered certain resolutions, instructed me to report progress and asks leave to sit again.

IN SESSION

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

MR. D. JAMES WALDING (St. Vital): Mr. Speaker, I beg to move, seconded by the Honourable Member for Thompson, that the Report to the Committee be received. MOTION presented and carried.

MR. DEPUTY SPEAKER: The hour of adjournment having arrived the House is adjourned and will stand adjourned until 2:30 tomorrow afternoon.