

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
2:30 o'clock, Wednesday, May 22, 1974

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the Honourable Members to the gallery where we have 30 students of Grade 9 standing of the Lowe Farm School. These students are under the direction of Mr. Penner. This school is located in the constituency of the Honourable Member for Morris.

And we have 18 members of the Stradbroke Senior Citizen Centre under the leadership of Mrs. Myer. This group comes from the constituency of the Honourable Member for Fort Rouge.

On behalf of all the honourable members I welcome you here today.

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports. The Honourable House Leader.

TABLING OF REPORTS

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management) (Inkster): Mr. Speaker, I have a report relative to precipitation on the Red River. I may as well read it, it's a very short one.

MINISTERIAL STATEMENT

The excessive precipitation which occurred over the long weekend throughout the Red River Valley ranged from one to six inches. This heavy rain falling on saturated ground has resulted in a rapid and large amount of runoff. Indications are that the Red River will rise in the next few days from Emerson northward from three to seven feet. The level above the Floodway inlet at St. Norbert will rise to about elevation 761 on May 24th, three and a half feet lower than the peak level reached on April 25th, 1974. The level in Winnipeg will remain between 18 and 18.5 feet City of Winnipeg datum for the next few days.

This forecast, Mr. Speaker, is based on no further heavy precipitation, so it can't be very well relied on if past history is any indicator.

MR. SPEAKER: The Honourable Member for Lakeside,

MR. HARRY J. ENNS (Lakeside): Mr. Chairman, in a very brief response to the Honourable Minister's statement with respect to the workings of the Winnipeg Floodway during this particular time, I must express some regret that the Minister has not chosen to use this occasion to at least anticipate and to respond in some manner the kind of general questions that I put to him just yesterday with respect to the use of the Floodway. There seems to be a genuine, and I make this not in a - I wish the Minister would understand - not in a partisan way, but there seems to be a genuine confusion on the part of many residents within the Greater Winnipeg area who had their basements flooded. The suggestion, and it's been somewhat expounded by certain members of the news media, that had the Floodway been greater utilized during this period of time then these difficulties would not have occurred. Now, Mr. Speaker --(Interjection)--Well I will defer to the Honourable House Leader.

MR. SPEAKER: The Honourable House Leader.

POINT OF ORDER

MR. GREEN: Mr. Speaker, on a point of order. I got the honourable member's question yesterday; I indicated to him that I would be answering it. I made a statement relative to the future water levels in the Red River, and I think that the honourable member is blatantly using it as an occasion for generating the debate or discussion - to be kind - on what occurred with regard to the Red River Floodway over the weekend. I will have that information for the honourable member.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: On the same point of order, Mr. Speaker, not speaking then to the statement. The fact of the matter is, the fact of the matter is that a great deal of damage and personal hardship and loss has been occurred, and it is a question, the real question is, . . .

## POINT OF ORDER

MR. SPEAKER: Order please.--(Interjection)--Order please. Order please. Order please. ORDER PLEASE. Would the Honourable Member for Lakeside sit down. I wonder why he has no hearing when I ask four times in a row for order. I do believe it is a courtesy that when the Chairman of this House asks for order it should be acquiesced with. I want to indicate that the point of order raised by the Honourable Minister of Mines was well taken. Statements and replies should be in respect to the statement and not be a debate on another subject matter. Now may we proceed with the statement before us. The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, I accept your admonition and I will restrain my remarks, subsequent remarks to the statement before us which are simply an explanation of the current operations of the Floodway. My suggestion through you, Sir, to the Minister, and to the government, and to those responsible for the operation of that massive public works project which was designed by a progressive administration, properly built by the best engineering capacity that we had in this province, to protect the City of Winnipeg and its sewage system from the kind of difficulties that we now experienced over this weekend. And, Sir, I suggest that there has been a legitimate question raised when we are told that our pumping facilities had to pump waters over barriers into a higher river level, and when we also know that the Floodway at this particular time was running to certainly less than capacity. I certainly say this much, Sir, that there is every reason to believe that a lot of the hardship, a lot of the costs, a lot of the expense that has been occasioned on this past serious situation, which I agree with the First Minister, cannot be described in the same manner and the way as being simply another flood. They were, as he said, torrential rains for which there has not been a pattern set for compensation. But a legitimate question can be raised, and really not a political question, but a question as to the degree of co-ordination between the Manitoba Provincial Water Control Department, you know, and the City of Winnipeg. You know how much liaison, how much proper co-ordination is taking place between those two agencies to make sure that these two massive public works are functioning properly, namely, the Greater Winnipeg Storm Sewer System along with the new fact - and I suggest that it is still reasonably a new fact - namely, the operation of the Winnipeg Floodway system. If it can be ascertained - and I would suggest that this government should not object but indeed should welcome, you know, some examination - if it can be ascertained that had the Red River been two or three or four feet lower, had the Red River been two or three or four feet lower prior to these torrential rains coming upon us, then, Sir, the . . .

MR. SPEAKER: Order please. Order please. Order please. Order please. Again I remind the honourable--(Interjection)--I didn't hear that remark, I was asking for order.

MR. GREEN: . . . I think that the honourable member is abusing the privileges of the House. You have ruled on his question. He has the intelligence to know that you have so ruled. He asked the question yesterday and I undertook to get an answer. I think honourable members all know that when I undertake to get the answers I give them the answers, that answer will be forthcoming. I got the question yesterday . . .

MR. SPEAKER: Order please.

MR. GREEN: Well, Mr. Speaker, the honourable member will now on the point of order debate question which you have ruled out of order . . . --(Interjection)--That is what he just did.

MR. SPEAKER: Order please. Order please. Order please. Order please. I can't rule on anything unless members are willing to listen when I ask for order. I must have said Order at least nine times, about four times to one gentleman and five times to another, for the second time to the other, and no one pays any attention. Now if the honourable members wish to have me act in the capacity of Chairman, they'll have to adhere to the rules that they believe I should carry out. If I can't have that co-operation there's no point in me being up here. They may as well have their conversation between themselves. The honourable gentlemen - I'm not finished. When I'm done he'll get the opportunity to reply if he has a point of order. But let me suggest to him once more, and to all the honourable members of this House, that you have elected me as your Chairman and when I ask for order I expect that you will abide by your own rules. If I can't have that, then you'll have to get yourself another chairman that you wish to listen to.

The Honourable Member for Lakeside.

## POINT OF ORDER

MR. ENNS: Mr. Speaker, I speak on the same point of order that the Minister, the Honourable House Leader raised, it is precisely because of the respect that I have for the House Leader that when he accepts a question that he will return with an answer, not a kind of a bland, you know, description of a situation that occurred.

MR. SPEAKER: Order please. Order please. Order please. Order please. The honourable gentleman has not made a point of order. He has only debated a difference of opinion. Can we carry on? The Honourable Leader of the Liberal Party.

MR. I. H. ASPER (Leader of the Liberal Party) (Wolseley): Mr. Speaker, I can understand the Deputy Leader of the Conservative Party wanting to extol the virtues of the Winnipeg Floodway, it being one of the very few good things the administration of which he was part did, but, Mr. Speaker, that really is not the . . .

MR. SPEAKER: Order please.

MR. ASPER: . . . the issue before the House. We have a statement by the Minister, for which we thank him, and would ask him to sometime in the very near future clarify some of the issues that arise from the statement he's made. For example, does the - and I take it it does - does the state of emergency as declared originally, does it still exist? I would assume the answer is yes to that, and I see the First Minister nodding. That being the case, we can assume that whatever prognosis or forecast emanates from the information put before us, will fall under the emergency, and will therefore qualify for compensation from the Federal Government, and presumably free sandbagging facilities to those along the flood routes that may reoccur.

That being the case, Mr. Speaker, we would take some satisfaction in the fact that we will face the crisis or the emergency outlined with some degree of preparedness, and I would urge the government to immediately prepare, as quickly as possible, some sort of a forecast, some sort of a prognosis, so that the people of the southern area can be alerted. Mr. Speaker, in this case I would depart from our normal reluctance to see governments spend money on advertising programs and call on the government to spend a considerable sum warning in advance through radio and television and news media, the people who may be in the path of the new crest that may arise from the abundance of water.

Finally, Mr. Speaker, I think in a reasonable way the question can be put, and without blame, and certainly without accusatory language, is the Winnipeg storm sewer problem that occurred over the weekend, or it may occur again indeed if we have further rainfall, in any way related to the level that the Red River will now rise - and the First Minister is indicating negative. If that is the case the matter ends there. But if it is not, Mr. Speaker, then we again would call on the Provincial Government to consider that aspect to the extent to which the back-ups in Winnipeg may have been caused by flood levels of the Red River, in order to bring the residents of Winnipeg under the federal emergency legislation and thereby qualify them for financial compensation; it being the case that if the backup in Winnipeg in the thousands of homes can be attributed to the flooding condition of the Red, then, Mr. Speaker, I would argue very strongly that the Government of Manitoba will have an obligation to speak for us, the people of Manitoba and Winnipeg, to the federal authorities to qualify the people of Winnipeg for Federal Flood Emergency aid, because I believe they have a legal right to it.

We'll look forward in the days and weeks ahead to some indications from government as to what position it proposes to take in this and the other aspects connected with it.

MR. SPEAKER: Order please. I have to apologize to the Senior Citizens, I'm informed that those from Nassau House are from Crescentwood constituency and not Fort Rouge.

Any other Ministerial Statements or Tabling of Reports? Notices of Motion, Introduction of Bills, Questions. The Honourable Member for Morris.

POINT OF PRIVILEGE

MR. WARNER H. JORGENSEN (Morris): Mr. Speaker, I rise on a question of privilege, and my question of privilege; Sir, I come to your defence. In this morning's issue of the Globe and Mail there appears a scurrilous article written by one William Johnson who describes a meeting that took place with NDP Leader David Lewis. The article goes on to say that he was guest of honour at a party in the three-storey mansion of Murdoch MacKay, the Provincial Party President and Chairman of Manitoba's Labour Board. Mr. MacKay is a lawyer. Then it goes on to say amid the opulent furnishings of Mr. MacKay's house, Mr. Lewis was greeted by Premier Ed. Schreyer and his wife Lily, both Mr. and Mrs. Schreyer and Mrs. MacKay, as well as

## POINT OF ORDER

(MR. JORGENSON cont'd) . . . . several other NDP ladies wore ankle length skirts to meet the passing Federal Leader. I don't know what that has to do with meeting a leader but - then it goes on to say that the Member for Winnipeg Centre for five hours poured liquor and mixes - and I'm sure that the Minister of Labour will want to look into that matter because that seems to be working overtime.

But, Sir, the point that I want to raise, and the one that drew my attention to the article was the statement to the effect, and I'm sure it must be wrong because it's impugning of your integrity as a Speaker. It goes on to say that among the guests coming and going at the Crescentwood home of Mr. MacKay were Peter Fox, the Speaker of the Manitoba Legislature, and then it goes on to list other people. Sir, my question of privilege arises because of a paragraph in the book, the Office of the Speaker, written by Philip Landry who, Sir, you and I both know, and that paragraph says, "The Speaker is above sectional interest and immune from party influences. He serves only the House of Commons, regardless of which faction might be temporarily in control of it. Each individual member receives and is entitled to expect the same consideration from him but his overriding duty is to the House collectively," - and here comes the pertinent paragraph. "From the moment of his appointment he withdraws completely from political activity, and ceases to belong to any political party, where in the sphere of his own authority the rights of minorities are therefore secure in his protection."

Sir, my point of order is that I'm sure that the writer of this article has not checked his facts, and has incorrectly reported you as being present at a political meeting.

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, this is one of those points of order in which I think it would be appropriate for me to rise and to indicate to you, Sir, that I believe that the initial instincts of the Honourable Member for Morris that you are indeed, Sir, a fair and impartial chairman of the proceedings of this Provincial House, were correct instinctive feelings, and that he has allowed himself to be misled from his initial attitude by virtue of the fact that we are in the heat of a federal election campaign. That, Sir, is an election campaign involving another level of government. There is nothing in the alleged point of order that in any way detracts from your impartiality relative to proceedings of this House, and that's all that really counts, and insofar as proceedings of provincial parties are concerned, my honourable friend the Member for Morris has omitted mentioning, and if you're going to give some history, one might as well give a comprehensive history, that insofar as past practices of previous Speakers, I think it would not be difficult to get some examples of where Speakers in the past, not only might have involved themselves in federal election campaigns to greater or lesser extent, but even attended meetings of caucus from time to time. The Member for Portage la Prairie nods his agreement. Thank goodness there are at least some candid souls in this House.

Mr. Speaker, because, if the truth be known, I know of at least two Speakers, and my term here has not been that long since 1958, but I know of at least two previous Speakers that did attend meetings of caucus of the administration of the day from time to time. So this kind of sanctimonious nonsense hardly comes well from the Member from Morris; and I have no comment about the length of the ladies dresses. I think it's what's in their head that counts. Insofar as drinking habits are concerned, I would say, Mr. Speaker, that when I was younger and more foolish I did attend one or two Tory do's and I was not - my eyes were not assailed by the fact that there happened to be liquor at those Tory do's as well. That's not to say that they didn't know how to drink in moderation, but then again, if one wanted to be charitable and honest, one could say that about the gathering the other night.

MR. SPEAKER: Before we get too involved on this point of order - order please. Order please. As I said, before we get too involved on this point of order, it is regrettable that the news media does not do its homework, the one Member for Kildonan by the name of Peter Fox was at home at 116 Pike Crescent all evening, awaiting his son who was coming from Thunder Bay, so whatever news there might have been in that particular paper, it was very erroneous. Can we carry on? The Honourable Member for Swan River.

MR. JAMES H. BILTON (Swan River): I beg your indulgence, Sir, by the fact that the First Minister has chosen to comment on the subject before the House, and I want it to be absolutely understood that when I occupied the Chair that you are sitting in, Sir, that I never at any time attended any caucus meeting when the House was in session; nor did I attend any

## POINT OF ORDER

(MR. BILTON cont'd) . . . . political meeting when the House was in session - I must admit that when the House was not in session, I deemed it my privilege as a member representing the people that elected me. But I want it thoroughly understood, Mr. Speaker, that during my sojourn of office, I divorced myself from this party and all parties of the House, and carried out my duties as I saw fit.

MR. SPEAKER: Order please. The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I rise on a Point of Privilege lest it be assumed or inferred from my honourable friend's statement that I suggested that he attended meetings of caucus during sessions. In fact I didn't mention my honourable friend at all. But now that he has indicated that he did attend meetings of caucus between sessions, which is a distinction that I did not make reference to, I think that the record now will at least clarify that this divorce from partisan politics was not complete, nor was it year round, it was seasonal.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSEN: Mr. Speaker, on that question of privilege. As far as I'm concerned the question of privilege has been settled. I rose primarily and only to point out, that I thought that the article must have been in error. You have confirmed that. I don't know why the First Minister drew this wide red herring across the trail, what he was attempting to cover, but now I am suspicious of what the First Minister was doing and involved in this affair. Sir, Sir, you have indicated that the report was in error. I want to leave it at that.

MR. SPEAKER: Thank you. The Honourable House Leader.

MR. GREEN: Well, Mr. Speaker . . .

MR. SPEAKER: Order please. The Honourable First Minister.

MR. SCHREYER: Yes, Mr. Speaker. My point of privilege is simply to indicate that I covered the self-same ground as my honourable friend the Member for Morris did. Had he not raised questions having to do with Speakers, and having to do with Speakers' presence at one or another occasion, having to do with the length of ladies dresses even, I would not have dealt with it either.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Well, Mr. Speaker, I rise on a point of privilege. My privilege is that I wish to complain that you happen to have snubbed our party on Sunday night.

MR. SPEAKER: The Honourable Member for Wolseley.

MR. ASPER: Mr. Speaker, on the same point of privilege raised by the House Leader. I find myself in complete agreement with the House Leader, and find it an affront to your office, Sir, that the Conservative Party having its national leader here tomorrow evening has not extended such an invitation to you and so on behalf of the Liberal Party I invite you to my home on June 6th to a reception, speaking on behalf of the Chamber of course, not in a partisanship way, to meet the Prime Minister, my leader federally.

MR. SPEAKER: I'd like to thank all the honourable members for their contributions, as well as the invitations, but let me point out again, that you're damned if you do, and you're damned if you don't, so it makes no difference. The Chair is going to do its job as it sees fit. Thank you very much. Questions. The Honourable Leader of the Opposition.

ORAL QUESTION PERIOD

MR. SIDNEY SPIVAK, Q.C. (Leader of the Official Opposition) (River Heights): Mr. Speaker, my question is to the First Minister. It relates to the Air Canada Overhaul base. There was an expected announcement to be made today that did not, or was not made, but I wonder if the Minister, the First Minister's in a position now to confirm that the proposal from the Federal Government will be the purchase back by Air Canada of the CAE facilities?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: No, Mr. Speaker, I'm not in a position to confirm that at this time. The Minister of Industry may be, although I don't suspect so, and accordingly no firm plans - I'm not in a position to indicate what further course of action will be undertaken until we have this statement that has been indicated will be forthcoming imminently.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: By way of another question to the First Minister. I wonder if he can indicate whether the Federal Government in the negotiations has indicated that this was an alternative, the purchase by Air Canada of the CAE facilities, purchase back by them.

## ORAL QUESTIONS

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, it would be fair to say that it was intimated that a facility would have to be either constructed, or the existing one repurchased, in order for Air Canada to carry out overhaul activity at Winnipeg while at the same time not violating certain provisions of their existing collective agreement. So I think that the answer to my honourable friend is in the affirmative. There was such suggestion.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Yes, by way of another question to the First Minister. I wonder if he can indicate in the discussions or the negotiations with the Federal Government, what the new employment potential appeared to be for Manitoba?

MR. SCHREYER: Well, Mr. Speaker, the figure that was used was the indication that the full overhaul activity relating to the 727-707 overhaul activity would be in the order of six I believe, six to 700, six to 650 personnel.

MR. SPEAKER: The Honourable Leader of the Liberal Party.

MR. ASPER: Mr. Speaker, my question is to the Minister of Education. Does the province and does his department intend to take any action to phase out the non nutritional foods from school vending machines as have been recommended by, I believe, four Manitoba study groups, which indicated that 42 percent of the schools surveyed, carried only non nutritional foods in the vending machines?

MR. SPEAKER: The Honourable Minister of Education.

HON. BEN HANUSCHAK (Minister of Education) (Burrows): Mr. Chairman, I have not had an opportunity to see the results of the survey that my honourable friend is referring to. I would like to remind him however that the installation and the operation of vending machines in schools is not the responsibility of the Department of Education but rather of the local school authorities, the school division boards, and whatever information that we may have to pass on to the school division, to their administrative staffs, to assist them in the selection of proper foods to be sold to the children, that that will be done. But the installations, the removal, is not our responsibility, that is the installations and removal of vending machines, but rather of the division boards.

MR. ASPER: I wonder if the Minister of Education could indicate whether or not his department has undertaken any studies as to, not the machines but the content of the machines, the food that the machines sell to the children, in view of the fact that it has been his department's practice to look into questions of nutritional food such as milk in the schools, would he not look into this question and report to the House.

MR. HANUSCHAK: Yes, Mr. Speaker, that is a reasonable request and certainly is something that the department would be interested in doing, in obtaining some--a reading on the types of foods that are sold in the vending machines to our students.

LAW AMENDMENTS COMMITTEE - SUBSTITUTIONS

MR. SPEAKER: The Honourable Member for Portage.

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, by leave I wonder if I could propose a change in the Liberal representation in Law Amendments Committee.

MR. SPEAKER: Is it agreed?

MR. G. JOHNSTON: I'd like to make the following change: that the Member for St. Boniface replace the Member for Wolseley.

MR. SPEAKER: The Honourable Member for Radisson.

MR. HARRY SHAFRANSKY (Radisson): Mr. Speaker, by leave I propose a change in the Law Amendments Committee.

MR. SPEAKER: Agreed?

MR. SHAFRANSKY: The Honourable Minister of Health and Social Development substitute for Jenkins, the Member for Logan.

## ORAL QUESTIONS Cont'd

MR. SPEAKER: The Honourable Member for Birtle-Russell.

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker. My question is to the Minister of Northern Affairs. I would like to ask the Minister of Northern Affairs in light of the recent Federal Government proposal, as announced by the Minister of Defence, of an additional \$21 million in assistance to northern Manitoba, what new program the Provincial Government is going to announce for the people of northern Manitoba to counteract the offers of the Federal Government.

MR. SPEAKER: Orders of the Day. The Honourable Member for--The Honourable Minister wish to answer?

HON. RON McBRYDE (Minister of Northern Affairs) (The Pas): Mr. Speaker, it appears that I missed the crucial part of that question. I wonder if he could just repeat that.

MR. GRAHAM: Mr. Speaker, I would be glad to repropose the question. In light of the announcement of the Federal Government, as in the press report of the Minister of Defence, where the Federal Government is at last going to give \$21 million to northern Manitoba, could the Minister of Northern Affairs indicate to the House, and to the people of Manitoba, what programs the Province of Manitoba is going to promote to counteract the federal offer?

MR. McBRYDE: Mr. Speaker, it is a good thing I asked the member to repeat the question because I think he does have some misunderstanding. The Province of Manitoba has been negotiating with the Federal Government for approximately a year now in hopes of getting cost-sharing with the Federal Government for expansion of our programming in northern Manitoba. The understanding has been that a joint announcement would be made when this agreement was signed by the Minister responsible for the Department of Regional Economic Expansion and by myself jointly, as proposed in the agreement. When the Minister of Mines and Resources and I met with the Federal Minister well over a month ago, it was indicated to us that this agreement should be signed by the middle of May. There has been some delay in having Ottawa approve their end of the agreement, and so any announcement that was made today was probably a little bit premature. But in fact if the federal election is speeding up the process of approval of this agreement, then we must thank Mr. Lewis for helping to bring about . . . election.

MR. GRAHAM: A supplementary question then to the Minister. Am I to assume from the answer that the Minister gave me that the Federal Government is indeed providing this additional \$21 million, or is that an incorrect figure?

MR. McBRYDE: Mr. Speaker, the Federal Government - the total amount of expanded programming is in the area of \$21 million; part of that is from the Provincial Government and part of that will be from the Federal Government.

MR. GRAHAM: Then it would be incorrect of the Minister of Defence to imply by his announcement that the \$21 million did in fact come from the federal treasury?

MR. McBRYDE: Mr. Speaker, I did obtain a copy of the Federal Minister's statement and he did not imply that the total amount was coming from the Federal Government but in fact it was a cost-shared agreement for programming in northern Manitoba.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY (Fort Rouge): Thank you, Mr. Speaker. I'd like to ask a question of the First Minister. Can he report yet on the monitoring that the Provincial Government has undertaken now in consumer gasoline prices in the City of Winnipeg, and their average level? Is there a report available yet on those prices?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, that is something which has just commenced and the Minister of Consumer Affairs will be in a position to give some indication once a period of monitoring has taken place - it has just commenced.

MR. AXWORTHY: Well, Mr. Speaker, a supplementary. Can the First Minister inform us about how long this process of monitoring is about to take? Is it going to be one or two days, or is it going to be one or two months?

MR. SCHREYER: Neither, Mr. Speaker, it will be somewhere in between.

MR. AXWORTHY: A supplementary, Mr. Speaker. Is the government planning during this extended period of monitoring to make plans and preparation to provide some form of subsidy for consumers of fuel oil other than for automobiles or trucks, such as home fuel or heating fuel? Is there any plans and preparation to help consumers of that kind?

MR. SCHREYER: There is not, Mr. Speaker. What is being considered, and which will

## ORAL QUESTIONS

(MR. SCHREYER cont'd) . . . . be presented to the House, has to do with the motive fuel and gasoline tax, and the suggestion that this is being done in other jurisdictions is not correct in terms of it applying to all liquid hydro carbons.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. ARNOLD BROWN (Rhineland): Thank you, Mr. Speaker, I would like to direct my question to the Minister of Mines and Natural Resources. I wonder if the Minister would be able to give us a report on the Pembina River, and whether he could tell us whether Gretna and Hochstadt are again in danger of being flooded.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I couldn't do that at the moment. I know that the standard practice is to advise the municipalities when there is a problem, but in view of the fact that the honourable member asks this question at this time, I will try to get the information before adjournment time today.

Mr. Speaker, I did indicate to the Honourable Member for Lakeside that I would answer the question concerning the operation of the floodway, and note that the Honourable Member for Lakeside is not here, but nevertheless in courtesy to the House, him having raised the question I will give the answer which I promised to give. The floodway gates went into operation on Monday at 3:30 p. m., 3:30 in the afternoon, following Sunday's heavy rain. Until that time the river had been holding steady.

I've also been asked to stress to the House the following with reference to flooded basements. When the river is at or near flood stage, that is 18 feet city datum, most of the City of Winnipeg pumping stations are in operation therefore the flooding caused by storm runoff will depend on capacity of sewers and capacity of the flood pumping stations rather than on the river stage.

Now, Mr. Speaker, when I was answering this question in the House yesterday, I indicated that the floodway was in full operation during the period of the storm which took place on Monday evening, Tuesday morning.--(Interjection)--Well Monday evening, Tuesday morning. Because it was a weekend, I made the same mistake as the Member for Radisson has just made, and I kept referring to Sunday, knowing that it was the day before the commencement of normal business, but it was on Monday at 3:30 p. m., which was before the heavy storms which took place on Monday evening and Tuesday morning.

Mr. Speaker, I want to further indicate, since it has been sort of raised as an issue, that the floodway is operated in accordance with the judgment of the people involved with water resources. There was absolutely--I have perfect confidence in the Director-General of Water Resources, and I think any suggestion that he somehow negligently omitted to do something which he should have done, or did something which he should not have done, is not correct, should not be raised as an issue for some particular advantage which may be deemed to come from making an issue out of this with regard to the people of Winnipeg. The floodway was in operation as indicated.

MR. SPEAKER: The Honourable Leader of the Liberal Party.

MR. ASPER: Thank you, Mr. Speaker. My question's to the Minister responsible for communications relating to the position paper tabled in the House last week relative to cable and television broadcasting within Manitoba. Could the Minister indicate whether he intends to introduce legislation, or regulatory legislation, at this session relating to the main body of recommendations in his position paper, the regulation of cable television.

MR. SPEAKER: The Honourable Minister of Consumer Affairs.

HON. IAN TURNBULL (Minister of Consumer, Corporate and Internal Services) (Osborne): Mr. Speaker, if the Leader of the Liberal Party is talking about the protection of the viability of Canadian broadcasting through the regulation of cable operators in the Province of Manitoba, then I would have to say to him that the authority to regulate cable operators, as with the authority to regulate broadcasting, is a matter for federal jurisdiction. But I can assure him that when the New Democratic Party forms the Federal Government, I would hope that they would ask to implement those recommendations.

MR. ASPER: Well, Mr. Speaker, a supplementary flowing from the answer. Inasmuch as the Minister has said we will have to wait until hell freezes over until the legislation can be introduced, I wonder if he might indicate then, does he intend to expand the Hansard operation of this Chamber by televising the proceedings of this Chamber and recording them on videotape.

## ORAL QUESTIONS

MR. TURNBULL: Given the behaviour of members of this Legislature, I'd be very pleased if I could get consent to have all the proceedings here televised. Certainly I have always been in favour of just that kind of coverage.

MR. ASPER: I have a final supplementary, Mr. Speaker, again flowing from the position paper. Does the Province of Manitoba intend in the near future to commence a production facility, or commissioning a production for educational television to be used through either the cable system or the live broadcast system in Manitoba.

MR. TURNBULL: If I may refer for a moment to a previous question, there has, as I recall from my participation in the Rules Committee of this Legislature, been an open invitation to the broadcasters to provide facilities for television coverage of these proceedings--(Interjection)--at their own expense, and the problem is, as I understand it anyway, they do not wish to undertake that expense.

With regard to the second question, Mr. Speaker, the provision of cable casting for educational instruction, which I assume is the intent of the Liberal Leader's question, is certainly a policy that will have to be announced after due consideration by the Executive Council. The policy paper as he likely realizes is based on what is referred to as narrow casting, that is casting that will be focused on the particular needs of the communities in this province and the children that live in them. But that is a wide-ranging policy which will take considerable consideration.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the Honourable Minister of Mines and Natural Resources. I believe that there's been a change that has been made with respect to the catch and the licensing of whitefish fishermen on Lake Winnipeg. I wonder if he can indicate the nature of the change and the reason for the change?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Well, Mr. Speaker, from time to time there are changes in regulations. To give the honourable member the specific regulation would require me to take the question as notice; I will give it to him verbatim. I mean I will give to him a copy of the regulation, and I will also indicate why it came about.

MR. SPIVAK: Yes, I wonder if the Minister would be in a position as well to indicate to the House whether this change was discussed with the fishermen involved?

MR. GREEN: Mr. Speaker, my knowledge, just from the practice that we have used, is that it would have been discussed extensively with the fishermen involved; it would not necessarily have received their approval, but that there would certainly have been discussion, because that is the practice that we have adopted ever since we started managing the fishery resource at Lake Winnipeg. There have been more meetings with regard to fishermen in Lake Winnipeg in the last two years, Mr. Speaker, than I believe that there have been in the last 20 years.

MR. SPIVAK: Yes, well then I wonder if the Minister is in a position then to confirm that the fishermen did have some warning that this was going to take place.

MR. GREEN: Mr. Speaker, that would be my impression, and that would certainly be the policy of the department. I will check with the department to indicate to my honourable friend exactly how this was done.

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOUGLAS WATT (Arthur): Mr. Speaker, I direct a question to - a question that I did direct to the First Minister when the Honourable Minister of Mines and Natural Resources was not in the House. If you will permit me, Sir, a great deal of discussion has been on flooding of basements in the Winnipeg and the Red River. But I'd like to ask him if he has considered the flooding that has been occurring all over the Province of Manitoba, and particularly the southwest, where we probably have more rain and more flooding, and more land out of production in the southwest than any place in the Province of Manitoba at this time; if he has looked into this and would consider the possibility of some assistance to those farmers out in the southwest area, particularly the whole southwest area. I'm talking about the central south and I'm talking about the immediate southwest and western areas of the Province of Manitoba, where it's still raining today, and where we had more water fall out there this spring than any place in the province.

MR. SPEAKER: Order please. The honourable member is debating the question.

## ORAL QUESTIONS

MR. WATT: I'm not debating, I'm just pointing out the facts.

INTRODUCTION OF GUESTS

MR. SPEAKER: Well would the honourable gentleman . . . Order please. Again before the Honourable Minister answers, if he's going to, I wonder if I might draw the attention of the honourable members to the gallery where we have some visitors in my gallery from the Ukraine. I'm informed we have Mr. Roman Musiejewsky, Mayor of Lviv up there, and Mr. Mykola Mylyan, Member of the Council of Lviv; Tomara Starchenko, Lecturer at the University of Lviv; Mr. Vladimir Lapitski, First Secretary of the Union of Soviet Socialist Republics Embassy in Ottawa. On behalf of all the Honourable Members of the Legislative Assembly I welcome you here today.

I may also point out we have a former member, His Worship Mayor Stephen Juba, in the loge to my right.

ORAL QUESTIONS Cont'd

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Well, Mr. Speaker, the honourable member asks whether we have considered the problems of flooding in the southwestern part of Manitoba. I can only answer the honourable member that the province is cognizant of and is considering the problems of flooding in all areas of the Province of Manitoba. I want to indicate to the honourable member that there has not to my knowledge been a program for dealing with lands that are wet and which cannot be worked because of that condition, because of normal wetness. There has been a program for compensation dealing with the spring runoffs and flooded conditions. But as to whether we are considering them, and cognizant, and are aware, we are aware, Mr. Speaker, that there exists this type of problem in many many parts of Manitoba, including the southwest.

MR. SPEAKER: The Honourable Member for Arthur.

MR. WATT: A further question then to the Minister. My understanding is that there is a body of persons that are going around the province assessing the water problem. Has he got a report from that commission?

MR. GREEN: Mr. Chairman, I'm not certain what the honourable member is referring to. There is a board that is considering flood damages and there are inspectors taking into account these damages where claims are made. If claims were made in the area concerned, then there would be inspectors of the Flood Board assessing those claims.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: My question is to the Minister of Co-operative Development. A question was put to him some time ago, I believe about a week ago, and I believe he took it as notice, dealing with information concerning correspondence between Unies Limited and himself as Minister of Co-operative Development, with respect to answers given in this House dealing with the construction of the Southern Indian Lake Co-op. I wonder if he's in a position to indicate the nature of the correspondence that has taken place between him and the company.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture and Minister of Co-operative Development) (Lac du Bonnet): Mr. Speaker, I did take that question as notice and I have as yet not received a reply from my staff.

MR. SPEAKER: The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Speaker, I direct my question to the Minister of Finance. In view of the exceedingly high increase in the price of fuel, heating oil, is the Minister considering either removing the tax or reducing it substantially on that oil? Is there not an indirect tax?

MR. SPEAKER: The Honourable Minister of Finance.

HON. SAUL CHERNIACK, Q. C. (Minister of Finance) (St. Johns): Mr. Speaker, I'm embarrassed to say that I'm not aware of a tax on heating oil.

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

ORDERS OF THE DAY

MR. GREEN: Yes, Mr. Speaker. I want a motion to be made relative to Committee of the Whole House by the Minister of Finance.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I move, seconded by the Honourable the Minister of Agriculture, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider and report of the following bill, No. 61, An Act to Amend The Income Tax Act (Manitoba).

MOTION presented and carried and the House resolved itself into a Committee of the Whole House with the Honourable Member for St. Vital in the Chair.

COMMITTEE OF THE WHOLE HOUSE - BILL NO. 61

MR. CHAIRMAN: The bill before the House is Bill 61, An Act to Amend The Income Tax Act. Clause 1--pass; 2 (i)--pass; 2--pass; 3 (e)--The Honourable Member for Charleswood.

MR. ARTHUR MOUG (Charleswood): I wasn't here to have the opportunity to speak on this bill during second reading and it seems to me I would have an ideal opportunity at this time to speak on real estate or real property taxes. And yesterday as the mail came in . . .

MR. CHAIRMAN: The Minister of Finance.

MR. CHERNIACK: On a point of order. I question how ideal the opportunity is to speak on municipal taxes when we are dealing with section by section review of this bill. I should think the honourable member of course would have the right to speak on third reading - it's unfortunate he missed second - he can speak on third reading on the whole bill. But to speak on municipal taxation, I don't even know what section really would refer to that. --(Interjection)-- Well, Mr. Chairman, I am looking forward with a great deal of pleasure to listening to the Honourable Member for Charleswood, but I am wondering--(Interjection)--Well yes. The Leader of the Opposition must share my disgust at some of the things that are often said by his colleague. So, Mr. Chairman, I'm dealing with a matter of . . .

MR. CHAIRMAN: Order please. Order please. The section before the Committee is Section 3 (e) - Definition of a principal taxpayer. Does the Member for Charleswood wish to speak to that section?

MR. MOUG: Yes, Mr. Chairman. I happen to be a principal taxpayer, and damned disgusted, damned disgusted with the man that was responsible for bringing The City of Winnipeg Act in here. He had no brains at that time, and he's got less today. Typical to stand up this morning when he's closing debate on this bill and tell the people of Manitoba that the City of Winnipeg is gimme, gimme, gimme. Where's the City of Winnipeg going to go now? Where is the principal taxpayers of this province and of this city going . . .

MR. CHAIRMAN: The Honourable Minister of Finance on a point of order.

MR. CHERNIACK: Mr. Chairman, the definition that we're dealing with under "principal taxpayer" deals with the income tax payer as I read it. It's a taxpayer under the Income Tax Act. Now does that mean that any person who pays income tax now has the right to speak on any matter he wishes at all? The Leader of the Opposition is one whose opinion as to rules I don't respect too much. I'd be happy to hear if the House Leader of the Opposition believes that the definition of principal taxpayer on the matter before us does indeed entitle any taxpayer to speak on any matter that affects him as a taxpayer of any kind. Now you know, Mr. Speaker, if he will say that I would be most interested to hear his comments.

MR. CHAIRMAN: The Member for Morris.

MR. JORGENSEN: Since I have been invited to speak, and it's not often that I am, Sir, I'd be delighted to deal with the point raised by the Minister of Finance. And I draw the conclusion that when you're dealing with a clause such as Clause 3, which defines the principal taxpayer as one who occupies or inhabits a principal residence in Manitoba for the purpose for which the Act is defining him, that covers a considerable amount of ground. I would not want to say that it covers the issue of municipal taxes. I think that can be covered on Section 4.1 (2) where it specifically defines deductions for property taxes. It seems to me that if the Member for Charleswood wants to deal with that particular subject he can deal with it on Clause 4.1 (2) because it does define property taxes, and that of course is municipal taxes, and he is at liberty then to make his remarks on that particular clause.

On 3, I'm somewhat less sure of myself in dealing with that particular clause. It is a broad one and I think it does cover a considerable area insofar as taxpayers are concerned.

## WHOLE HOUSE - BILL 61

(MR. JORGENSON cont'd) . . . . I would think that - and that is an interpretation that I cannot substantiate by reference to the rule book - but I would think that it would cover taxpayers who are paying taxes other than property taxes. And that particular thing could be covered under Clause 2. But I know that during the course of debate it's pretty difficult to define those things and they're going to overlap to a certain extent. I hope that the Minister of Finance does not attempt to draw the line too closely because it will make it extremely difficult for members on this side of the House to be making points. Because sometimes taxes paid by one taxpayer in the way of property taxes can overlap in other areas as well. I agree with him that to a certain extent the question of municipal taxes could be better covered under Clause 4 rather than Clause 3.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. SPIVAK: Before a decision or a ruling is made on this, Mr. Chairman, I think on the point of order we should look at the past precedents of this Legislature and of the committees, and of this committee, and I would simply ask the Honourable Minister of Finance to recollect what I am going to present to you, Mr. Chairman. We are dealing with the definition section. When we dealt with the auto insurance debate, the most extensive debate, the most far-reaching debate in this committee dealt with the definition sections and the interpretation. I think that based on that one example, and I think many others could be cited, that the definition section in which we are now dealing with, and the amendment which was proposed which defines principal taxpayer allows the honourable member the opportunity to deal effectively on behalf of the principal taxpayer on the Income Tax Act, which involves the taxpayer who pays his income tax, who pays his sales tax, who in turn pays his municipal tax. I would think that based on the past precedents of the Legislature, and certainly based on the auto insurance debate, the definition section entitles the honourable members to deal with this in the broad approach that the Honourable Member from Charleswood has undertaken.

MR. CHAIRMAN: The Minister of Finance.

MR. CHERNIACK: Mr. Chairman, on the point of order. I believe that when you deal with definitions you discuss definitions. But if one wants to discuss the general picture of municipal taxation it does not belong in the definition section, which indeed what it does is spell out what it is that the Act is dealing with. Now I agree with the Member for Morris when he says that where municipal taxation is referred to under Section 4, then that is where one can speak on municipal taxation. But to drag in everything under the sun, which I believe is proposed under this Section 3, I think is wrong, Mr. Chairman. I'm only trying to get some order into this. I cannot, would not attempt to succeed in preventing the speech, I'm just trying to get an orderly approach to it, and now we're in the definition section.

MR. CHAIRMAN: Order please. Our Rule 64 (2) says, "Speeches in Committee of the Whole House must be strictly relevant to the item or clause under discussion." I would draw the Honourable Member for Charleswood's attention to that clause and just remind him that it has been pointed out from both sides that he could make his remarks under Section 4 (2), and if he wishes to proceed I would ask him to keep his remarks strictly to the relevant item or clause under discussion.

MR. MOUG: That's all the remarks I have to make now.

MR. CHAIRMAN: 3 (e) (i)--passed; (ii)--passed; (iii)--passed; (iv)--passed; (e)--passed; 3--passed. The Honourable Member for Charleswood.

MR. MOUG: Mr. Chairman, one or two comments I want to make in regard to tax bills that I got in the mail yesterday.--(Interjection)--Section 3? Sorry about that.

MR. CHAIRMAN: Section 4--passed; Section 4.1 (2)--The Honourable Member for Charleswood.

MR. MOUG: Mr. Chairman, once again I have one or two remarks I want to make in regards to a tax bill I received in the mail yesterday. When I look back over the last few years in the Legislature here where we had the several municipalities and the great Honourable Finance Minister, then acting as Urban Affairs Minister, come marching in with a bill, the saviour for all people in Metro Winnipeg, and with the same tactics that he uses today he used that three years ago. There was nobody could stand up in this Legislature and make a comment on legislation that he brought in because of the arrogant type he is, and the self-righteous, the know-all. He comes in with legislation like that and it's not up to anybody to question him. When I made the statement to the news in Charleswood when I was on council out there that we

## WHOLE HOUSE - BILL 61

(MR. MOUG cont'd) . . . . anticipated a 20 mill raise from 47 up to 67 - well it came. And I can remember well the now Minister of Public Works making a statement in this House, and I didn't bother to look it up because it's not worth the time you would spend looking it up. He said that I was touting a 40 percent increase. Well I was wrong. We got the 40 percent increase the first year. But now where I had taxes of - a net tax of \$617.00 in 1971, I now have a net tax of 950. So we're getting right into the full 50 percent increase and going strong all the time. There's no end to it.

So when they give you a tax bill and they knock off \$150.00 for the education costs, and \$44.00 for transitional subsidies they're giving you, what good is that going to be to me next year? Where is the subsidy going to come in? Where are the people going to be with the six and seven thousand dollar assessed homes? They're going to be in a damned sight more trouble than they ever were before he brought that bill in. When he stands up there gloating over himself saying that he's really giving the people of Manitoba something; he's not giving them anything now in comparison to what he give them here three years ago. Because that's when he give the people of Manitoba and the people of the City of Winnipeg what they didn't want. --(Interjection)--That's when they got the shafting is right.

But I say that, Mr. Chairman, the problem now is for this government not to stand up and have the Minister of Finance of today, who was the Minister that introduced the bill that put the City of Winnipeg into the jackpot they're in, saying that they're down here all the time saying gimme, gimme, gimme. This is not the point now. They need money to offset this high tax bill and cost of operation of this city, and that's what they've got to get. They've got to get it from this government. He says he give them lots of ways. He wants to chase every land developer there is out of Winnipeg. He wants to get them out of here. This government wants to build the houses. They don't want developers building houses here. They don't want anything here. They don't want Imperial Oil in this province. They want to get ahold of that. They want to run that. They're not satisfied to see them show a million dollars profit, and the government one way or another picks up 70 million of it. That's not what they want. They want to get ahold of it and operate it at a \$25 million loss, the same as they're doing with Autopac. That's exactly what they're up to, and they're after the developers. They want the cement plants. There's nothing in this province they don't want, and as long as they can just keep sending out the bills and tell the City, if you send out your bills we're sending out ours, where's the people going to get the money? That's what we've got to find out before we keep pulling off these damned fool tricks we've been pulling off in the last four years.

That's all I have at this time, Mr. Chairman.

. . . . . continued on next page

## WHOLE HOUSE - BILL 61

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

MR. J. PAUL MARION (St. Boniface): Thank you, Mr. Chairman. I am pleased to have an opportunity to say a few words about this section. I am not going to use the kind of invectives that were used this morning by my honourable friend the Minister of Finance. I will try to keep it at a plane where the gentlemen in this room will appreciate that gentlemen are expounding their own theories. I will not go muckraking as he did this morning.

I think that it's important to note some of the comments that were made during the debate on second reading with respect to property tax and how best we can alleviate some of the problems for the - what was it - the middle income poor. I think, Mr. Chairman, that there is no doubt that the method used presently, which is the rebate method, is no more or less than a method of buying votes. I think that the Honourable Member for Riel went into that area a great deal and mentioned that it was an apprehensive kind of system to use and that is why the former administration got out of that kind of a system, and at that time it was merely a \$50.00 cheque that was being mailed out. Now the price has gone up and we're buying votes at a greater amount, we're paying up to \$250.00, and the Minister for Mines and Natural Resources mentioned that there was no other way in which the needy, that middle income poor, could obtain the amounts of money that was required to alleviate his specific problem. Well I venture to say that if the gentlemen opposite had scratched the surface just a wee bit, they would have found other means of alleviating the burden, the realty tax burden, for all of us. I think that there is one area that would achieve exactly what is desired, I would expect, by Bill 61, and which was really focused on by my colleague the Member for Assiniboia, when he mentioned that certainly there are some people who are more destitute than others and it's important to the Liberal Party that the benefits to these people can be felt.

But what happens is -- what kind of thought was ever given to the abatement of assessment? What's wrong with that approach? Those people who were in those dire straits are probably living in homes that are assessed at much less than \$5,000. Why could we not work on it, perhaps a rebate or an abatement of \$3,000 on assessment? Wouldn't we then be achieving the same kinds of things that we're looking to now? I realize that at this juncture I guess I'm not able to talk about the amounts of money that are really required by the City of Winnipeg to operate properly, and I really can't talk about the Band-Aid treatment that the Minister of Finance is offering to the City of Winnipeg when he is saying that we're going to take the park, the Assiniboine Park off your hands, we're going to spend 1.9 million dollars of provincial moneys so that the City of Winnipeg doesn't have to outlay that kind of money to keep the park operating, but is that really the serious problem Winnipeg is faced with today? We have taxes; my honourable friend mentioned that the rebate that he got was \$150.00 and his taxes had gone up, had sky-rocketed in the last three years. Well, I have a personal case in point, the case of Paul Marion, where the municipal tax in 1971 was \$273.00 - that's the municipal portion alone - it is now \$555.00 and I'll tell you that the \$150.00 isn't covering half. Well, I guess it is covering approximately half of the increase. And I'm not talking about the Hydro costs that have gone up by roughly 30 percent this year, if you consider the reduction or the elimination completely of the discount, and in store for me is a further increase of 10 percent next year and another 10 percent the year following that. I think, Mr. Chairman, that there is no doubt that if this government were thinking for two cents' worth, and if the Minister of Finance were as capable financially as he would lead us to believe, he would have scratched a little further in the kinds of alternatives that were available to him in abating the realty tax for everyone and not leaving the middle income poor completely to fend for himself, and pretty soon selling that property of his and renting, because he won't be able to afford it. I think I heard some comments being made this morning that I can't allude to because of the context in which I have to talk, that were totally uncalled for by the Minister, and he realizes that if he were only half bit as truthful as he would want others to be, there is no doubt that he would not have made these comments. To call fifty people on Winnipeg Council a bunch of idiots, by inference, is something that is totally uncalled for. Because the official delegation was representing fifty councillors, it wasn't going, it wasn't appearing before . . .

MR. CHAIRMAN: Order please. Order please. Order please. The Honourable Minister of Finance.

MR. CHERNACK: Mr. Chairman, it was only this morning that I spoke and I am absolutely certain that I never called the 50 councillors a bunch of idiots. I'd like to challenge the

## WHOLE HOUSE - BILL 61

(MR. CHERNIACK cont'd) . . . . honourable member to justify his statement.

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

MR. MARION: Well I will justify my statement this way, in an answer. Inasmuch as the official delegation represented Council, and inasmuch as Council agreed with the requests that were being made on the cost-sharing of the growth tax, the official delegation of which I was a part were not stupid and they were representing the entire feeling of that Council, and in that way I feel justified in saying that the Honourable Minister inferred that all members of Council were stupid. I might infer . . .

MR. CHAIRMAN: The Minister of Finance.

MR. CHERNIACK: . . . privilege, again I did not say anything about the members of the Council or indeed the members of the Committee itself as being stupid. These are words put in by the honourable member; he should accept them as being his words, not mine.

MR. MARION: Well I'm merely stating, Mr. Chairman, that the Minister, by his callous remarks, by his uncalled for remarks, was inferring that the members of Council were stupid. They are my words but they were inferred by the Honourable Minister, not by me. I would say also, Mr. Chairman, that there would be a great number of other alternatives that could be used so that this abatement, this tax rebate system - which is odious - would not have to be used, and I would say that if a cost-sharing formula that would make a great deal of sense, so that the City of Winnipeg could properly finance its operations, were thought of or initiatives were taken in that area by the Provincial Government, then we wouldn't have the kind of situation that we have today. It is true that the official delegation requested a sharing of the growth taxes, and it was a prerogative of the Cabinet, the specific group that were in charge of urban affairs, to decide that the requests being made by the City of Winnipeg were unreasonable, but it is unfair to say that there were no further consultations in this line. Any other initiatives that were taken led to naught, and I might suggest that at no time did the Committee of Cabinet come back with other alternatives and, well, the Band-Aid treatment for a headache is no good.

MR. CHAIRMAN: Can I just bring to the honourable member's attention that the section under discussion is Deduction from Property Taxes and members are required to be relevant to the item under discussion. It has really nothing to do with the City of Winnipeg on this particular . . .

MR. MARION: I definitely am relating. I am stating that we are proposing a tax rebate going up to \$250.00. This tax rebate would not be necessary if the tax rates itself were reasonable. We wouldn't have to rebate them.

MR. GREEN: Nonsense.

MR. MARION: Nonsense - all the Minister for Mines and Natural Resources might want, that's my point of view and I'm entitled to it. And I have as much common sense as anyone else in this room, I would suggest. But it is a problem with the gentlemen opposite that it is politically expedient for them to use this kind of system. They become the benefactors and the other party becomes the maligner, if I might call it that. And I'm suggesting that at no time, when the proposal made by the City of Winnipeg was not thought to be worthy of further investigation by the Committee of Cabinet, that progressive, far-reaching alternatives were never proposed by that Committee of Cabinet. There was no other proposals except the Band-Aid approach. Removing some of the cost burdens like Assiniboine Park were only a measure, and I might say that it is a measure that was abhorred, actually, by City Council; they were reluctant to take it, but they were pushed to the point where it was either that or increase the mill rate further, and they preferred to let go of the jurisdiction on the park with certain assurances that the park would be operated in the same light as the former Metropolitan Corporation and the City of Winnipeg had operated it.

I'm humbly suggesting that the gentlemen opposite should study the other alternatives rather than the rebate system. There are alternatives that are just as good and will certainly give the relief that the Minister for Mines and Natural Resources was referring to yesterday when he mentioned that married pensioners could get relief of up to \$335.00 if you combined both this tax credit rebate system and the income rebate system. Mr. Chairman, I think that there is no doubt that other areas on the North American continent have used an assessment abatement as a way, as a method of alleviating the tax burden, and it would seem to me that this is a method that could be used by the present government while at the same time

## WHOLE HOUSE - BILL 61

(MR. MARION cont'd) . . . . compensating the abatement with direct subsidies to the municipal government.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, this particular clause deals with the principle of the education tax rebate, and in the debate on second reading in the closing summation by the Honourable Minister of Finance, he used terminology dealing with the demands of the City of Winnipeg, and this relates directly to the clause that we're talking about and the necessity of moneys being paid directly to municipalities in the urban areas. He dealt with the City of Winnipeg and used the expression that they have continually come and asked of the government in a form which says gimme, gimme, gimme, gimme, gimme.

A MEMBER: Hear. Hear.

MR. SPIVAK: Mr. Chairman, this particular phraseology and this event probably highlights the problem area and has to be dealt with in fair detail. I would classify the statement of the Minister of Finance equal to that of the Prime Minister of the country when he said, "Why should I sell your wheat?" When the Prime Minister said to the farmers of Western Canada, and Canada, "Why should I sell your wheat?" what he did was he showed an ignorance, a lack of concern for the reality of the situation in which the Federal Government was involved in the sale of the wheat for the farmer. When the Minister of Finance says that the approach of the City of Winnipeg to his department and to the government is one of gimme, gimme, gimme, gimme, he shows in this respect the same kind of attitude and arrogance and lack of appreciation of the reality that faces the urban areas of this province and the City of Winnipeg, and it is in the same kind of context as the Prime Minister's statement. Because, Mr. Speaker, let us understand how financial matters are handled in this province and in this country.

The Federal Government has jurisdiction in certain areas and there have been tax-sharing agreements arrived at with the Provincial Government, and the Provincial Government raises certain moneys through the constitutional rights that it has, and the municipalities in urban areas, which are the creation of the provinces, have certain rights for taxing and for the ability to raise money. But the fact is, Mr. Speaker, that although there were constitutional rights, we have built a whole new superstructure of taxation arrangements which in effect have modified and altered the constitutional basis, and the reality is, Mr. Speaker, that there is just a whole host of provincial and federal government programs in which there is participation and involvement. And in every case, Mr. Chairman, the province has gone to the Federal Government and said, "Gimme, gimme, gimme, gimme." In every situation the province has gone to the Federal Government and said, "Gimme, gimme, gimme." The Honourable Minister of Northern Affairs indicates that we are negotiating with the Federal Government. How are they negotiating? They are saying to the Federal Government, "gimme".

A MEMBER: Rubbish.

MR. SPIVAK: Mr. Chairman, it is not rubbish. The reality is that the Honourable Minister of Finance was prepared at this time to indicate that direction in the hope that somehow or other he would influence the Unicity election and in the hope that he could transfer from himself and his department and his government, part of their responsibility on to that of the Unicity Councillors to indicate to them, or to the people, that they are to blame for the high cost of taxation and, Mr. Chairman, for the lack, you know, for the lack of activity in the many areas that the city have to undertake.

Mr. Speaker, in the Finance Minister's terms, every negotiation between Federal and Provincial Government is a gimme. In his term, every negotiation realistically between a committee of the council or a group dealing with any department or with the Minister of Finance is a gimme. The reality, Mr. Speaker, is that it shows an utter contempt for the system in the sense of being fair and honest as to how we operate, and again, Mr. Chairman, ignores the reality that the urban areas and the municipal areas are not going to be in a position and are not able to meet their requirements.

Mr. Chairman, it was an unfortunate statement by the Minister of Finance, and I have a suspicion that he regrets it very deeply at this point. He has put himself in a position of very simply being characterized for what the New Democratic Party government is, a government that was prepared to allow Unicity to come into creation, that indicated that it would help with its task force in planning the unification that would take place, that indicated they would be prepared to participate in order to allow the people to make the decisions for themselves, to be

## WHOLE HOUSE - BILL 61

(MR. SPIVAK cont'd) . . . . able to advance the lofty aims and purposes in which he presented the initial Unicity debate, but who at this point is taking the position that with respect to the requirements that are needed to meet the needs, the growing needs and the problems, it's their problem, it's not the Provincial Government's problem, and to characterize their approach as that of being a beggar to the city, to the province.

Well, Mr. Chairman, let's, you know, put it on the table. This government has done nothing, you know, or has not been prepared to do anything unless there was participation, participation by the Federal Government. It has gone after every 50 cent dollar it could find. There are programs that are tailored only to meet, not the needs of people, but only to meet the requirements and availability of being able to draw out and suck out the federal money that was available. And, Mr. Chairman, the government knowing that that program wasn't sufficient, have not been prepared to increase it. Why? Because they couldn't get any federal participation. And we'll have an opportunity before this session's over to deal with some of those programs. But the reality is that the Provincial Government in its approach to the Federal Government has done everything possible to be able to draw out every bit of federal money that would possibly be available and to even ask for more, and they see nothing wrong with that approach, and yet he has the gall to stand up and accuse the city councillors, who have come forward with a proposal - and it may not be a correct proposal but it was indicated in that proposal that they had difficulty in meeting their requirements - and he has the gall to characterize that as a begging kind of approach on their part, as being one in which he is sick and tired of listening, and yet to a large extent the problems now, Mr. Chairman, the problems now are as a result of the leadership shown by the Minister of Finance as the Minister of Urban Affairs in bringing in the Unicity Bill.

So in debating this particular item, Mr. Chairman, we debate it on the basis that the particular way in which the tax credit was being given does not deal with the problems of the taxpayer, it does not deal with the problem of the city or the municipalities, and it means for the city and municipalities an inability for them to be able to have the resources to meet their requirements. But, Mr. Chairman, the Honourable Minister of Finance's statements today have, I believe, added a new dimension to this debate, because, Mr. Chairman, what they have done is indicated the attitude of the government, which is really one which is to allow the municipalities and to the city to deal with their problems, to raise their own money, to take the political consequences, and at the same time, Mr. Chairman, not to provide the kind of recognition that it provided earlier when it introduced the Unicity Bill, with the recognition that there would have to be provincial participation to assist and help.

Mr. Chairman, we're not going to build the bridges in the City of Winnipeg unless there's participation between the province and the city, and that means when the city comes to the province they're going to ask for a gimme. We are not going to be able to deal with urban renewal unless there is going to be participation between the city, the province and the Federal Government. And that means when the city comes to the province for that program that's going to be a gimme.

Mr. Chairman, there is not going to be a program of major consequences in the City of Winnipeg that is not going to occur without provincial participation, and what we really are talking when we talk in terms of a gimme is negotiation. When you negotiate, Mr. Speaker, you negotiate because the common purpose of both the city government and the provincial government is to enhance the quality of life. The reality, Mr. Chairman, is that the urban area of Winnipeg, the urban areas in this province and the municipalities do not have the financial resources to meet the basic requirements of service that they are to provide for their people, and that has been expressed over and over and over again by this government when it approaches the Federal Government for money. The reality is that under the superstructure of tax system that we exist today, the Finance Minister and the other Ministers and the First Minister negotiate day after day with the Federal Government to try and get participation from the Federal Government in a whole host of programs, whether it be the NorthMan Program or whether it be for Saunders Aircraft or whether it be for any other programs, and I could mention them. I don't have to now, we all know that. But to characterize the government's negotiation with the Federal Government as a gimme and to characterize the city's approach as a gimme which is to suggest a begging kind of thing . . .

A MEMBER: I think you said that already.

## WHOLE HOUSE - BILL 61

MR. SPIVAK: Yes. I've said that already. Well, you know, I will repeat it as much as he repeated the gimme, gimme, gimme, gimme, gimme, gimme part. You know as a matter of fact, I believe, and as I've indicated, I think that the Minister of Finance will regret the statement that he made today because I think in many respects it exposes him and exposes the government in a way that they would have liked to have remained unexposed. And I'll tell you why. Because they wanted to talk the rhetoric of revenue-sharing, of participation in growth taxes. They wanted to indicate that when we go from \$10.60 to \$12.00, that when we put in the pool of money another \$2 million for the municipalities and urban areas, we are letting them participate in the growth of the revenues that are coming to the province. Well do we have to look at what the growth of the revenues are? Yet the growth of the revenues is \$100 million, and if we give a couple of million dollars to the municipality we are saying, "We are letting you participate to the extent of two percent."

Well, then we would have to look at what the cost of services are and who are charged with the main services, and we have to suggest at that point whether this is correct or not. The fact is, until the Minister made the statement, the government's position was, we are participating with the municipalities in an arrangement which is in their best interest, which gives them an opportunity to be able to gain, to be able to gain over a period of time, as provincial revenues go. But even this, Mr. Speaker, recognized that there still would have to be negotiations, bridges, urban renewal and a variety of other matters that I could bring up at this point, and in every one of those situations those negotiations have to be based on goodwill, and the fact that the City may come and ask for more than it is entitled to, does not in any way suggest that the Provincial Government shouldn't be negotiating with them. The fact is - and I repeat again, Mr. Chairman - either we're going to deal in this Legislature, and the Government's going to deal with the problems that really face the City of Winnipeg, or they're going to try and, you know, create the facade and play a game and a charade as to what really is happening. The fact is the growth participation is minimal and does not meet their needs. The fact is that the problems are not being met. The fact is that the government, in my opinion, has tightened, tightened its vise because of the Unicity election, and I say that very directly, Mr. Chairman, because one has to look at that surplus of money, at \$52 million, from last year, and one has to say if a government had a surplus of \$52 million, recognizing the need, recognizing the necessity for new directions, there could have been the negotiations to provide for some of those new negotiations, if they wanted to do that.

MR. CHERNIACK: We did do it.

MR. SPIVAK: Oh they didn't -- that they wanted to do that.

MR. CHERNIACK: We reduced taxes.

MR. SPIVAK: Well, Mr. Chairman, the reduction of taxes to a large extent in this province have come as a result of the benefits of national equalization from the Federal Government and . . .

A MEMBER: It didn't reduce my taxes at all.

MR. SPIVAK: . . . yes. This bill, Mr. Chairman, is part of that shell game. To try and give the taxpayer back part of the money and in reality not deal with the municipal and city people who have to deal with the problems. And then to characterize their approach to the government for support as a gimme and as a begging situation on their part.

So, as I suggest, Mr. Speaker, it reflects in my opinion - and I'll close with this at this time, this statement - it reflects really the same kind of almost contempt and arrogance that was demonstrated by the Prime Minister when he said, "Why should I sell your wheat?" Because the reality is that he's involved in the sale of wheat and his government was. When the Minister says to the City of Winnipeg, "They're always coming for gimme, gimme, gimme," that really does not represent what is the true situation and will be between the municipalities and urban areas with the Provincial Government and the Provincial Government with the Federal Government. The Provincial Government will continue and will always be asking the Federal Government for participation in this and that and will be doing the same thing that they're accusing the City of Winnipeg, and by the very nature of way which the tax system now operates and by the minimum amount of new moneys that are being offered to the municipalities and urban areas, they are continually going to have to be coming to the Provincial Government for participation and there will be continually new negotiations that will have to take place. And for the Minister to suggest that in some way these people are begging, are not handling their

## WHOLE HOUSE - BILL 61

(MR. SPIVAK cont'd) . . . . function correctly, are not doing the things that they should be doing, is nonsense.

The fact is, Mr. Chairman, and I repeat again, that with respect to the City of Winnipeg, and I have read all of the statements of the Minister of Finance when he was Minister of Urban Affairs, and I read all those lofty purposes, and I read his references to the documents and to the books which indicated what a Metropolitan city should be concerned with, that is the types of programs that have to be carried on, the needs that have to be met, which was the purpose of the Unicity Act, you know it's inconceivable for the Minister to have believed that the City was in any way, shape, or any financial shape, able to tackle any of these problems without participation and the assistance of the province. It was inherent in all he said that these problems would have to be met as a result of consultation and negotiation, and his statements about gimme, gimme, gimme are directly opposite to the kind of direction and thrust that were involved in his initial statements. And they do not, Mr. Chairman, deal with the situation today, and the proposals of the government do not deal with the needs of our municipalities or the City of Winnipeg, and the kind of fundamental changes that we are talking about are going to have to take place because it is impossible for either the city or the municipalities to be able to live up to their obligations, and for the kind of essential services that have to be provided by them to be provided, unless there will be more participation with the government, and that will only come as a result of consultation, and that will only come as a result of negotiation, and that will only come as a result of discussion. And those meetings will have to take place, and it would be incorrect, Mr. Chairman, to suggest that the people who try to bargain are bargaining by simply asking the province for gimme, gimme, gimme or gimme this.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. J. WALLY McKENZIE (Roblin): Mr. Chairman, my remarks will be reasonably brief and I'm not an authority on Unicity or the jurisdiction of the municipalities in the greater area of Winnipeg, but I have a few comments that I'd like to put on the record regarding the municipalities in rural Manitoba as related to this Bill, No. 61.

Mr. Speaker, I think that this Session of the Legislature has never proved more to this government that this socialist dream and its ability-to-pay principle that they've been espousing and riding white horses all across this province for the last four or five years, has finally come to a halt, because all of a sudden there is a shortage of money; you drive around this province today there's no roads built; the roads are in the most horrible condition that we've ever seen. So, Mr. Speaker, I say with regards to this bill that's before us today, it's time that the government woke up and recognized that you can't play politics with the taxpayers' dollars of this province the way they've been trying to do with this ability-to-pay principle and the rebate system. And I'll give you several examples and I hope the Honourable Minister will stand up when he replies and give me some of the honest answers that I would expect, not the kind of garbage we got from his speech this morning where he attacked us because we're standing up and fighting for the rights of the taxpayer in this province.

First of all, Mr. Speaker, if the Minister of Finance can show me because of the tax rebate system or the philosophies that's espoused in this bill, if there's one less family on welfare in Roblin Constituency, I'd like him to stand up and name that family. Can he show me one municipality in Roblin constituency that's better off by this type of legislation on the tax rebate system and the money that they're taking, drawing it off the taxpayers, taking off their collection funds, paying all their political people and then rebating it? Show me one. And those are simple little mathematics, Mr. Speaker. I say, is there less poor in Roblin constituency than there was when this government took over? I say no, there's not. And let the Minister of Finance show me, with the tax rebate system and the philosophy and income taxes spelled out, are there less poor in Roblin constituency today? I say no. Are there less in Swan River? I say no, there are not. Are there more problems with the municipal people in the fact that they can't do the things that they normally used to do before? There are more problems. The municipalities have all kinds of problems. They can't even build their own roads because they got no dollars, because this government's filtering off the dollars, and the municipalities of this province, who can they tax? Who can the municipalities, the rural municipalities of this province tax? Because this government is filtering all the tax dollars that are available, 42 per cent income tax plus all these other programs, and they're giving it back with its gimmicks.

What about the new plan in Dauphin? Where are we going to go on that one? For people

## WHOLE HOUSE - BILL 61

(MR. MCKENZIE cont'd) . . . . today don't want to work. And the Minister of Finance stands up here and tells us day after day, with the ability-to-pay principle and the tax rebate system and all this, that Manitoba's better off. I suspect when we were government there was no pilot project set up in the Dauphin area to try and help the people that can't help themselves. They could help themselves in those days, Mr. Chairman. But today government's coming and trying to bail people out with the ability-to-pay principle and using the taxpayers' dollars of this province for political gain, and I don't buy it.

So I just ask the Minister of Finance, when he replies, are there less poor in Roblin constituency today than there were four years ago? And let him put the facts on the table. I say there are not. I say there are more poor people today than there were four years ago.

MR. CHAIRMAN: The Honourable Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON (Sturgeon Creek): Thank you, Mr. Chairman. I would first of all, Mr. Chairman, like to congratulate you for your ability in the Chair as Chairman of Committee. This is the first time I've had the opportunity to speak while you were in the Chair and I would like to say that I would prefer the present Chairman with his abilities and calmness to other chairmen. Let's leave it at that.

I would like also, Mr. Chairman, if you will allow me, to thank the Minister of Education. Just in the interim of coming down the hall I met the Mayor of, I believe, I don't know whether I'm pronouncing it properly - who did not speak English, and I had the opportunity to speak to him and the Minister of Education was kind enough to translate my words to his and his to mine and we had a conversation. And I would, Mr. Chairman, like to thank the Minister of Education for his consideration on that particular situation.

The Member for Radisson may kid about that but it's very gratifying to me to know that any member of this Legislature would help another out to communicate with somebody from another country while they are here in this Legislature.

Mr. Speaker, this morning I had the opportunity to speak on this Bill in second reading and my words must have irritated the Minister of Finance a little bit, because he took a lot of time to mention the Member from Sturgeon Creek, and I guess that is gratifying. I guess one could say that if I can get the ire of a Minister up or get him that concerned to be annoyed enough at me about what I said, that I must have hit a very, very tender note somewhere along the line.

Mr. Speaker, I go back to a television, Mr. Chairman, I mean I go back to a television interview with the Minister of Finance, and he basically in that television interview said that there was really no reason for the City of Winnipeg, when we get into amalgamation, to amalgamate everything all at once. In other words, he was saying let's have the proper tax base, as he said this morning, let us have all of the amenities for one area of the city versus another, but there was really no reason to rush into an amalgamation of the city on the basis of maybe fire, police, etc. And I believe the television program kind of closed off when I said to him, "Do you really believe that if you put 13 cities and municipalities into one, that you cannot pay the salaries, or you cannot bring them all to one level?" And, Mr. Chairman, I would say also that I mentioned CUPE this morning while the Minister was speaking, and I would apologize to you, Sir, and the Speaker who is not in the Chair for my comments from my chair. It's not becoming, but sometimes when somebody is speaking you can become kind of upset, you can become very upset when you have a speaker of the calibre of the Minister of Finance, who has the ability to shift and change as he pleases with your words.

So, Mr. Chairman, I would say that what we basically said to the Minister of Finance when he was in charge of Urban Affairs was: don't go too fast. We said to him, "Please don't go too fast. If you want to pass the bill, at least take a year to work it out." But we couldn't get him to do this. So after our pleadings the bill was passed and now we're in a situation of what we call tax rebate.

Mr. Chairman, I also might have said this morning as I in my comments yesterday that I thought the Ontario Government was crazy, or wrong, for tax rebate. And I really don't withdraw that. I think anybody that goes into the tax rebate system is wrong, crazy, because I believe that, as a salesman, Mr. Chairman, or maybe I would better call myself a pedlar, just a guy who sells materials, that firmly believes that anything that you're selling, the professionalism of it, is that people will come back to buy, because we sell a good product, and that is basically the professionalism of selling. The professionalism of the government of the

## WHOLE HOUSE - BILL 61

(MR. F. JOHNSTON cont'd) . . . . present day is they sell a product which has been proven wrong no matter where it's ever been sold, which is socialism. It has failed. So we have a government who is selling a product which has failed almost, and I would say in every case, which has failed. And they keep coming back, and they keep coming back on the basis of the Minister of Finance when we passed the City Bill and he commented many times this morning on the basis of, you know, why would they, after we passed the One City bill, want to do everything all at once? And the comment came up about CUPE.

Well, you know, Mr. Chairman, I can only give you an example and I gave the examples of my constituency in my area before. In the area of St. James-Assiniboia we had playground supervisors, playground workers, swimming pool attendants, skating attendants, all of them who had worked with us from 1972, the beginning. And when he says that I blame CUPE, I can say to you that there are boys and girls, skating attendants and life guards, who haven't worked for the city for at least a year, because of negotiation, have applied because of the union agreement for their back pay, and many boys and girls of the City of St. James - and I don't say there's anything wrong with it - have received cheques for \$400.00, \$500.00. One attendant in the Civic Centre of St. James-Assiniboia got \$6,000 back pay and was elevated to a salary of \$4,000 more than he made before. And the Minister of Finance says, you know, we didn't have to do it. We didn't have to do it, he said. But he said the City Councillors didn't have to keep going ahead and making all of these changes. He wonders sincerely why the Police Department would have - we had 13 cities and communities with police departments - and he wonders very sincerely why, when we have an amalgamation of police departments, why we would add men. Well, the answer is simple. By answer the Minister's statements this morning it's very simple. The Chief of Police of Winnipeg said, "To amalgamate, to amalgamate and have one police department I would need 83 men downtown in the Administration."

MR. CHAIRMAN: Order please. I just refer the honourable member to Rule 64 (2) which requires that speeches in Committee be strictly relevant to the item under discussion. The item under discussion is 4.1(2), which is deductions for property taxes from income tax. I assume the honourable member is bringing around his argument to that topic.

MR. F. JOHNSTON: Thank you, Mr. Chairman, and I might relate to my colleague's comments that I had made some very fine comments about you earlier and still couldn't get away with it.

But we will get to that, and I'm only commenting on what the Minister said this morning about the fact that we didn't have to, for deduction of property taxes, for deduction of property taxes, which would be less to people if the City of Winnipeg or if the people of Manitoba or the aldermen or wherever they may be, would take the opinion of not expanding. But the expansion has to happen. It has to happen because this government legislated the bigness, and bigness is costly; it does not save money.

Mr. Speaker -- Mr. Chairman - and I would like to remember, Mr. Chairman, because I want to keep buttering you up - Mr. Chairman, I would like to refer to a section in 1973 called "Taxation Comparisons Including Details of Proposed Manitoba Tax Cuts." And I look across at \$10,000 gross, and this morning I used \$6,000 net, but I look across at \$10,000 gross, and the heading is Tax Under Former Government, Personal Income Tax 459; Health Tax 204; total taxes \$663.00. And then I look over a heading, Sir, that says, Tax Under Present Government, 527; no health tax; tax credit 139; Total taxes 388. So we have a saving of \$275.00. But, Mr. Chairman, that \$275.00 saving is on your personal provincial tax only. He did never -- you know, this is what we say, that the deduction of property tax that they are claiming everybody has, they use the deduction of property tax under provincial tax. They use the deduction of the rebate under education and they use it under real taxes as well.

A MEMBER: Three ways.

MR. F. JOHNSTON: They use it three ways and this is the shell game that I spoke about this morning. Mr. Chairman, if this government wants to keep saying that I have a tax rebate or a deduction on property tax, let's put it under deduction of property tax. Don't let's say it's a deduction of education or a deduction of personal income tax, provincial income tax, let's call it property. But this still hasn't happened; the Minister of Finance still doesn't allow it to happen; and when I brought this up before, nobody argues with me that a person was paying more taxes today than they were in 1969. The argument now is, Mr. Chairman, that they're only paying \$107.00 more than they were in '69. And the argument that the Minister put

## WHOLE HOUSE - BILL 61

(MR. F. JOHNSTON cont'd) . . . . forward regarding deduction of property tax was because of inflation, because of all of the higher costs, that \$107.00 wasn't that much. But, Mr. Chairman, this Finance Minister, and the First Minister, and this government generally got up and they said, "We have eliminated, we have eliminated the Medical Tax and we are giving you back" -- in this case in 1974, \$190.00. They got up and they made a big thing of this. This side of the House, or the Opposition, argued with them at that time that nobody was getting anything, and here we have a person in '69 in total taxation, which is, Mr. Chairman, the total taxation has to take in property tax, we have a person paying a total of provincial taxes, real taxes, which comes to a total of \$1,246.00 if you earn \$6,000 a year net and you have an \$8,000 in assessment, and you get \$190.00 back and you're paying \$1,056.

Now, Mr. Chairman, the situation is really this, is that the government continually tries to mislead people, continually tries to mislead people that they are not paying as much taxes; and when we prove them wrong, the Minister says, "Oh, they're only paying \$107.00 more." But nobody on this side of the House ever said that we are taking your medical from you and we're giving you \$190.00 back. Really, when you add the medical into it which they said they eliminated, and when they said, "I gave you \$190.00 that adds up to a position of nearly over \$400.00 which they said you don't have to pay any more.

A MEMBER: That's not right, Frank, you know that.

MR. F. JOHNSTON: And it's not right for one reason, because you are paying it. You are paying it. Any elimination of the medical and the \$190.00 that the government says they're giving back to you, is right here in our taxes today. And the Minister of Finance seems to think that he can get up and talk around the subject. Mr. Chairman, the people of Manitoba are paying more taxes. They are not getting the benefit of what the Minister says they have given back, such as medical, or \$190.00, because when you take the medical, which is \$204.00, and when you take the rebate, they are still paying more taxes. You know, we take all of these things; the government says, "I am now paying it," but the people of Manitoba are still paying more taxes. And Mr. Chairman, I just wish, I just wish we could get across to the public of Manitoba that no matter what this government says as far as rebate, as far as medical is concerned, that we have given you all these things, that they are paying for it in the long run and they're paying more for it than they did in 1969.

Mr. Chairman, the Minister speaks of the City of Winnipeg. --(Interjection)-- Well, Mr. Chairman, I would rather address my remarks to you because I heard a voice from nowhere asking me about saying it with a straight face. Mr. Chairman, that voice from nowhere keeps coming across the House continually. I would venture to say that I don't think he's ever read a bill, but it's one of those things that we all have a cross to bear. But the situation is that we are still paying more taxes, and the Premier says when we take it off yearly provincial taxes you're paying less, but he doesn't mention education taxes and he doesn't mention the other taxes that have been put upon the people of Manitoba.

Mr. Chairman, there was quite a bit of discussion about deduction of property tax and how we help the City of Winnipeg, and I could probably, I could probably be criticized for the statement that I am about to make, that the City of Winnipeg has to make it on their own. The City of Winnipeg has to take a close look at budgets. The City of Winnipeg must do what the Progressive Conservative Party provincially has said, and I don't know that they're all of one party in the City of Winnipeg, but the aldermen of the City of Winnipeg must, as the Minister of Finance has said, take a very close look at the expenditures of government, just the same as the Progressive Conservative Party of Manitoba has said, if we were in office we would take a very close look at the expenditures of government. And, Mr. Chairman, I have a colleague, the Member from St. James who was a City Councillor, and I have an awful lot of respect for him and the Member for St. Boniface, and I know that they have racked their brains out trying very hard to keep the mill rate down in Winnipeg. I know that the situation which was placed upon them by this government is almost impossible because of the example I gave you of amalgamation, the example I gave you about the increases in salaries because of union negotiations, the example I mentioned about increasing a police department and the police chief saying that "I must have 83 new policemen," not out policing the city, but in the administration offices downtown. This is the position that the Minister of Finance has put the City of Winnipeg in.

He mentioned many times in his speeches this morning that he was a Winnipeg alderman, and I know that he was a Winnipeg alderman, I know he was a Metro alderman, but I have never,

## WHOLE HOUSE - BILL 61

(MR. F. JOHNSTON cont'd) . . . . I have never known him to give any opinion other than he was a Winnipeg alderman or a Metro alderman. I have never known him to give any opinion or any survey or any research or any study or anything he ever did working with the other municipalities. He just assumed that we were all leeches upon the City of Winnipeg. And it would have been desirable to have a person who passed Bill 36, who put Bill 36 through, who would have had the courtesy, who would have had the courtesy to go out to the other cities and municipalities in the City of Winnipeg and see how they operate. But he approached it with a closed mindedness, a closed mindedness, Mr. Chairman, which wouldn't help property taxes in the City of Winnipeg. He believed that bigness, he believed that control by the City of Winnipeg, he never believed at any time that deduction of property taxes might have been better done if he'd only looked about his experience with the City of Winnipeg and Metro and realized that there were other cities and municipalities and people with as much or more experience than he had.

Mr. Chairman, if the Minister is going to talk to me across the House as I did with him this morning, I will consider to answer him like West Kildonan, like many other -- two or three other cities and municipalities, who definitely did not have the services of St. James or St. Boniface or many others, and who could have by the process of amalgamation, slowly had the same benefits. But no. The Minister decided that it must all be done in one fell swoop. And the movement of the City of Winnipeg into one city, into one city in one fell swoop, caused a situation which is costly to the people of Manitoba, and for the Minister this morning to say, for the Minister when he said this morning that he really didn't believe that amalgamation was the reason for added costs in the City of Winnipeg, you know, it's just dreaming; it's just dreaming.

So, Mr. Chairman, it's all very well for this government to stand up and play the game, the shell game, with the pea or the bean under the shell, and say as they did in 1973, that I have deducted, I have deducted the tax rebate off your provincial taxes. It doesn't work. Because the Minister of Education deducted the tax rebate off the education tax, and the Minister of Mines when he was speaking he deducted the rebate off the real tax. There is only one way, Mr. Chairman, that this can be looked at as far as property taxes are concerned in the City of Winnipeg. It is that you take your costs, you take your costs which are your provincial taxes, you take your costs which are your real taxes including education, and you add them up and then you deduct your rebate which is given you, and you will find that in most cases people are paying more taxes than they did in '69, and for the Minister to say that "this was a little bit of an increase over '69" is wrong, because the Premier and he were the ones that said that "we have taken these taxes off your shoulders. You don't have to pay them any more," he said.

So isn't that rather a good argument for leaving the money in the people's pockets, not having a rebate system? Isn't that really a good reason for leaving it in their pockets because we do know, we do know that they're paying more now, more now after the government has taken all of these things off their shoulders and given them a rebate, they're paying more now than they did in 1969. Plus an interest on the money, plus the cost of administration, plus the cost of advertising, which the Minister brought out this morning regarding property taxes in Ontario, and he just really loved to read out this ad. I told him, I think I mentioned earlier this year, Mr. Chairman, what he could do with that ad in the paper, but he really, he really believes that because he comes up with a formula which costs people more, because he advertises it, because he spends close to \$500,000 advertising it in Manitoba, that the people will swallow it.

Mr. Chairman, the Minister of Finance when he was the Minister of Urban Affairs, when he was talking property tax, when he roamed around this city trying to get everybody to agree with him, he found little or no agreement but he pushed it through anyway, because he believed that bigness was better. He believed this because he's only been a councillor in Winnipeg or a Metro councillor. He never ever really studied the problems of the other urban areas. He never took the time to find out that St. James-Assiniboia was the wealthiest city per capita on the North American continent. He never took the time, he never took the time to find out how we came from receivership to doing it.

A MEMBER: How?

MR. F. JOHNSTON: How? He never took the time to find out how. The Member from Winnipeg South Centre is talking about property taxes and deduction of property taxes. He's

(MR. F. JOHNSTON cont'd) . . . . wondering how the City of St. James-Assiniboia made that accomplishment and did that and the Member for Winnipeg Centre hasn't taken the time either. Certainly they were in receivership and, you know, in fact there was a time -- if you want to go real back in history about taxes in that area and taxes in the Winnipeg area, Assiniboia kicked the City of St. James out. They said, "Those bunch of poor little fellows, we can't tolerate handling them." So, Mr. Chairman, the property taxes that we're speaking about for the whole of this area could be in a much better situation if the Minister of Finance had only had the guts - and I say the guts --(Interjection)-- yeah. If he only had the internal fortitude to go out and find out how other cities and municipalities in this area operated rather than his opinions - and I must notice the Minister of Mines is there at the present time, his opinions also - which was strictly Metro and Winnipeg-oriented, which said to hell with all the little cities and communities, if they'd only had the fortitude to go out and find out that these cities and municipalities were well run; they had good property taxes; and I must, Mr. Chairman, mention property taxes, because they had good management, and they were Metro or Winnipeg councillors who felt that we bred on them. We bred on them because we had the ability, we had the ability to go ahead and take a look, we had the ability to go ahead and take a look what was a good situation for our area.

The City of Winnipeg never did that while the Minister of Finance was a councillor. It would have been marvelous if the City of Winnipeg had developed McPhillips Avenue to get the property taxes down. But no. They wouldn't do that. Right beside the airport there was a good tax base to have industrial come. No they didn't do that. But they like to criticize St. James because we did it. They like to criticize Fort Garry and other places because they did it and they like to stand up and say our property taxes in Winnipeg are higher because all these people around us are doing things that are constructive. But no. No. The City of Winnipeg during that time and the councillors at that time used to believe that they couldn't make it because we were all there, all the other cities and municipalities. And, you know, the thing is they could have made it, they could have done wonders, and they never did it. They just chose to criticize the other municipalities for their good business, their good business practice.

Mr. Chairman, for the Minister of Finance to blandly get up and say that bigness makes efficiency is rot, because it doesn't. He believes it does and it doesn't - we have proved that. For him to say that we didn't need to amalgamate all the services, we didn't have to pay salaries in Fort Garry the same as St. James after he made it one city is rot, because it had to happen. For him to say that the City of Winnipeg shouldn't have hired extra people to administer an area that's 500,000 people is rot, because it has to happen. But he went blindly ahead with his recommendations from people from Ontario, putting a property tax on this area which is going to become second to none in increase in that period of time. Three years. Three years we go from, in St. James-Assiniboia, 53 mills to 91.

A MEMBER: That's a record.

A MEMBER: Not quite, not quite.

MR. F. JOHNSTON: And, Mr. Chairman, the Minister again - and we're in Committee on this bill - the Minister again wonders why we on this side of the House cannot support a tax rebate system, a tax rebate system. After you've given us the rebate, after they've taken the medical costs off us, we still pay more taxes than we did in 1969.

Mr. Chairman, the arguments will be given to us by the NDP Government continually and they will argue that this should happen. We will get the arguments about federal, provincial and everything else. We will get the criticism that the Winnipeg aldermen are not tightening their belts as much as they should and I did mention earlier maybe they should tighten them a little more. But when you throw a complete hodgepodge onto them as the Minister of Finance did - Mr. Chairman, I should say it wasn't really the Minister of Finance. He took the bill through the House but I will never forget the day that the Minister of Mines stood up in the chair that is right over there instead of over there and said, "I have waited for this day" and I am paraphrasing at this time, "I have been waiting for this day that I could put this type of legislation through to make this all One Big City." And again I'm paraphrasing. He was very proud of it. I wonder how proud he is of it now. I wonder how proud he is of it because earlier when we were talking about property taxes, etc. he said, "I really am happy, I really am happy that it's, you know, it's gone together so well. It's gone together so well, you know. There hasn't been any problems to speak of. We've put it all together and it seems to be working reasonably well," and I mention again I'm paraphrasing, but I believe the Minister was happy, happy about the way things have gone so far. And I wonder if the Minister is happy about the fact that mill rates because of bigness have gone, in my area anyway, from 53 mills to 91 mills in exactly three years. That is a . . .

## WHOLE HOUSE - BILL 61

MR. CHAIRMAN: Order, please. The honourable member's time has expired. The Honourable Member for St. James.

MR. GEORGE MINAKER (St. James): Thank you, Mr. Chairman. As one of the former beggars from the City of Winnipeg Council, I have to interpret what the Minister of Finance said today in his phrase "gimme gimme, gimme" that the councillors of the City of Winnipeg are beggars and I am now waiting with anticipation for the comments from the First Minister on his opinion of the Mayor and the City of Winnipeg Council because we heard the opinion of the Minister of Public Works, who called us at that time, the City Councillors and the Mayor, a bunch of amateurs. We now have proceeded to the front row of the Government, the Minister of Finance, who has now called them or implied that they are beggars, so we are waiting with great anticipation to find out what the First Minister of the province has to say with regards to the City of Winnipeg Council and the Mayor.

I would say it again if I was a Councillor for the City of Winnipeg, that they should come to the province, the Government, and ask for their share of taxes - ask, not say "gimme, gimme, gimme". They have never said gimme, gimme, gimme. Because I believe that whether it be the City of Winnipeg or the City of Brandon or the towns and municipalities, that they do deserve a share of the growth taxes. And I say this because what are our municipalities and urban areas providing in the way of physical services to the communities that contain the facilities where these growth taxes are collected? What kind of services are the cities and municipalities giving? An awful lot of services. And if these services have to be cut back, if they have to be eliminated, some of them, then obviously the facilities that are housed in our towns and our municipalities and our cities, many will shut down or many will close and move to another city and obviously our taxes and revenues will suffer. And I suggest, Mr. Chairman, that because of the services that these municipalities and towns are providing that they deserve a share of the growth tax. I believe it's only fair that they should get some share, and they're not saying gimme, gimme, they're asking for their proper share because what in turn is the province providing in terms of giving towards providing assistance towards these services?

Well, Mr. Chairman, the Finance Minister today said, "Well we're giving a grant for the City of Winnipeg Park, \$1.9 million." Then in typical high-priced lawyer fashion hetwisted it around and made a few comments that there was no contribution whatsoever towards the parks and so on by the former City of St. James or St. James-Assiniboia. And I might remind the Finance Minister, the Honourable Finance Minister, that prior to the amalgamation into one City I believe the Metro tax that the City of St. James-Assiniboia paid towards the services for the whole City of Winnipeg at that time, the Metro Winnipeg, was somewhere in the order of 52 percent; 52 percent of the municipal taxes that were charged in the former city, 52 percent of the taxes that were collected for municipal services in the City of St. James-Assiniboia in 1971 went to Metro. And yet he tries to imply, Mr. Chairman, that the suburbs did not contribute anything towards the common type of facilities that were being shared by the different communities then, and in some cases operated by the City of Winnipeg or in this case they would have been operated by the Metro Government. So, Mr. Speaker, in addition to that, in speaking on this clause with regards to property taxes, the Finance Minister indicated that the increased costs of the new City more or less had to be blamed on the City of Winnipeg itself, not on the fact that it was caused by one uniform city. And I suggest, Mr. Speaker, that I would concur that not all of the cost can be blamed on the one city concept but I would say the major portions of the increased costs surely can be driven back to the point that when the decision was made here in this Legislature some three and a half years ago, that the cause of that legislation has increased taxes at a spiralling rate never before experienced in any city that existed prior to Unicity in this area. Mr. Speaker, to give an example, my colleague from Sturgeon Creek indicated the increased taxes that have occurred over the past three years in our own area which have represented somewhere in the order of 64 percent, that's more than 20 percent a year the taxes have gone up. And not only that, if we want to look at what the - and I don't agree with the government's side - the fat cats as they would refer to them, I refer to them as citizens of our province in Tuxedo, their taxes have gone up 246 percent. So that you're looking at a range of tax increases that are not going to be alleviated for the majority of people with this type of property tax deduction that is being proposed in this particular bill. It is a stopgap measure. It's not even a stopgap measure for the problems that are faced by the municipalities and the urban centres in our province and which is

## WHOLE HOUSE - BILL 61

(MR. MINAKER cont'd) . . . . automatically reflected back in the property taxes that our citizens have to pay for their homes and properties.

The Finance Minister also indicated this morning that why the need for an increase in regards to police force in the City of Winnipeg, and I might comment that that is one area of service which has been held to a minimum growth for the past three years but how long can you hold it to that level? And obviously I would presume that the City Council has decided that they can no longer run at the level that they have for the last three years and are deciding to increase some of the forces.

Mr. Chairman, we can continue to discuss the problems that our urban areas are facing and the towns and municipalities, and we can go on and on discussing it, but until the government decides and realizes that they cannot take this attitude that they have taken, that people from elected representatives from the villages or the towns and the cities come to them. They obviously look at them as beggars because that is the attitude that I have received on this side from the Honourable Minister of Finance in his comments this morning that, you know, why don't they do it? It's their problem. But I suggest again, Mr. Chairman, that there is I think a responsibility of this government to recognize that these particular governments are providing a service that the government is benefitting by when they collect the revenue taxes from the facilities that are housed, protected and serviced by these municipal governments. Because if these services are withdrawn then obviously the government to protect its own interest, the Provincial Government, would have to take them over, and this basically in my opinion is the approach to this taxation that we have before us, is that they wish to gain control.

There's no doubt about it that the grant structure that they presently have is always tied with some kind of control for the province that when they do provide the grant structure or any kind of grant to an urban government which again reflects back to the taxes paid by the citizen, that they always want an element of control in there. They are not able to commit themselves or they don't want to commit themselves to some ongoing financial commitment. They have refused to date, as far as I can see, of committing themselves to any ongoing financial commitment to the municipalities or urban governments in regards to some kind of relief to the spiralling cost other than this particular approach that they have taken in property tax rebate, which is not a solution to the problem that is facing the urban governments and the municipal governments which I have indicated reflect in property taxes paid by our citizens, and until the government takes a different approach to this problem and realizes that the urban areas should receive their share of the growth taxes for the services they are providing, we will continue to have the problem of spiralling costs in our different towns and cities and eventually, as I indicated this morning, our property owners will only be the province who could at that time afford to buy the homes, because the people at that point will probably no longer be able to afford the taxes to operate their homes, and I think it's coming to light in my own case where the property taxes on my house, which is not a big home, is representing something like 63 percent of the actual payment in principal that I put towards the moneys owing on my home. And I would think in other areas that it's probably a greater percentage, that annually the tax rate will almost match the amount of money that the owner is putting towards the principal to settle his mortgage.

This is what we're approaching very rapidly and I would think within the next two or three years that the taxes that are charged to homeowners will match the principal that they will be paying in many cases, and when that occurs I would think that many homeowners will be committed to sell their properties and if there is a glut on the market at that point the only people who will probably be capable of picking up the properties on the tax sales will be the government and they will achieve their objective of gaining greater ownership of homes. But I think this is wrong and it all ties back to the concept of what type of taxation relief do we want for our people, and I suggest that the government review its present policy and take a look at providing some of that sharing part of the growth tax with the urban and municipal governments so that we can in turn relieve the homeowner and taxpayer with the conditions that he presently has and cannot confront. Thank you.

MR. CHAIRMAN: (The balance of Bill 61 was read section by section and passed)

Committee rise. Call in the Speaker. Mr. Speaker, the Committee of the Whole House has considered Bill 61, and recommends it to the House without amendment.

IN SESSION

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

MR. JAMES D. WALDING (St. Vital): Mr. Speaker, I beg to move, seconded by the Honourable Member for Gimli, that the report of the committee be received.

MOTION presented and carried.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I beg to move, seconded by the Honourable the Minister of Mines, that Bill 61, An Act to Amend The Income Tax Act Manitoba, be now read a third time and passed.

MOTION presented and declared carried.

MR. SPEAKER: Second Reading. On Division.

MR. CHERNIACK: Mr. Speaker, could we have a recorded vote please? Yeas and Nays.

MR. SPEAKER: Call in the members. Order please. The motion before the House is third reading of Bill 61.

A STANDING VOTE WAS TAKEN, the result being as follows:

YEAS

Messrs.	Adam	Marion
	Asper	Miller
	Axworthy	McBryde
	Barrow	Osland
	Bostrom	Patrick
	Boyce	Patterson
	Burtniak	Paulley
	Cherniack	Pawley
	Derewianchuk	Petursson
	Dillen	Schreyer
	Evans	Shafransky
	Gotfried	Toupin
	Green	Turnbull
	Hanuschak	Uruski
	Johannson	Uskiw
	G. Johnston	Walding
	Malinowski	

NAYS

Messrs.	Banman	McGill
	Blake	McGregor
	Brown	McKenzie
	Craik	Minaker
	Enns	Moug
	Ferguson	Sherman
	Graham	Spivak
	Henderson	Watt
	Jorgenson	

MR. CLERK: Yeas 33; Nays 17.

MR. SPEAKER: In my opinion the ayes have it; declare the motion carried. The Honourable House Leader.

MR. GREEN: Mr. Speaker, I wonder if you'd call Bill No. 60, unless the honourable member wishes to call it 5:30. Well, Mr. Speaker, call it 5:30.

MR. SPEAKER: Very well. The House having arrived at an adjournment, the House is now adjourned and stands adjourned until 10:00 a. m. tomorrow morning. (Thursday) Committee members take note the committee meets this evening, 8:00 p. m.