

LEGISLATIVE ASSEMBLY OF MANITOBA

Thursday, 7 May, 1981

Time — 8:00 p.m.

SUPPLY — URBAN AFFAIRS

MR. CHAIRMAN, Abe Kovnats (Radisson): This committee will come to order. I direct the honourable members' attention to page 111 of the Main Estimates, Department of Urban Affairs, Resolution No. 118, Clause 1.(b) Administrative Salaries — the Honourable Member for Fort Rouge.

MS. JUNE WESTBURY: Thank you, Mr. Chairperson. I wanted to make some preliminary remarks in response to the Minister's opening statement, although I'm sorry I didn't hear most of it because I had to be out somewhere. At least if I'd been here I'd have listened and that might have been a change too.

Mr. Chairperson, a lot is said about the system of funding the city and frankly I have no objection to the block funding which was introduced in, I think, 1978. The thing that has been wrong with the block funding system is that the initial grant was too low. The initial grant was in fact a reduction from what had been received the previous year and this has been responsible for the unfortunate position that the city has found itself in ever since. They are finding themselves subjected to a number of pressures which seem to be as a result of the block funding grant policy of the Provincial Government.

The initial block grant was in 1978, \$30 million, when actually if that had been placed at \$37 million they'd have been adequately, perhaps for that year, meeting the city's needs. Now I am told by people at City Hall that they are relatively satisfied with the percentage increases since that time but it was the initial amount that has placed them in this unfortunate position that they're in now. In fact the increases keep up with inflation but the initial discrepancy is the problem.

They are also finding that as a result of other provincial policies, adequate revenue sources are not provided to meet the additional responsibilities that the city is faced with. An example of this that was referred to me is that the city is being asked by agencies to provide funding for things like mental health programs because the province doesn't provide enough funding. Now mental health obviously is not the city's responsibility but the city finance department is getting requests for help for matters and policies to do with mental health, and mental health is one of those things to which you cannot say no. If you say no you get a great deal of public pressure and the Minister of Urban Affairs knows full well, the system that develops in the city, where all of these or most of these decisions are made in a public forum, rather than in the private forum of the Provincial Cabinet or the Provincial Caucus and the public pressure is greater at the city level because of that.

The words that were put to me were, that you can't pass the buck the way the province does, because there's nobody lower than the city to pass the buck to. So perhaps the Minister can keep that

in mind when he is looking at his Estimates for next year.

In the matter of urban transportation and the city's recent purchase of buses; now the city wanted to purchase 30-foot long buses, which were more suitable to what was needed. They're more economical; they're more efficient. Flyer Industries don't make these buses and therefore, the city of course, bought the buses from another company, but because they didn't buy them from Flyer, there was no provincial assistance given. (Interjection)— Am I wrong in that, Mr. Chairperson? All right, that was the information I was given by a city councillor and if I'm wrong, I'll go back and tell him about it, so perhaps you'll answer me in a few minutes. I was told there was no provincial assistance given because they were not purchased from Flyer. Now I know that was the policy under the previous government, that they had to be purchased from Flyer.

The Minister wants to answer now, Mr. Chairperson.

MR. CHAIRMAN: The Honourable Minister.

HON. GERALD W.J. MERCIER (Osborne): I think perhaps I should — if the member has agreed, if I could just clear that up for her.

Mr. Chairman, I indicated in my opening Estimates, we included additional funds this year to increase the grant by 16.5 percent to allow for the purchase of the buses that the city indicated in November they wanted to buy and we imposed no condition on where they buy the buses. Then when they decided to buy the smaller buses, which were not available from Flyer and they decided not to proceed with the Sherbrook-McGregor Overpass, we reallocated some \$2.3 million worth of moneys in the Urban Transportation Assistance Program from the Sherbrook-McGregor Overpass Program to the purchase of buses.

Under the agreement between the Federal Government and the Provincial Government, which is the same as all other agreements, with all other provinces, that agreement requires tendering. It requires tendering if, for example, they had wanted to buy just on an agreed price from Flyer. They couldn't do that under the Urban Transportation Assistance Program; they have to tender. I believe they did tender and purchased the buses out of province, because they weren't available from within the province.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MS. WESTBURY: I appreciate that explanation by the Minister and I will so advise my City Council sources.

I don't know if the Minister made reference in his opening statement to the possibility of giving additional powers of taxation to the city to enable them to impose a sales tax or a fuel tax if it is their wish to do so. I personally would say that the Provincial Government would be wise to allow the

city to take the political responsibility for any decision such as that, instead of the Provincial Government getting rapped all the time for not giving the additional power of taxation to the city, but perhaps there's an element there that I am missing.

The concern with not receiving sufficient funding through the block grant and through these additional pressures to which I refer, Mr. Chairperson, is that the city cannot apparently, according to the Act, have a deficit budget and therefore the result is that property taxes have to be affected in the long run.

So I was asked to emphasize the fact that the initial block funding grant was too low and ask if somehow the government couldn't do a catch-up on that particular thing to make up for 1978.

Last year in this line I made reference to the failure of the government to do anything in the core area in the way of redevelopment and meeting the needs of people in the core area. It's rather difficult to say anything about that in view of the fact that a statement is to be made from the three levels, I think this coming week, so we will be waiting for the announcement to come on the Core Area Initiative, with the expectation that somehow these acres of parking lots that we see between Assiniboine Avenue and Portage Avenue particularly, can be converted into some kind of mixed development which will again attract people to the downtown area and which will provide the people who live there with the needs that they are loudly complaining about not being met.

There were reports, and in fact confirmed by the government, about the conversion of buses to electricity or alternate fuels and I know there is a study being done and we'll be getting the results of that before the end of the year. I hope that there are several alternatives being studied, that it is a comprehensive study, Mr. Chairperson, so that, you know, we don't have an expensive study coming out with perhaps only one or two possibilities, either of which, for one reason or another, could just prove to be impractical.

So, Mr. Chairperson, those are my short responses to the Minister's opening statement and I'll have more to say as we go through the Estimates.

Thank you.

MR. CHAIRMAN: (b) — pass — the Honourable Member for Elmwood.

MR. RUSSELL DOERN: The Minister has not replied to the opening statements made by a number of members and I would like to hear his response at this time. He's been asked questions on Block Funding, which really is the next item. I made a statement on the CPR. I'm very interested in what he has to say. I think he should make an initial statement and then perhaps we'll move on.

MR. CHAIRMAN: Order please. As far as debate on the initial opening statement of the Minister and the reply, that would be out of order. The item under discussion is Administrative Salaries and Block Funding would come under Clause 2. The Honourable Member for Elmwood.

MR. DOERN: I'm not interested in that item at this time. I will be when we get to it. I asked the Minister whether he has any response on the question of this

Legislature pressing the CPR to pay its fair share of taxes, or do I have to wait three days before I get a reply?

MR. CHAIRMAN: To the honourable member on that particular item, I don't see any other place where it can be discussed, but the block funding which was suggested would come under Clause 2. If the honourable Minister wishes to debate or discuss the CPR, it's up to him at this point.

MR. MERCIER: Well, Mr. Chairman, I will respond briefly to a number of matters raised. The Member for Elmwood, Mr. Chairman, in his opening remarks somehow tried to imply that the City of Winnipeg was being ignored because I had some other responsibilities. Mr. Chairman, members opposite, I suppose that's what happens when perhaps you go from Government to Opposition you sometimes perhaps forget what happened under your administration. Under their administration, Mr. Chairman, as I recollect, Premier Schreyer served as Minister of Urban Affairs at least on two different occasions while he was Premier of the Province and nobody accused him I don't believe, Mr. Chairman, of ignoring the city because he had other responsibilities. The Member for Seven Oaks, I believe, served as Minister of Urban Affairs while Minister of Education —(Interjection)— That's right, the Member of Inkster served as Minister of Urban Affairs, I believe, while he had other responsibilities. The Member for Burrows served in that capacity while he had a number of responsibilities. The Member for St. Johns served as Minister of Urban Affairs, I believe, while he had other responsibilities.

In fact, one of the difficulties I recollect, Mr. Chairman, being a member of Council while the New Democratic Party were in Government is that they changed Ministers so often that there was no continuity. As soon as they —(Interjection)— The Member for Elmwood says they burn themselves out. That may very well be a description of what happened to them, Mr. Chairman, I don't know, he said it. The Member for Fort Rouge will recall how often that administration changed the Minister of Urban Affairs, sometimes within six or eight months of a Minister serving in that portfolio. I know that quite often it was a great disappointment in those changes taking place because there was a lack of continuity and the new Minister would, as usual, have to take some time to learn the portfolio and what was happening and by the time he learned it, there would be another change. I recollect the figures, there were something like eight to eleven changes in the period of eight years.

So, Mr. Chairman, I must reject that criticism from the Member for Elmwood. I have certainly attempted, Mr. Chairman, to devote all of the time necessary and required to tend to City of Winnipeg matters. In fact, I think during the past year, Mr. Chairman, they have been particularly extensive, dealing with the core area discussions that we've had with the Mayor and with the Federal Minister.

In addition we've added the ARC program and that has required some attention; it's an important program, not only for the City of Winnipeg but for areas north and south of the city, but also for the city.

As I have in my notes, Mr. Chairman, the Member for Elmwood said the Minister should work full-time

on urban matters. (Interjection)— Well, Mr. Chairman, he says hear, hear — I guess the facts just don't sink in with the Member for Elmwood because I've just gone through the changes that have taken place and the other responsibilities that their Ministers of Urban Affairs carried. Mr. Chairman, I reject that criticism as I'm sure his former Premier would reject it.

Mr. Chairman, the Member for Elmwood raised a particular matter with regard to the CPR, Mr. Chairman, and he wondered what the Legislative authority was of this Chamber to deal with that bill that was passed in 1965, I believe it was, by this Legislature, as a result I understand it, of a resolution and by-law of City Council. I have not had an opportunity to obtain a legal opinion with respect to that question, Mr. Chairman, and I would like to do that. I know it has been a continuing source of resentment in city council. It was certainly there when I was there; it's probably there now. I think this whole subject matter, Mr. Chairman, would be a good one to raise with city council to see what their views on this question are at the present time and to try and work with them on this particular problem. I don't recall receiving, Mr. Chairman, any resolutions or any part of resolutions from city council since the formation of Unicity with respect to this matter but I can sympathize with the member's comments and with the resolution that he has in Private Members' Hour. Mr. Chairman, I think it would be worthwhile to obtain an opinion from legislative counsel with respect to this matter.

Mr. Chairman, the Member for Inkster indicated that there are too many civil servants in this department because there is no urban thrust. I think he is ignoring some extremely significant programs in the area of the Core Area Initiative, in the area of the ARC program. He indicated concern about transit fare increases. We have, Mr. Chairman, under the block funding concept, left that in the hands of city council to decide and city council has chosen to increase those fares; they've chosen to. As I read the figures in the City of Winnipeg current estimates I believe, Mr. Chairman, the increase in expenditures on transit this year is some \$5.1 million from last year's actual — they are raising the passenger revenue — and I think that's the result of increase in transit fares by some \$3.3 million. So they are taking a very significant increase out of this year's expenditures, out of an increase in expenditures of \$5.1 million in transit this year, we're going to recover \$3.3 million of that with passenger revenue in increased transit fares.

It's interesting to note the contradiction in the Member for Inkster's statements, Mr. Chairman, because later on when he talked about the Sherbrook-McGregor Overpass and he said that the province should make conditional grants, and on that one we allocated \$7.6 million to the Sherbrook-McGregor Overpass Project, and I supported that. He went on to talk about the Charter of Rights and if you analyze the Member for Inkster's position on the Charter of Rights, he argues rightly, I think, that the Charter of Rights would take away from the legislative jurisdiction of the province and from the discretion of the elected representatives in the province and than he argues that should not happen; that shouldn't be transferred to the courts.

At the same time he is saying, Mr. Chairman, that the province should impose conditional grants in the construction of street projects; that the province should impose restrictions on other increases imposed by the City Council and that we should, and he would if he were to form a government, take away from the elected representatives of the city, take away from their discretion and their decision-making power.

Mr. Chairman, it seems to me that he is arguing on the Charter of Rights that it should not go through, that the Federal Government should not do something that would take away from provincially-elected representatives decision-making power. At the same time, he wants to take away the discretion, in effect, the authority of elected representatives at City of Winnipeg Council. I don't think he can have it both ways, Mr. Chairman.

We have attempted to operate on the principle that members of council are elected by the ratepayers of the city and they should have the discretion to make the judgments, the decisions within their own mandate, Mr. Chairman. — (Interjection)— If you will bear with me, Mr. Chairman, perhaps I can repeat for the Member for Inkster —(Interjection)— Oh, you heard his contradiction. Sure he contradicted himself, Mr. Chairman. —(Interjection)— He is saying, "with their own taxes." Well, is he then saying, Mr. Chairman, that the province should provide no funds to the city? I think he might go along with that. I think he almost went along with that; he complains about the transit fare increases and he says the Progressive party would likely not increase the \$38 million block fund grant to the city, wouldn't give them any more money than that, might not even give them that much, Mr. Chairman.

But, Mr. Chairman, let's recognize that the Member for Inkster, the Leader of the Progressive Party, is being very political in what he is saying. Have we heard him say one thing, Mr. Chairman, about water utility increases? He never said one thing about that. Is the transit system more essential than water to the residents of the city? He wants to have lower fare increases so lawyers in River Heights can take the bus to work and ride home on the bus from work.

Mr. Chairman, socialists are socialists but I don't think you can bring socialism into every facet of government activity. I know the Member for Inkster would still like to do that. He has separated himself from the New Democratic Party in position but that dangerous philosophy is still there in everything he says, Mr. Chairman.

Mr. Chairman, he talked about Assiniboine Park. The province took it over as a provincial park and now he says that we have abdicated the city, and he says it from his seat that we have abdicated the city. He is completely wrong, Mr. Chairman. When we developed the block fund grant we included the support because all the previous government was doing was paying the city to administer the park; they were paying for the expenses of the park. The city was doing it and the province was reimbursing the city and that's exactly what we're doing now, Mr. Chairman, because we included that basis figure in the block funding grant and it's been increased in accordance with the cost-of-living increases being

greater this year, Mr. Chairman. The province is still paying, under the block funding grant, for the operation of Assiniboine Park.

MR. CHAIRMAN: Order please. One debate at a time, please.

The Honourable Minister.

MR. MERCIER: What's disappointing to the Member for Inkster, Mr. Chairman, is that it doesn't have a sign that says "Provincial Park, Minister of Natural Resources, Honourable S. Green, Minister." That's what he really wanted, Mr. Chairman. That's what he really wanted; that's all he wanted. Keep the park "Green."

Mr. Chairman, just briefly, the Member for Fort Rouge referred to what she felt, in the block funding grant, that it was started too low. She said the percentage increases have been fair. Mr. Chairman, in fact, the original block funding grant was more than the city was asking for in that particular year. We subsequently made a number of special grants to cover capital projects that were not completed and made a number of additional grants, for example, like the one this fall of \$2 million, and a number of them since then where special projects demanded, Mr. Chairman.

I think, Mr. Chairman, I have responded to the main areas of concern that were raised by the three members who spoke.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. J. WALLY McKENZIE: Mr. Chairman, I have a problem that may need your guidance. I am not sure if we are back on 1.(b). The Honourable Member for Elmwood insisted that we revert back. I wanted to reject the criticism, the allegations that charges were made by the Honourable Member for Elmwood; and I would also like to talk about the CPR. Are we on block funding? If we are I'm out of order then, Mr. Chairman.

MR. CHAIRMAN: No, we're not on block funding but CPR, I would think, would come under this particular item if that's what you wanted to discuss.

MR. McKENZIE: Mr. Chairman, I would like to stand up, first of all, and severely criticize the Honourable Member for Elmwood for the allegations and charges he made here this afternoon in this committee about this Minister. I daresay we've never seen a better Minister of Urban Affairs in my time in this House than the one we have sitting in this committee tonight and I ask all members of this committee to stand up and be counted if you don't agree with my sentiments.

I on behalf of the people of the Roblin constituency reject and resent those sentiments by the Honourable Member for Elmwood and the NDP party most vociferously and I don't know what more words I can put into the record that this man is a good Minister of Urban Affairs.

Let's get back to the charges and the allegations — I heard the Honourable Member for Elmwood on the hotline with Peter Warren the other day with his new-found theory about running railroads in this province — and let's get back to square one on this

subject matter. I would just like to ask where was the New Democratic party when we were out in my constituency fighting the CPR and the abandonment of the railroads; when we put up \$20,000 of our own cold cash to fight the abandonment of our railways and stations; and where were you from Elmwood and those people helping us in rural Manitoba to deal with these matters which is still a problem out in rural Manitoba today.

Certainly we're dealing with Urban Affairs but I say to the Honourable Member for Elmwood and the NDP party, you can't have it both ways. Where was the Member for Brandon East? He in those days was supposed to be looking after our interests out in rural Manitoba. Man, we never saw him until just when they were calling the election. He went tearing around and put a whole bunch of signs up, they're going to build a bunch of buildings. We finally opened one of them last Friday night; we opened one that he put a sign up for I don't know how many years ago.

So I do reject. If the Honourable Member for Elmwood wants to talk about rail abandonment and the CPR . . .

MR. CHAIRMAN: Order please. The Honourable Member for Elmwood on a point of order.

MR. DOERN: I would like to raise a question. I would like to know whether the honourable member is discussing urban issues or rural issues because if he's discussing rural issues, he's out of order; or perhaps maybe he's just out to lunch. Perhaps you could indicate which, Mr. Chairman.

MR. CHAIRMAN: To the honourable members, we don't have anything under CPR and it has been brought up. I can't see any other place, possibly under Minister's Salary.

MR. DOERN: Do you want to discuss Crow rates under this?

MR. CHAIRMAN: I wasn't the one that started the discussion on it. We could leave it until we get back to Minister's Salary if you so desire but I had allowed some latitude on the CPR discussion, whether it was rural or urban it really made no difference to me.

The Honourable Member for Roblin.

MR. McKENZIE: Mr. Chairman, I'll be very brief, I'll sit down very quickly. I reject the tunnel vision of the Honourable Member for Elmwood when he talks about abandonment of CPR's rights in this province. He can stand here in this House and criticize this Minister about what's happening in the city. I ask him, where was he and his party when they were abandoning railway stations and quibblings all over this rural part of the province? I never saw him; I never saw the Member for Brandon East; I never saw any of his caucus when we were fighting those problems. So I tell him to cool it. This Minister and this government will deal with this matter the best way we can. I hope those members opposite will stand up and support us when we deal with this matter; I'm sure we'll look after it much better than they did.

MR. CHAIRMAN: The Honourable Member for Elmwood.

MR. DOERN: Mr. Chairman, just in response to the last contribution. I am not known as foremost among those on this side of the House that fight in favour of rural issues; in fact I tend to believe in a theory of specialization which says if you know something about an issue you should speak on it and if you don't you shouldn't.

So, Mr. Chairman, I think in 15 years in this House in the Department of Agriculture I am sure I've spoken less than 15 minutes and I don't normally hear members of the Conservative party — which is predominantly rural — saying much or taking much interest in the urban questions. I think that's exemplified by the number of people who are participating and that just to me makes common sense. I have not spoken on the Crow rates, not a word in this House, but I would think that all members of this House would agree that the City of Winnipeg has had a poor deal and a raw deal from the CPR.

I am disappointed that the Minister who has probably been born and raised in the City of Winnipeg and lived here all his life as I have has to now study further the question of whether or not he can do something legally; whether the legislation can be amended; or whether it can be rescinded; or whether this is beyond the jurisdiction of the Legislature of Manitoba; or whether he should wait for a resolution to come from council.

I am not going to sit around and wait for Winnipeg council to decide whether or not there should be a pressure put on the Provincial Government or put on the CPR to pay their fare share of taxes. I don't have to wait for a councillor, or for the council, or for the mayor, or for the Minister of Urban Affairs, or the Premier, or the Provincial Government to do anything about this. So, Mr. Chairman, to me it is a self-evident proposition. I am an urban member. I have lived in this city all my life. I've been born, raised, educated here, and represented a portion of the City of Winnipeg for 15 years, served on the urban committee when we were in government and so on.

Now at that time when I first came into the House the agreement was brand new. There had just been a renegotiated agreement with the railway; it was only a year or so old. But in that space of time through our government and through this government some time has passed and, Mr. Chairman, in my judgment it is now time to reopen this issue. I have reopened it in the only way I know how; to speak in favour of it; to learn about the issue; to study the issue and to raise the issue in the Manitoba Legislature — a Private Members' Resolution which will not see the light of day in this House because this House is rapidly coming to an end. I have raised the matter in public; I called a press conference; I've been on a hotline show and now I am raising it with the Minister. I don't regard this as an NDP issue. I regard this as an issue that everybody in Winnipeg can support and everybody in the province can support. So the Minister is agreeing with me and the Leader of the Progressives is agreeing with me that this is what might almost be called a non-partisan issue in the sense that everybody can be for it, but that isn't the point. To know that something is wrong isn't good enough.

I will say this with an aside to the Honourable Member for Winnipeg Centre who likes to quote

philosophers. Aristotle said that the object of all knowledge is action and I believe that as well. It's not good enough to know that this is a raw deal. The point is, what are you going to do about it? If the Minister tells me he is going to think about it, I think he should take about 60 seconds in which to decide what he will do.

Now I have to tell him — and I find this difficult to give legal advice to a lawyer — but I have to tell him that this is an Act of the Manitoba Legislature. It's an agreement that was signed by the city and the railway and ratified by the Manitoba Legislature of 1883, it was a long time ago.

Now I checked with some of my senior colleagues in the party and I spoke to the Legislative Counsel, just to clearly understand whether or not we had the right to amend or rescind or repeal and there is no question, there isn't a shadow of a doubt, that we have it fully within our power to strike this legislation off the books or to amend it.

I would assume that there is a thing called courtesy and that there is a thing called consultation or discussion and that there might be some loose ends and that it might be a sensible procedure to call the railway in, to speak to the people who operate the railway and have the city discuss certain fine points. But to me there is no question that the time has come to charge the railway what it should pay. A hundred years has gone by; they had their 70-odd years of tax free time; they had their years of 25 percent of full payment; they had their time with 50 percent and now we're into 1981 they were going to pay 70 percent for the next eight or nine years. Well that's nice, that's really terrific but you know who else is getting 30 percent discounts in the city, which other businessmen are getting this type of a deal even now. I'm not prepared to, having taken up the fight, to wait another 24 years.

You know, we were born under this agreement and I don't intend to die under this agreement. I intend to fight this issue with this government if they're in power and if the New Democrats win in the next year, as I expect them to, I certainly will fight this in Cabinet and in Caucus.

So I say to the Attorney-General, at this point in time, that leadership, leadership is what is needed here. The time for study I think is past and the Minister can study this all he wants and if he wants to wait for a resolution from council I'm sure that can either be arranged or it will come about naturally but surely he doesn't need to wait to respond. Surely he himself is capable of making up his mind and, as far as I'm concerned, the government's position is well let's not be rash and let's not rush into this, let's be cautious, Mr. Chairman.

On one other point that the Minister made. He made the point that there were a number of Urban Affairs Ministers in the previous administration and that's true and perhaps it is also true that there wasn't enough time spent, in terms of one person being in the position; but I would say this, that things were done; that action was taken and that there was a lively interest on the part of the First Minister, on the part of a whole team of Ministers, and on the part of the Caucus.

The City of Winnipeg was a high priority of the New Democratic Government, a very high priority. The First Minister himself devoted time when he

acted as the First Minister of Urban Affairs. He was on the Urban Committee and changes were made about the size of Council and a new system of government and so on.

Now, what has this government done? Mr. Chairman, last week, on Saturday as a matter of fact, there was a full page in the Free Press called "Promises, Promises", by Ingaberg Boyens, who is a reporter with the Free Press who did some research on how the Conservatives made out in terms of all their promises after three and one-half years.

Well, by her estimate, they had implemented slightly more than half. Well I don't think that's too good a track record, but let's look at their record on the City of Winnipeg — and these are the points that she examined. I think there are many, many more that she didn't examine. She said that there were six promises that appeared in the 50-page document, "Challenges for Manitoba" which the government had a whole bunch of programs supposedly for change; it was released prior to the October election of that year. They made six specific promises.

No. 1. Promise — Reduce the size of council. Ms. Boyens says in her statement: No. 1 no action — Council was cut from 50 to 30 members in 1977 by the NDP.

No. 2. Promise — Provide elected community councils with responsibility for local matters; Comment No. 2 no action.

No. 3. Provide a new central council for areawide matters; Comment No. 3. no action.

No. 4. Appoint a General Manager or Chief Administrator; No. 4. Comment — no action.

No. 5. Let local council set level of services — that must have been near and dear to the Minister's heart; Comment No. 5. no action.

No. 6. Permit neighbourhoods to levy taxes for special local amenities; Comment No. 6. no action.

Well if those were your promises to the people of Winnipeg three and one-half years ago you struck out on every single one. So the record of the government is nothing to be proud about.

Mr. Chairman, there's been discussion here on urban transit and I want to say that I fully support the previous policy whereby specific grants were given for the purpose of keeping down transit fares. I couldn't agree more that the fares should have been held at 40 cents and, at worst, should have been allowed to rise only 10 cents. I mean that's the worst I could even conceive of but a 60-cent fare to me is steep and for people who are using the transit system I think there will be a re-evaluation all the time. Every time you jack up the fares people will reconsider whether or not they will be taking a bus or whether they will be buying a car or driving their car and weighing the various factors that come into play.

Now the Minister likes the present system, he likes the present system whereby he gives a so-called block grant and the city seems to be staggering under the weight of all these policies that are supposed to be helping the people of Winnipeg. I think that the Minister should have given a specific grant or he should have made a statement. You know if he wants to give block grants, if he wants to just give block grants I still think it's within his right to indicate preferences on certain policies. Now maybe he thinks not, maybe he thinks he should

simply send a cheque and then next year send another cheque. I don't think that's a good system. I think where the province funds, even on a block basis, they have a right to indicate policies.

Now I've said this to the Minister of Cultural Affairs that when we were discussing the Winnipeg Art Gallery I think there was a noticeable lack of support given to local artists, namely, a lack of opportunities. Now she funds in a block sense as well. But I say as a Minister she has a right to discuss the policies and the programs of the Winnipeg Art Gallery otherwise we don't know what's going on. Presumably to fund you have to know what's going on and you have to either approve or disapprove of certain policies.

So is the Minister of Urban Affairs telling us that when it comes to urban transit he has no interest in it whatsoever in a sense that he has an even interest in everything, equal to no interest in everything, equal to be being either uninterested or disinterested, whatever, but uninterested in throwing his weight around or indicating preferences? His staff as well — that brave band of three warriors apparently not coincidental with the three who appear here, these are only symbols of the strength of the Urban Affairs Department, figureheads, the three wisemen. The other three are somewhere else back there in a department; no one's sure who they are. —(Interjection)— they're from other departments, right. They're a manifestation of the government's concern.

I'm simply saying, is the Minister really telling me when I used to sit opposite him in those meetings that we had once a month where the council reps came and the Cabinet people sat around the table and we debated these issues in those days, Mr. Chairman, this Minister was a man who fought for the City of Winnipeg. He was a man who was arguing with us about various policies and programs; what's happened to him? I mean, is he still a vociferous voice in Cabinet or is he mute? Are there ever any items on the agenda dealing with the City of Winnipeg? I guess not. How could there be? How could they discuss policies and programs of the City of Winnipeg when they don't want to interfere? They want a hands-off approach. They don't want to tell anybody; they don't want to shrug or wink or hint or suggest anything to the people of Winnipeg because it might be misconstrued; they want to stand back and simply let the city do whatever it wants.

I think that's a poor policy. I think it's an ineffective, ineffectual policy and I think that's exactly what's happened. I think it shows a lack of interest by the people in government. —(Interjection)— Well, the Minister of Economic Development who's finally awakened — or the Minister of Economic Decline as we think of him on this particular subject — he used to fight for the City of Winnipeg. We don't want him to fight for the City of Winnipeg, Mr. Chairman, we don't want him to fight for the City of Winnipeg. He's fighting for the Province of Manitoba and the province is going down the tube. So we don't want him to take up the challenge of —(Interjection)— my learned friend the economist has said the economy is down 0.4 percent since 1977. That is shocking; shocking, Mr. Chairman. So it's the decline and fall of the Manitoba economy and what we're trying to do is to arrest a further decline in the City of Winnipeg.

Mr. Chairman, I think that's all I will say at this point in time. I intend to deal with the decline of — (Interjection)— you want to hear more? I will give the Minister an example. He's the Minister of Economic Development. Take a walk on Portage Avenue and go from Hudson Bay down to Main Street on the north side of Portage and you tell me what is happening to the City of Winnipeg in the last few years? There's a sale today in the paper for Mitchell Copp; that building is being emptied. I read an article about Mitchell Copp and I went by there one night a few weeks ago and looked at what is happening on Portage Avenue. I'll tell you it's a pretty sad thing. There were two drunks sitting in front of Mitchell Copp, one was sitting right on the stairs and one was leaning against the building — sitting down leaning against the building — that's Portage Avenue North, empty stores. Well, what's happening to the economy? Where's the prosperity? How come —(Interjection)— no way, Mr. Chairman, there's no way that Portage Avenue was in such a sad state when we were in power. No way.

Mr. Chairman, you can look; we had two newspapers; three meat packing plants. You have a situation where it is visible that there is a decline in the City of Winnipeg in the Core Area. I mean, we're getting publicity that we don't want. The Mayor's complaining that on the front page of the paper are articles about soup lines and bread lines in the City of Winnipeg and all you have to do is walk around in what used to be a prosperous shopping area and you have vacant stores, vacant signs, buildings for rent. It was some of your friends on council, the big businessmen, the so-called businessmen who run city council, the ICEC, Liberals and Conservatives, they're the ones that have contributed significantly to the decline of the City of Winnipeg by allowing a proliferation of shopping centres all over the suburban areas which is killing the downtown core. That's been the practical result.

Keep approving suburban shopping malls, let's have 100, so that we can have nobody living in the centre of Winnipeg and the Bay and Eatons can be empty, isn't that the goal? Isn't that the practical result? —(Interjection)— Who's in charge of City Council? It's not the New Democratic party, it's the ICEC. Who's the ICEC? It's the Conservative party supported by their bedmates, the Liberal party, the two of them run the City of Winnipeg.

So, Mr. Chairman, all I'm saying at this time is that I expect some leadership from this government but it hasn't been forthcoming. The Minister of Consumer Affairs, he's an urban man; he was a chairman of a committee. I don't know what he says in Cabinet; I don't even know if he ever speaks in Cabinet. I don't know if there are ever any items in Cabinet that are brought up for discussion in regard to Urban Affairs; I assume not. There is only one item, the item says Grant to the City of Winnipeg; they debate that every year for 15 minutes and they make an allocation. Mr. Chairman, I say in conclusion at this time, that isn't good enough; that isn't good enough. I'll tell you this, that they will pay for that; they will pay for that in the next election; they will pay for their neglect of the City of Winnipeg.

MR. CHAIRMAN: The Honourable Minister of Consumer and Corporate Affairs and Environment.

MR. FILMON: . . . I recall making a speech very similar to this when I was on city council just about

five years ago. I started to list off, as a tenant on Portage Avenue, I started to list off the deterioration of the north side of Portage Avenue that was occurring as a result of the policies of the former government which were anti-small business, which served to drive out all of the enterprise that was on the north side of Portage Avenue, all sorts of small stores that just disappeared off the face of the north side of Portage Avenue within a five-year period. I recall very vividly listing off such stores as Morley's Tots to Teens; Winnipeg Piano; Doctor Scholl's; Miss Cox Millinery; McKinney Jewellers; Adam's Furniture, all of them went within a five-year period, the first five years of the New Democratic Government, all within a three-block space just around where I had my business. I could tell them chapter and verse, and I've listed them off. When I did, of course, one of the New Democratic members of city council, Magnus Eliason stood up to say, "Gee, I didn't realize that. Perhaps we should be doing something about it; maybe our provincial government should be doing something about that." He was very surprised when I started to list them off. They were all replaced with either fast-food outlets or a love shop, smut shops, or pinball machines, all as a result of the New Democratic anti-business policy, in five years. I tell you, Mr. Chairman, very little has happened that has been any worse, in fact, it's been a lot better since our government has taken office. At least we can say we've replaced them with very viable operations like the St. Vital Centre; the Kildonan Place Mall; the Southwood Mall; all sorts of multimillion dollar suburban shopping complexes.

During the previous government's term of office nothing went to replace them because nobody wanted to invest in this province. So I can tell you, Mr. Chairman, that things are an awful lot better with this government than they ever were with that government.

MR. CHAIRMAN: The Honourable Member for Inkster.

MR. GREEN: Mr. Chairman, if my honourable friend wishes to compare lists, we do know that between 1977 and 1981 bankruptcies have increase in this province. —(Interjection)— Well, Mr. Chairman, we're surely not going to let that go by without . . . If the honourable member wishes to get up and slander the previous government, and then the previous government wishes to ask the Chairman to prevent a response to slanderous remarks, and I know that you are not going to do that, Mr. Chairman. I can only tell the honourable member that the bankruptcy rates and the mortgage foreclosure rates have increased multifold between 1977 and 1981 and if the honourable member wants to know of all of the businesses who have left this province — and to use his definition, not mine — to use his definition, Mr. Chairman, not mine, because he chooses to make that definition on account of the policies of the Conservative Government, they are legion, Mr. Chairman, they are legion. —(Interjection)— That is right, and if we want to compare the list of names, Mr. Chairman, and the list of businesses we will do so. I can only, Mr. Chairman, because the honourable member obviously came in with his list, I will bring the list but I can tell him that Swift's left — by his definition one

company, 500 employees; Swift's, 600 employees — by his definition, because of the policies of the Conservative administration, Mr. Chairman. — (Interjection)—

Mr. Chairman, listen to the screams; listen to the screams. I didn't say by my definition.

MR. CHAIRMAN: Order please. Order please. Could we have some semblance of order in the House? I realize that it's partly my fault in as much as the subject under discussion is not what is in the book of Estimates that we are discussing at this time but I think that if there was a point to be made I was going to allow it. I have allowed a little bit too much time on this particular subject. In deference to the Honourable Member for Inkster I think that maybe we should try to get back to the item under discussion.

The Honourable Member for Inkster.

MR. GREEN: The other item will be fully discussed I assure the honourable member and I will show the honourable member, by his definition, by the Conservative's definition, all of the businesses and other firms that have left this province or have gone bankrupt or have quit business. I will then use his definition and say this happened between 1977 and 1981 and therefore is attributable to the policies of the Progressive Conservative Party because that's the definition that my honourable friend produces and that, Mr. Chairman, is closer to the truth than what the honourable member said. —(Interjection)— Oh, Mr. Chairman, absolutely, we will provide list-for-list of exploration companies exploring in this province now as against then, and we come out very favourably.

MR. CHAIRMAN: Order please. It's just beyond me. If we're going to get into this kind of debate, I would suggest that there's another place and another time to do it.

The Honourable Member for Inkster.

MR. GREEN: Mr. Chairman, I feel that you should have recognized me before you recognized the Minister of Consumer Affairs. That was the mistake, Mr. Chairman, because I had no intention of talking on that subject. It was your error, Mr. Chairman.

MR. CHAIRMAN: Order please. Order please. I have apologized earlier for an error that I had made that could have been part of the error.

The Honourable Member for Inkster.

MR. GREEN: I hope that in the future you will know better because that is what created the problem. You know very well I had no intention of getting up and discussing the specious speech made by the Minister of Consumer Affairs. I was going to confine myself to the debate under discussion, namely, Urban Affairs.

MR. CHAIRMAN: Please do.

MR. GREEN: I want to say, Mr. Chairman, that the Minister of Urban Affairs says that he has pointed out a contradiction that, whereas I believe the court should not tell the Legislatures what to do, I say that the Legislature should tell the City of Winnipeg what to do. Not so, Mr. Chairman, there's no

contradiction, only in his mind. I say that the City of Winnipeg with their own tax base can do exactly what they want, although he and I will both admit that the Charter of the City of Winnipeg and its jurisdiction generally is dictated by the Legislature of the Province of Manitoba. We do not, for instance, permit the city to levy an income tax; we do not permit them to levy a sales tax; we do not permit them to do many things that are within the powers of the Provincial Government. So the fact is that by legislation the City of Winnipeg is a limited jurisdiction, whereas the province within its sovereign jurisdiction — and that's what they are arguing about before the Supreme Court of Canada — is an unlimited jurisdiction. It's the difference, as my honourable friend knows, between a superior court which has plenary jurisdiction and an inferior court which has designated jurisdiction.

So there's no contradiction, Mr. Chairman, and the Honourable Minister knows it. But what I did say, Mr. Chairman, and what I still hold to be the case, is if the City of Winnipeg, beyond the moneys that they get by means of taxation and the mill rate and the other sources of revenue — and he has indicated some of them; one is transit fares, the other of water rate — if they then say that we want provincial revenues in addition because we think the province is responsible for certain programs that take place within the city, then I'd say it is perfectly consistent with everything else I've said, that the province and the City of Winnipeg get together and discuss how that money is going to be spent. The Minister for devious reasons — devious, I guess that's a harsh word — for conservative reasons decides there's going to be fund blocking, that instead of discussing programs they are going to block funds by means of increasing the funds in relation to some formula related to inflation rather than dealing with specific programs. Mr. Chairman, I have no hesitation in saying I will go back to the Roblin government formula which was a Conservative government and say that once you are asking for provincial expenditures, you have to discuss with the province what those moneys are going to be spent for.

Now the Minister says, would I then remove all provincial funding from the city? Mr. Chairman, there are certain unconditional grants that are made available to everybody. I'm not sure whether they are soundly based or not but I'm not talking about undoing them. Those unconditional grants should continue to go to the City of Winnipeg in the same way they would go to other municipalities. But when you get beyond the unconditional grants that are made available to everybody and you start discussing programs, then I say that's why you have a Minister of Urban Affairs and that program should be discussed. If the program was discussed then we would not have the increase in transit fares, if the Provincial Government wanted to declare a position on it. But the Provincial Government obviously doesn't want to declare a position on it, therefore they say this is entirely within the discretion of the city and we have nothing to say about it.

Mr. Chairman, the Minister erred worstly — and when he errs, he errs badly — in the area of the provincial parks. In 1967 before I was a Minister of anything and when the Conservative Government was there and it was going to be a Conservative

Minister, I called on the province to make Assiniboine Park a provincial park. It wouldn't have had Sid Green's name on it — I guess at that time it might have been Mr. Carroll — but if the Minister will look at February 23, 1967 — it's a good thing I can sometimes remember these things — (Interjection)— Pardon me? No, I don't think the Premier was Minister of Parks but I can read to the honourable member what I said. The first area I wish to address myself to, Mr. Chairman, is page 1325 and we'll see whether I remember what I'm talking about; I haven't looked at this, the clerk has just given it to me. It's something which has concerned me for a great number of years and that is the question of the major parks in Greater Winnipeg. The Minister has indicated that his department, this new department is going to concentrate on the development of Manitoba parks and I think that a great job has been done with regard to provincial parks development.

I think it took too long a time in the realization of citizens of Greater Winnipeg that the two major parks in Greater Winnipeg, that is the Assiniboine and Kildonan Parks and since then others have been added, but I'd like to confine my remarks to these two parks first of all, that it took a long time for people in Winnipeg to realize that they all owed a responsibility, a financial responsibility for the upkeep, the development and maintenance of Assiniboine and Kildonan Parks, because the honourable member will remember they used to be parks run by the City of Winnipeg and on which the City of Winnipeg paid all of the expenses. But the City of Winnipeg said that's not fair and they became Metro Parks. The City Council didn't complain about this, they weren't as stupid as the councillors were in 1971 to 1977; they said, "Good, Metro is taking over the parks. Now the citizens of Winnipeg will not have the full obligation of supporting those two parks".

Now I think it may be that we in this Legislature are now at the position the citizens of Greater Winnipeg were in 1960; that we in this Legislature should recognize the development of these two parks in any event — and possibly some other parks in Greater Winnipeg — should become a provincial and not a municipal responsibility and I was talking about Assiniboine and Kildonan Parks and when we came to government, Mr. Chairman, we made it good. We made it good and at that time it had nothing to do with Green's name appearing on anything and for the Honourable Minister's information, the Minister of Mines and Natural Resources in the previous government was never responsible for parks. So if it was going to be, if the Minister thinks that I was pushing this to get Russ Doern's name on the parks, he's badly mistaken and that's the name that would have gone there, not Sid Green.

If the Minister would care to look at any department I was ever involved in — and the Minister of Finance can look at it too — he will not find as much as a photograph on the annual report with my name on it; that I never used the public purse to promote my name in any area but the Minister knows whereof he speaks. He says I wanted — and it's just ridiculous — that Assiniboine Park should be a provincial park so my name would be on it?

Mr. Chairman, first of all we said we will make it a provincial park. It was the city who said, "We want

our name on it and therefore not give it up. Just give us the money for the provincial park and let us keep it as a city park". Did we balk at that? No. We said, "Okay, it's silly, it's stupid, it makes no sense but we have to be tolerant in dealing with these people and the principle will be that the province will pay for the park and it will still be a city park", and that's what we did. But now, the Minister said that the funds are still in there; they were calculated that way, Mr. Chairman. But the Minister also indicates that the city taxes are down so how do we know what they've used any of the money for? How do we know they won't use the \$38 million to reduce their budget and not make expenditures on the parks? Now, he says that's perfectly all right.

What I am saying, Mr. Chairman, is that everybody in the Province of Manitoba should have a responsibility for Assiniboine Park. Well, Mr. Chairman, they don't. The fact is that it is a city responsibility; the city budgets it and the Minister hopes that with his fund-blocking arrangement, some of that budget goes to Assiniboine Park.

I want to make sure the entire Assiniboine Park budget is paid for provincially and I say to you, Mr. Chairman, we won't make the same mistake twice, that if ever I'm in the position of doing it again I will not be tolerant toward the city councillors who want to see their names on the park. It will become a provincial park and the City of Winnipeg citizens will congratulate me for it because they will be faced with the following argument. They will be faced with the Provincial Government saying, "We are willing to make this a provincial park. You lose nothing. The park is still there for everybody. The title will be in the name of the province rather than in name of the city but that really means the city loses an obligation rather than loses a park". The city aldermen will run out to the citizens of Winnipeg and say, the province is stealing our park, this park is worth millions of dollars and the province is taking it for nothing. It's expropriation without compensation and I will go to the intelligent citizens of the City of Winnipeg and I will be so happy that the aldermen have given me such a wonderful argument to fight on and I will fight them. I will not do what the previous government did and said, let the city aldermen keep their park, because it's just ridiculous; it is absolutely ridiculous. (Interjection)— When we come to power.

Mr. Chairman, when the honourable member looks and contemplates as to whether it is possible it reminds me of the faces of the Conservative Ministers in 1966 when I came into this House and said that we were going to come to power. He has exactly the same look on his face and I hope he keeps it.

Mr. Chairman, the honourable member knows whereof he speaks. I was in government for eight years. Show me a pamphlet with my picture on it; show me anything named Sid Green or anything of that nature, a building opened with my name on it; show it to me, because I have not seen it.

But the city councillors, Mr. Chairman, and the honourable member knows whereof he speaks when he says people want their names on things. I drive in West Kildonan, I see street names with, I believe, the name of living councillors who were there when the thing was done — Yanofsky Street. Mr. Chairman,

the Minister knows whereof he speaks when he talks about people wanting their names there — Yanofsky Street — right? Skowron Street, Skowron Street. The aldermen are there now and they are building monuments and naming streets for themselves and so when the Minister says that I wanted that park with my name on it, what he does, Mr. Chairman, is reveal his own propensity because that's what they're doing and that's what they were doing. McGill Field in Brandon, show me, show me one thing a Minister for eight years of the Crown, Mr. Chairman, show me one thing where I use my power to in some way perpetuate the name Green in some type of public perpetuation. But, Mr. Chairman, is that what the city councillors did? Yanofsky Street, Skowron Street, I mean there are others. I don't know them all but there are others.

MR. DOERN: Mercier Garbage Dump.

MR. GREEN: Is there a Mercier Garbage Dump? When he says it, Mr. Chairman, and I've really told this story in the House before but it's really too good an opportunity to let pass. When he says that he reveals something that has taken place in his mind which he never intended to reveal and it's like the fellow who bought a bull for breeding purposes. The Member for Rock Lake will remember the story. He bought a bull for breeding purposes and when he got it home it didn't do anything. That's right. It didn't do anything. So, he was very disturbed. It was a prize-winning bull. He bought it for breeding purposes, didn't do anything so he called the veterinarian. It was like Ferdinand, it just sat around and smelled the daisies. He brought it home, went to the veterinarian, the veterinarian came over and he said my bull won't do anything and I've got all these cows that need help. So, the veterinarian looked at the bull and he says it's nothing, it's a change in atmosphere, a change in altitude. I will give you certain pills and you will feed the bull the pills three times a day and sure enough it'll be okay. So a couple of days he fed the bull these pills and sure enough after two days the bull was a regular casinova, serviced all the cows, serviced the neighbors cows. Came back and serviced the cows again, just a wonderful bull and the neighbor came over very impressed and he said, what is there about this bull that didn't do anything at the beginning and now it's a regular lover bull. So the fellow says, oh yes, I brought it home, it was a prize winning bull but a change in altitude and the vet gave me these pills to give to him. And he says, what kind of pill were they? He says, oh about one-half inch long, oval shaped, just about one-eighth of an inch wide, it's got a green glossy cover and they taste like peppermints.

Mr. Chairman, that's what happened when the member said that he wanted the name Green on the sign. What he was telling us is they wanted the name Mercier on the sign; that's what he was telling us, that that's what they wanted on the sign. That's exactly what was on the member's mind because, Mr. Chairman, you will not find anybody who will suggest that it was a propensity of mine when I was in government. The job of taking over provincial parks did not start when I was in government, did not start as an attempt by the provincial government to do anything. It started in 1967 when I was a

member of the Opposition; it was perhaps my second year in the Legislature and I said that that should be done and, as in many other respects, Mr. Chairman, when I said that something should be done in Opposition, when we got into government we did it and there were many many areas, Mr. Chairman, where that occurred and this is only one of them.

The unification of Greater Winnipeg was another, Mr. Chairman, a lot of people said it — Gil Molgat said it; Charlie Huband said it; other people said it. But when we came into government, and we had said it in Opposition, I moved a resolution in this House when we came into government and we did it; and we said that we would make Autopac a utility and underwrite all the insurance policies. We not only said it, Mr. Chairman, we did it. That's what happened with Assiniboine Park and we'll do it again.

So, the Minister said that I have used the transit fares, somebody passed me this note, I don't know who it was but it's a very good note. It says, "Sid re Gerry on Member for Inkster making it a political issue" — because that's what he said I did with the transit fares. The late great Robert T. Thompson once said: This House is being turned into a political forum. Mr. Chairman, this House is being turned into a political forum. What is there about this . . .

MR. CHAIRMAN: Order pleased. . . . signed letter that you're prepared to table.

MR. GREEN: I mean we had handwriting experts, Mr. Chairman. I mean I will run around getting everybody's handwriting; it's a very good note. But the Member for Burrows showed me a Beauchesne Report yesterday which says that a private member can't be asked to table a document, only a Minister. That has not come up yet but nevertheless it's a very sage note. I just thank the man who sent it to me, or the woman, I don't know who it was.

Mr. Chairman, I want to deal with one other issue and I'll try to deal with it briefly. That is the question of the City of Winnipeg collecting its own taxes. Because although I said that I did not want to give up provincial taxes to the city unless I had something to say about them. I also said, when I was the Minister, that I would be willing to consider any form of taxation and give it to the city, any form, let me know what they want. Do they want a sales tax? Do they want a city income tax? Do they want the tax on what have you, the size of lots, or well I guess that is the real property tax now? But I said that if the city wanted to raise money and didn't have a tax raise, let them tell me what taxes they were interested in levying and we will do it. Then you know what the city said: No, we don't want to raise taxes we want you to raise taxes; we want to spend the money that you raise; that's what they said. I gave them at that time a suggestion and I make it now because it's still a good suggestion.

There is something that we didn't do which we should have done. It was never made as a promise by the New Democratic party but I think it should have been and I think it should have been done. I suggest that you offer to the city, not that you offer to them but that you legislate, that the city have a right to a tax on the enhanced value of rezoned land

or subdivision land. Listen very carefully to what I'm saying. A man has land that's zoned R2; — (Interjection)— Yes, Henry George. It is worth, let us say, \$20,000; he comes to the city and he says I want this land zoned R3 so I can put an apartment building on it. The city considers it, considers the location and says okay. With the stroke of a pen it is now worth \$50,000.00. What has that man done to earn \$30,000.00? Nothing, it's the community that has created wealth for him.

I say give the city the right to tax the enhanced value of rezoned land and tell them that if they will take land that's zoned at \$20,000 and by rezoning it they make it worth \$50,000, that they are entitled to 50 percent of the enhanced value of the land and they can get \$15,000 in taxes and they have stolen nothing, they have asked for nothing that they are not entitled to and the person who has earned this increment has done nothing to entitle him to it. All he's done is put himself in the same position as another R3 owner who paid \$50,000 for the land. So, if a person rezones land and it is a real rezoning tell the city that they are entitled to it. Mr. Chairman, you'll see how fast they refuse it but tell them that they are entitled to it. Tell them also that they should be entitled to an enhanced value of land that has changed from raw land to subdivision land; that they are entitled to an enhanced value.

That land that was worth \$1,000 an acre with be worth \$7,000 a lot and there may be 10 lots in the acre. I don't know, I may be high in there but certainly it will be worth far more than \$1,000 as land that is subdivided rather than the land as acreage and the person has done nothing. I mean I give him the cost of the subdivision, if that is an expense. But why not, Mr. Chairman, here the land is owned by a person; the enhancement of that land is something which that person has done nothing to; it is totally created by the community. Why should the community not receive a return on it and, Mr. Chairman, the City of Winnipeg will have a source of taxation available to it which will hurt nobody; which will not go on any mill rate; which will not go on any businesses. It won't drive any businesses out of business which is what the Member for River Heights is so concerned with. It'll be solely levied on something where there is a capital gain which the person owning the land has done nothing to earn.

It seems to me, Mr. Chairman, that it is a tax devoutly to be wished but has been avoided like a plague by the councillors of the City of Winnipeg. Why? Maybe the Minister can answer why? I suggest that he give them this power of taxation which will do them a world of good.

MR. MERCIER: Mr. Chairman, firstly, the Member for Inkster raised the point that the province, under our government, had abdicated our responsibility to the City of Winnipeg for Assiniboine Park. We have not done that, Mr. Speaker. We have included in the eight or nine items, included in the block grant, an amount of money to cover that portion. Now here's the essential point, I think, Mr. Chairman, because the Member for Inkster doesn't trust the elected representatives of the city to continue operating that park in a reasonable fashion. He doesn't trust them on that, Mr. Chairman; he says that they are stupid; he says he's going to do what he wants to do, if and when he gets into government, and to heck with city

council and he's inconsistent again, Mr. Chairman. Here's a gentleman who has, on a number of occasions, raised the point about the Prime Minister of this country who said that MPs are nobody as soon as they are half a block away from Parliament Hill and he doesn't like that. He doesn't like that statement when it's applied to him but look what he says about city council and that's the way he treated them; that's the way his party treated them when they were in city government, Mr. Chairman, and I can assure him members of city council don't want to have any part of him and his party or the NDP and their party as the government in this province.

Now, about the name on the park, Mr. Chairman. Is there a name on Assiniboine Park now? There is no name of anybody involved in the city on Assiniboine Park; there never has, Mr. Chairman. — (Interjection)— Yes, there was going to be a name on it, Mr. Chairman, because they wanted to make it a provincial park and there would have been somebody's name on it from the Provincial Government and they wanted to ignore, Mr. Chairman, the millions and millions of dollars and investment that the City of Winnipeg ratepayers made in that park many many years ago over many many years of development; and in one year they're going to make a provincial park and somebody's name would have been on it from the Provincial Government; they were going to ignore the City of Winnipeg's investment in it. That's why it wasn't proceeded with, Mr. Chairman.

We have carried on that responsibility; it is a provincial policy and a provincial area of responsibility paid for by all taxpayers in the Province of Manitoba through the provincial grant. But, Mr. Chairman, the Member for Inkster has once again demonstrated an arrogance for local elected councillors. Through his years of government — he's demonstrating it now towards the present council — and demonstrating how they would react to elected municipal representatives in the future.

MR. CHAIRMAN: Before I acknowledge the honourable member, we have been discussing Clause 2. which is Block Funding Grant. If I could pass (b) and (c) of Item 1. so we could be on the right item. (Interjection)— Pardon? (b) — pass; (c) — pass. Clause 2. Block Funding Grant, Resolution 119 — the Honourable Member for Inkster.

MR. DOERN: Mr. Chairman, on a point of order, you did say Resolution 118 — pass. Oh, maybe you can't yet, sorry.

MR. CHAIRMAN: The Honourable Member for Inkster.

MR. GREEN: Mr. Chairman, the City of Winnipeg councillors had a right to take this position to the public and I had a right to take the same position to the public. I can tell the Chairman that by virtue of the compromise that was made, it wasn't taken to the public. I say that it was stupidity on the part of the municipal councillors to say that they would not let the Provincial Government bear the full costs of Assiniboine Park and turning it into a provincial park. I say that it is not now bearing the full cost of the provincial park because we don't know what the funds are being used for; there are no funds

designated for Assiniboine Park. It has escaped and we don't know whether the block fund goes into one are or another and it's the Minister who is being inconsistent. If he says that it is part of a provincial contribution to the Assiniboine Park, then he says he's tying up the hands of the council to use it as such. If he says that it isn't, then he can't tell the citizens of Winnipeg that it's going to the park. The only way in the future that it will be assured to the citizens of Greater Winnipeg, Mr. Chairman, is if the province makes it a provincial park. As far as the city councillors resisting that, Mr. Chairman, I would be quite happy to fight an election on it and let them fight an election on it. If the Minister says that's arrogance, so be it.

I know that in 1973 when all these issues were being discussed, I was the Minister of Urban Affairs. They picked a trio, Mr. Chairman, it was the Mayor — I believe that was Bernie Wolfe — and a third one and they said, these people who say I am arrogant, this was just before the election in '73, that they were going to go from constituency to constituency telling the city story about this arrogant Provincial Government. I recall them at that time, Mr. Chairman, that they singing a little bit off key because after one meeting where they came face to face with the citizens and the citizens told them to go to hell, they cancelled the entire program. They cancelled the entire program.

They had a meeting; they were going to go from constituency to constituency; Steve Juba in the forefront. They had one meeting and you know what they said, Mr. Chairman? They said when we came to the meeting, it was all NDPers there, so they stayed home; they didn't go to any other meetings. That's arrogance, Mr. Chairman. I was prepared to face the voters in the middle of an auction campaign on that issue; I was ready to let them judge and a city councillors said, the province is stealing our park, the NDP. It's just ridiculous, Mr. Chairman, how does one steal a park? The park is there for all of the people in the City of Winnipeg. What is being taken is a yearly obligation of \$3 million and it's still available to all of the citizens of Winnipeg and the citizens of the Province of Manitoba, still available. Well, Mr. Chairman, my friend calls it arrogance. I say that it was stupidity on the part of the city councillors and I'm prepared to fight on that basis and that's not arrogance. I go to the public and ask to be supported.

MR. MERCIER: Mr. Chairman, if you look at it the Member for Inkster thinks there is a provincial responsibility here, I agree. He said they would pay for the cost of administration which they did, I agree. That's what we're doing; we are doing that. It's included in the total amount of block funding.

Mr. Chairman, it's one of the eight programs that were all included in the block funding grant. The city is responsible for the administration. The only problem the Member for Inkster has is, should it be called a provincial park? He wants it to be called a provincial park. I don't care whether it's called a provincial park or City of Winnipeg park. Why should it be changed? He thinks there's some political impact on having it named provincial park, because there would be no difference in what's happening now. The city is getting the money; they're administering it. They're carrying that out in a

responsible fashion, the park is open to everyone. Mr. Chairman, there is no problem.

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

MR. SAUL CHERNIACK: Thank you, Mr. Chairman. I came here wanting to talk about growth taxes and suddenly I find myself drawn into a discussion of history and I'm drawn in.

My relationship with the Assiniboine Park other than as a child going to see in it a little zoo that didn't amount to very much, was back about 1959 when the Roblin government was proposing the enactment of Metro legislation. When I was an alderman of the City of Winnipeg, I was with the Finance Committee and the Chairman of the Finance Committee was one of the most conservative, almost reactionary, members of council and yet a man of great ability, Walter Crawford, and we were talking about the idea, the mere idea that Metro Corporation would take over Kildonan Park, Assiniboine Park, St. Vital Park. Why they belong to the citizens of Winnipeg, the old City of Winnipeg.

As a matter of fact I pause to wonder what members from suburban Winnipeg, the old suburban Winnipeg, have a right as city councillors to say, this is our park; it's not their park. It's my park, mine and those of the people of the original City of Winnipeg who invested in Kildonan Park, Assiniboine Park and so on. In any event we were arguing and there were a number of aldermen who were all concerned about Metro stealing the City of Winnipeg assets that cost millions of dollars. Walter Crawford said never cry when somebody wants to take over your liability and still leave you with the advantage and he stopped the discussion in Finance Committee. It was an in camera discussion; they didn't want to get it out and they were saying we got to fight Roblin and the Metro, the concept. Walter Crawford said, look, fellows, a park is a costly operation. No one would dare change it in any way if they want to survive as politicians but it costs money and if we can pass on the upkeep and expansion of Assiniboine Park, Kildonan Park, St. Vital to Metro Winnipeg who use it — all of whom use it — then you guys are crazy to be even contemplating a battle to retain that which is a costly asset and you would still have the use of the asset. He stopped the discussion then and I really thought that he was so logical that he would have stopped discussion for all time but obviously he didn't. I come back today and I hear a discussion going on about the millions of dollars invested.

Mr. Chairman, I recall very well that we were seeking to provide a rationale for the operation of the new City of Winnipeg, for writ to obtain funds that it needed badly and one of the concepts was that Assiniboine Park is a park which serves the entire province and certainly all those people who are within travelling distance of the park and that it logically should be supported by the people of Manitoba.

I do recall discussions as to whether it should be called "Manitoba Park" or "Provincial Park" or "City Park" or "Assiniboine Park". The members of council seemed so outraged at the thought of all their great moneys being involved in it that it was left as it was — and I will not enter into that discussion — but I will say it's a foolish discussion to argue

about who is going to own a park when indeed, the one thing that's important is that it be maintained as a park, free to all residents and then it's a question of who pays for it. I think that what is fair should be the governing factor and what is fair is that it should be paid as it was intended to be paid by the people of Manitoba. That's my opinion, that could be discussed.

Now the discussion is whether the block funding is such as to permit the city to divert funds from one purpose to another. There's no doubt that when we agreed to undertake, offered and agreed to undertake the maintenance costs of Assiniboine Park, we did so on the understanding that it would be maintained as a park at a high level and that has to continue to be an undertaking on behalf of the city because it would be a disgrace if provincial moneys are being paid for the maintenance of a park which would be allowed to deteriorate because of the use for other purposes.

I need only, Mr. Chairman, remind you of a very good analogy and that is the whole debate that is still taking place as to whether federal contributions for health needs, Medicare, hospital and education, is now being diverted by the province for purposes other than the original intent because they've gone into a form of block funding and we have that debate going on and it's a legitimate debate; because if the feds want to contribute in their way to provincial programs, they have a right to see to it that those funds are not diverted for other purposes.

Mr. Chairman, as I say I felt drawn into this discussion. What I really want to hear from the Minister of Urban Affairs, who is in a very fortunate position of having a background in municipal affairs as well as in provincial affairs, just what does he see as the opportunities for the City of Winnipeg to acquire revenues for the services it has to offer other than by continually raising property taxes? I suggest there ought to be a reduction in property taxes. I go back to an old policy of the NDP which may even be a CCF policy which I don't think anybody quarrels with and that is the principle that services to people should be paid out of taxes raised from people; services to property should be provided out of taxes raised on property and we never achieved it but we certainly tried. We were going in that direction.

When we brought in what I think is revolutionary — that's a terrible word for some members in this House and I really don't know if it is in any other jurisdiction — the law where we provided a portion of growth taxes, the most progressive form of taxes, income taxes, to municipal needs. It was a radical departure; it was one as I say, I'm not aware that it was done in any other jurisdiction — maybe it was — but we determine that it was necessary for the growing metropolitan areas to find funds for the provision of services at the municipal level to people, that these funds should come out of growth taxes. We invited municipalities to consider and not just recommend but request further growth taxes — or share in growth taxes for their support — so they could relieve the burden of property taxation. But we made a step in that direction.

When the Minister for Municipal Affairs was going over his Estimates I told him that I was under the impression that not only did the City of Winnipeg have definite wishes to participate in growth taxes —

a program which had not been accepted by the Union of Manitoba Municipalities in the past — that I had the impression that in recent year or two the Union of Manitoba Municipalities or at least the urban municipalities — I'm not sure which — I had the impression that now there was greater agreement beyond the City of Winnipeg alone to ask the province to involve municipalities in the raising of part of their revenue out of growth taxes, out of progressive taxation.

The Minister of Municipal Affairs knew nothing about it, Mr. Chairman, and fortunately the Minister for Urban Affairs was present and I asked if he would tell us and he said when we get to my Estimates I will deal with it. I now ask him if he would please deal with the wishes of the City of Winnipeg and other municipalities of the province in relation to growth taxes and also with what he sees as the desirable — if there is a desirable change — how he envisions that change should take place?

MR. MERCIER: Mr. Chairman, there was as I understand it, a resolution passes by the Urban Association relative to access to growth tax fields. I'm going to have a copy shortly and I can read the exact wording to the Member for St. Johns. My understanding is that there was a divided vote on it as I'm advised and it did not pass by a large margin but apparently it did pass and I can in a few minutes, have it available and read it to the Member for St. Johns.

Mr. Chairman, I assume the Member for St. Johns would like to hear a few remarks about growth taxes in general.

I firstly attempted, Mr. Chairman, in my opening remarks to deal with the whole question of the City of Winnipeg's tax increase this year and deal with it in the context of the total provincial programs because I think it has to be assessed in that manner. I think I indicated in those remarks that as a result of increases in the tax credit, certainly last year in the amount of \$100.00 increase in cost of living tax credit this year, increase in the supplement to pensioners resulted, Mr. Chairman, in substantial savings to low income pensioners in the City of Winnipeg.

I pointed out, Mr. Chairman, that as a result of these programs and assuming in this case maximum credits, that every pensioner with a home assessed at \$7,000 is paying less in net taxes in 1981 than 1977. In the Winnipeg School Division No. 1 that pensioner is paying \$217.31 less than he did in 1977. Even in Transcona-Springfield this year, Mr. Chairman, that pensioner is paying \$9.58 less than in 1977. We can on and on with statistics, Mr. Chairman.

The member will be aware, I know that the Leader of the Opposition has referred to a letter from I believe it was the Deputy Mayor, Mrs. McGonigal, relative to the percentage city grants to provincial growth tax revenues. Now I believe this is an area that the Member for St. Johns will particularly understand. He will understand the fact that percentage increases in growth taxes over the years has fluctuated very widely for a number of reasons.

One of them of course being as he will recall the transfer I believe in 1977 of tax points from the Federal Government to the Provincial Government — and this analysis is not completed I must say, Mr.

Chairman — we're still in the process of analyzing the information we've received from the city, because at our last meeting with the official delegation of the city we discussed it at length and I undertook to respond to the city in some detail on that position.

We found on looking at their statistics that the city does not record many of the special grants that we've made to the city. We've looked, Mr. Chairman, at the total provincial grants as pay to Winnipeg as recorded by the Public Accounts and compared that, instead of just talking about block funding in particular areas — I don't have all of the up-to-date statistics on that point — but going back as far as 1979-80 the provincial grants as recorded by the city were \$52,842,000; provincial payments to Winnipeg as recorded by the Public Accounts were \$101,240,000.00. So there is a problem in dealing with the simplistic argument that is being sent to us so far.

I have it now, Mr. Chairman, I'll read it for the Member for St. Johns, the resolution that was passed at the Urban Association Meeting, their mid-season conference in Brandon on May 26, 1980 and then at their Annual Conference in September of that year. It reads:

WHEREAS municipal governments are finding it more difficult year by year to raise sufficient funds to meet their financial requirements for providing municipal services; and

WHEREAS on previous occasions discussion has taken place on a tax on alcohol of 5 percent and a land transfer fee of .5 of 1 percent to provide funding to municipalities; and

WHEREAS to date no result has been obtained from said discussions and during this time it has become more apparent that municipal corporations are in need of additional sources of funds;

THEREFORE BE IT RESOLVED that the Manitoba Association of Urban Municipalities request the Provincial Government to impose a 5 percent tax on alcohol and .5 of 1 percent land transfer fee with said revenue to be allocated to municipal corporations.

(Interjection)— That was brought up I guess at the Semi-Annual Meeting and passed at the Annual Meeting of the Association of Urban Municipalities in September of 1980.

I have the City of Winnipeg's resolution, Mr. Chairman, which was sent to me by the Mayor on March 19, 1981 was: "That the official delegation be requested to approach the Provincial Government to request a larger share of growth taxes". That was passed by the Executive Policy Committee. The resolution I'm advised just came from Executive Policy Committee.

Mr. Chairman, we have as I've indicated in the past increased the block funding grant by 10 percent from '79 to '80; '80 to '81 increased it by 16.5 percent as well as in 1979 we added I believe it was an additional \$7 or \$ 8 million, \$4 million to cover outstanding capital projects; in 1980 we added a special grant of \$2 million for capital projects. We have increased all of the grants in the other areas or tried to. Even the city, Mr. Chairman, acknowledged the increase in the block grant to be a reasonable one and I would take the position that we will continue to do that.

I want to, on their position they've taken on the provincial grants as a percentage of growth tax revenues, complete further analysis of those figures because we've found there is no comprehensive or consistent statistical information with respect to that. I want to complete that analysis and review that with the city, Mr. Chairman. I think we have in the last year by adding some \$20 million in property tax credits — I know for many taxpayers that resulted last year in a reduction of their real property taxes particularly for the home with average assessment and for pensioners. I know that occurred, Mr. Chairman, again this year as I indicated in my opening remarks as a result of that increase in property tax credits.

As a result of the new Education Support Program school rates fell in 7 of 12 divisions affecting 70.5 percent of all assessment in the city. I've mentioned the low income pensioners situation — the province put a substantial amount of money into that Education Support Program so that I believe there was some \$70 million of which at least half must have gone into the City of Winnipeg — and in dealing with that, Mr. Chairman, we dealt with a problem that was brought to my attention by a number of city treasurers, the latest one when I was there, Mr. Gilmore — I think a man whom everyone who knows him would respect — who consistently when I was a member of council talked about the lack of sufficient support by the province for education and the rising education mill rates that affected the municipalities tax room, Mr. Chairman. We dealt with that this year by adding some \$70 million to the Budget, reducing school mill rates in 70 percent of the area of the City of Winnipeg. Even when, Mr. Chairman, you look at the other areas of the City of Winnipeg where their mill rate was increased, their mill rate is still below the mill rate of the divisions whose mill rates have been reduced. On a comparable basis, Mr. Chairman, their mill rates are not out of line with mill rates in other school divisions. By doing that we have assisted municipal government, not only the City of Winnipeg but throughout the province, by reducing that school mill rate burden on the real property tax, Mr. Chairman, and ultimately on the property tax ratepayer. I'm sure, Mr. Chairman, the Member for St. Johns probably has some further questions.

MR. CHERNIACK: Well, Mr. Chairman, I think I have more comments than questions because, Mr. Chairman, to me it is the picture of watching plodding bookkeepers working their way through municipal problems to see the way in which they could create a few little patches or a few little salves to make it a little bit easier to bear the burden. You know the Minister now talks about the \$70 million to education, which is good, no great credit, that's a step in the right direction, it is worthwhile. At the same time, it was done in order to create the anomaly that grew over a period of time on the special Winnipeg Education Levy but that's it. Is that it? Where is there a principle involved in where you're heading? Where will you be next year? Where will you be when you go to the people and say, "Our program is to do, accomplish things". Nowhere. Plodding bookkeepers is what it amounts to in an attempt to just react to complaints.

Mr. Chairman, it's almost laughable to hear the protestations of the assistance from the Property Tax

Credits; laughable because the Conservative party was opposed to Property Tax Credits. The former Minister of Finance, a Conservative Minister of Finance had said, when in Opposition, "It's a terrible thing; it's just vote-catching; it is inefficient". He said all those things and he said, "Give us a chance and we will remove it. If it takes a year to correct the educational financing it'll take a year but I promise you that as soon as we can straighten out the education funding, the Foundation Program, we will eliminate that terrible tax". I still say one of the reasons he's no longer the Minister of Finance is that he couldn't possibly see a change in the Foundation Program and concurrently announce with pride an increase in the Property Tax Credits and now have other members of his Cabinet saying, "Look what we are doing through the Property Tax Credit".

Mr. Chairman, I don't for a moment want to minimize the impact of that program. It's a program for which I, amongst others, take a great deal of pride and it is because it was designed, to a large extent, to attempt to readjust incomes in the province. You know, Mr. Chairman, with the trend taking place everywhere for the gap to widen and widen between the rich and the poor we didn't accomplish that much but obviously we prevented it from getting worse as it would have done otherwise. As an effort toward a greater equality of opportunity for the people through this form of — I forget the exact word I need — but the readjustment in incomes, we've accomplished a great deal — redistribution, that's the word I was looking for — even to the extent that Conservatives who have shown that they're opposed to this kind of a program don't dare, don't dare give it up. They have nothing to replace it with; they have no imagination other than, as I say, being plodding bookkeepers and they don't dare give up what they know is a much appreciated redistribution and that is the redistribution amongst individuals and is good. But it does not really help the problems of municipal people whose costs are increasing at a galloping rate and whose revenues from property tax are not increasing at a galloping rate. Here we have the Minister of Urban Affairs talking about \$2 million and 10 percent increase. I don't have the figures before me but I think it's pretty clear that the increases from the provincial government did not keep proper pace with the inflationary costs imposed on municipal governments.

Now we find that, whereas the City of Winnipeg quite a while ago, asked for participation in growth taxes but couldn't get support from other municipalities, by last September the Minister knew that the urban municipalities, at least, were now in agreement with wishing to participate in growth taxes. He says March 19th there was a resolution sent on to him from the EPC. I wonder why he took the trouble to say EPC rather than from the City of Winnipeg. The reason is, I believe, that he wants to say, "Well, it's not the entire council". — (Interjection)— You did say it was the EPC or it was a committee. —(Interjection)— Yes, well I'm adding a qualifying statement. Mr. Chairman; I noted that he made a point of saying EPC and as far as I'm concerned they represent the City of Winnipeg. I don't know —(Interjection)— I'm sure it's accurate but the point I'm making is that I wondered why he

didn't say from the City of Winnipeg. I think that it would have been clear to all who know the history that Winnipeg has been asking for these things all along. He didn't need March 19, 1981 to tell him what the City of Winnipeg wanted to do in the sense of participation in growth taxes.

So the Minister having been there for three-and-a-half years in government, the Minister having before that time been involved in municipal government, should have come, I believe, with a policy and I haven't seen a policy. That's why I said it was plodding bookkeeping that they're doing. There's no policy that I can envision. There was a study made on the educational financing. It took three years but it came and the Minister of Education promised it would come before the end of 1980 and he kept his promise. But the result of that was more bookkeeping and no policy. I was hoping the Minister tonight would give us some indication of the direction in which they wished to go and we don't hear that.

As far as I'm concerned, I don't know what they're thinking in terms of policy, philosophy, principles in this regard. I've lost any respect I had for their policies, principles, etc., when I heard Autopac denounced and then accepted and kept; when I heard the Property Tax Credit Plan attacked bitterly whilst in Opposition and now hung on and spoken with pride.

I'm asking the Minister, once again, can he give us some idea of what philosophy he has as to taxation; or does he indeed think it is sufficient to contribute a little more to the educational tax burden by provincial revenues, to add to the property tax credit? What philosophy is he going to present to the people of Manitoba when his Premier is ready to go back to the people for a vote of confidence which he will want; what program will he offer them as being a philosophy of the Conservative government which will assist the burden of property tax which is somewhat of a regressive form of taxation? I must say that I think a 5 percent tax on liquor is even more regressive but it's a sin tax and people accept it somehow; but nevertheless it is a growth tax, like sales tax is a growth tax.

I would like to hear from the government of Manitoba, the Progressive Conservative Government of Manitoba, what is their approach to the need — if they recognize such a need — to reduce the property tax burden that is placed on municipalities? Is it enough what they're doing? Is that all they see for the future, to increase, to work toward a greater assumption of education tax; or is there some way in which the metropolitan areas of this province and of this country will start to feel they have a tripartite interest in what goes on? Now that's a step that has been long proclaimed and very little has been done about it by Conservative government, by our government, but it's a step that has to be recognized. At least, as I say, the New Democratic party did show what I think was an unprecedented program of actually putting into law a right of the municipalities to collect taxes of a progressive nature, growth taxes, and invited future approaches to be made for future increases in that form of tax.

As I recall it, and I'm pretty sure I'm right, we indicated that if the municipalities felt they would like to go beyond the 2.2 percent to, let's say, 3 percent

or whatever of income tax, we would consider that favourably. I believe it was said that if they wanted to get 1 percent of sales tax as their tax we said we would consider it favourably. But I don't know what Conservatives think. I would like the Minister to tell us what approach they have, what philosophy they have, what program or policy they have and what they see as being an objective for, not necessarily one year from now, five years from now, 10 years from now. Where are we heading? Where should we head no matter who is in government? What do Conservatives think should be the way in which we approach the future needs of the urban population?

MR. MERCIER: Mr. Chairman, to hear from the Member for St. Johns that we are plodding bookkeepers and that we have no plan, assuming unto himself and his colleagues that they had some great divine plan that was so well known — (Interjection)— not divine, some great plan for municipalities and the City of Winnipeg in this province. I can only recollect that, Mr. Chairman, the number of times when I was on City Council, their government was in power, when we were asked "not to pass the mill rate, to delay passing the mill rate, defer holding the meeting, forget the Act, wait another week because we're still thinking about what we want to do for the City of Winnipeg, wait until our budget, we're going to announce something in our budget". That's the kind of long-term, long-range planning that municipalities and school boards had to react to under the previous administration, Mr. Chairman. We have attempted, Mr. Chairman, through the Educational Support Program to put into place a plan which the Minister of Education said he would do and he did in sufficient time for school boards to take into account this year in their budgeting process and that's part when we look at — I assume we're talking about the real property ratepayer — and in looking at his circumstances you have to look at the total situation. You have to look at that Education Support Plan because it has an effect and in this case in general for the majority of people it has a reduced school mill rate in this province.

We have attempted through the Block Funding Program to put in place and announce early in the calendar year the figures that we are proposing for that year in order for the city to do its planning in its capital and current Budgets and not wait till the end of March or April to announce to what degree the province is going to support the city in that calendar year.

When you take that into consideration, Mr. Chairman, you also have to take into consideration the total provincial financial position, this year a deficit of some \$217 or 219 million. That has to be taken into consideration when you're considering grants and payments to any school board, municipal organization or other organization in the province.

I have never been one while I was on city council, Mr. Chairman, and since I've been here, to be supportive of allowing municipalities to enter into the income tax field, into the sales tax field, into the liquor tax field because I believe a Provincial Government of whatever administration they are, whatever political party they are, has to have responsibility for the total tax system in the province; they have to have ultimate responsibility — and that

means having an ultimate responsibility for the mill rates that are levied in municipalities throughout the province — and I think consideration has to be given when the province is considering the amount of its growth in revenue taxes of which municipalities already share through the 2.1 percent of personal income tax and 1 percent of corporate income tax.

The province has to consider what further share it's going to make available to, in this case the City of Winnipeg. I believe by doing that the province maintains its responsibility for the overall taxing responsibility in the province as it should and at the same time has to be responsible to municipalities; in being responsible to municipalities and to the ratepayers — they're all taxpayers we all know in the province, Mr. Chairman — we have to take into consideration reasonable request from the City of Winnipeg and do our best to ensure that the city receives sufficient funds to carry out its responsibilities while at the same time maintaining a reasonable tax burden on the real property taxpayer.

I think overall, Mr. Chairman, we have succeeded through a combination of the Education Support Plan; through the block grant; through the access that municipalities now have to growth taxes; to changes in the property tax credit; the supplement to pensioners; of maintaining and providing for what generally are fairly reasonable increases in real property taxation.

I have cited, Mr. Chairman, the position of the low-income pensioner in the city who has had reduced taxes in the City of Winnipeg 1981 compared to 1977. I look back and I don't want to simply cite statistic after statistic but comparing the position of a Winnipeg School Division for example in assuming minimum property tax credits, the net property taxes from 1973 to 1977 in the Winnipeg School Division increased 49 percent; from 1977 to '81 the increase was 11.4 percent. I think we have done a reasonable job in this area, Mr. Chairman.

I don't think any government can plan for 10 years in this field particularly now when the whole subject of federal-provincial financial sharing is going to be a subject of serious discussion in the next little while and the future is somewhat uncertain in that area. Under those circumstances it's making it extremely difficult I think for provincial governments right across Canada to talk about planning for two years ahead, let alone one year ahead at this stage when that area at the present time is so uncertain.

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

MR. CHERNIACK: Well, Mr. Chairman, I appreciate the problems that the government has in relation to finding funds. I don't think they've done a very good job in the whole provincial-federal fiscal arrangement because it seems to me that by supporting Loughheed all the way as I believe they have, they are not doing anything to make it possible for the Federal Government to play a bigger role in the equalization field but that's aside from the point, I don't want to go into that now.

It seems to me that the Minister is showing a greater paternalism towards the municipalities than I thought he would indicate. He even assumed responsibility as I understand it for the mill rate at the municipal level saying it's a provincial

responsibility. I think he said that and that surprised me. Now he goes further . . .

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

MR. MERCIER: We can look at Hansard, Mr. Chairman, I believe I wanted to indicate that I think the province has some degree of responsibility for increases in the cost of municipalities providing reasonable municipal services.

MR. CHERNIACK: Yes, Mr. Chairman, I'm glad the Minister clarified what he said. I think I quoted him correctly but clearly he meant what he said now and I can see that but I think he ought to go a little further and indicate to the municipalities how they are able to prevent too great a burden on property taxation and that's what I fault him for doing. I now understand him to say and I make the point, Mr. Chairman, that I heard him say, I don't believe. But he is the Minister for Urban Affairs and he is a Minister of the government. It is pretty difficult for a Minister to disassociate his opinion from that of government.

I want to be able to say that the Minister has stated that — now he or they and I have to say he said but I believe he speaks for a government when he speaks — don't believe in the municipalities having a greater claim on growth taxes such as the income tax; such as sales tax and I think he said liquor tax. —(Interjection)— Pardon? I'm correct. The Minister confirms that the direction in which we were going when we turned over a specific amount of income tax to the municipalities — and, Mr. Chairman, let me make the point very clear — that the municipalities have the rights to come to the province and say, change that Act and reduce the tax. They have a right to do so as I understand the tax and as I believe is our policy; that they don't have to say, we want more; they can also say we don't want that much of the income tax. But we showed that direction.

As I recall it we also turned over amusement tax to the municipalities which was no big deal, although it was worth at the time about \$1 million to the city; I think now it's worth about \$600,000 whatever; I guess the influence of T.V. has played a role in that. But now as understand it the Minister says, labouring as we are under a deficit of — what is it \$220 million and I have to remind the Minister that in addition to that they took, I almost said stole — but I would say they took money from the Municipal Loans Fund some \$24 or 28 million of a one-time takeaway and if not for that their deficit would have been closer to a quarter of a billion dollars, some \$250 million approximately; that I understand the problem they have.

But I still say it was plodding bookkeeping to make certain changes. We have no indication of where they plan to go. We have no indication of greater contribution to the foundation levy from the provincial side. We have a clear indication now which I have never had before, Mr. Chairman, I always believed that the Conservatives would not let the municipalities get into the growth tax field but never before do I recall hearing it said that they wouldn't do it. Again I'm assuming the Minister spoke for government when he did, at least for the present

government when he said that and I accept this, so what do we find?

We find that the program was in existence before, the Foundation Program for Education has been changed but not radically changed. It has been improved but not tremendously improved. We find the Property Tax Credit Plan which was improved this year for the first time since they came to government — no, I think there was an adjustment for senior citizens in the previous year — but other than that I don't think there was natural growth contributable to inflation in the property tax credit until this year. Wasn't that just for the — (Interjection)— Well, I'll accept the correction. I don't remember it but I'll accept it. In any event that is something they said they didn't believe in which they carried out, so what imagination do we have that would make me feel that I shouldn't have used the term "plodding bookkeepers"?

Now I know that they have the greatest deficit ever in the Estimates we're dealing with now. I know they have problems. They have problems which they gave themselves, although they keep trying to attribute it to history. We have a constant repetition of what they have done. We have no indication of what they want to do. Mind you going on the record is better than what they're doing now as a government with their mega-projects of what's going to happen, the dreams that they are unfolding for the people of Manitoba.

So I now feel the one thing I've learned this evening that I didn't know for sure and that is, the municipalities have no opportunity — and these are my words — to participate in growth taxation; that they have no opportunity to have a say in where their funds will come from other than property taxation; and the only thing they have to do is to keep coming, cap in hand as they've done for I guess 100 years, to the province saying please, let us have some more money. Well they did it during the Liberals and then the Conservatives and then the NDP and now the Conservatives and I don't see that there is any major long-range plan — the Minister says he can't plan 10 years ahead. He can at least show a direction and a philosophy; he has not done so; I believe we have done so and I accept that. That's the way it is and I guess I don't deplore it, Mr. Chairman. If they had a program that was understandable that was logical then maybe I would feel insecure in being in the party I'm a member of rather than in their party but when I find this inaction on their part I guess it reinforces my faith in the party which I represent in this House.

MR. MERCIER: Mr. Chairman, to say there is no plan is not correct. When I brought into being the block fund system I said in my letter to the city — I'll just read one sentence of it — If for any future increases to the block fund will approximate the anticipated rate of increase in provincial expenditures, Mr. Chairman.

So we were attempting as much as we could to give an indication to the City of Winnipeg that out of the growth taxes that the province receives, which is the basis for provincial expenditures, that we will give an amount to the City of Winnipeg that is equivalent to the rate of increase in provincial expenditures. And, in fact, Mr. Chairman, the grants to the City of Winnipeg have in every year exceeded

the provincial growth expenditure rate. So we have attempted, Mr. Chairman, I think by doing it it's incorrect, maybe it's a matter of semantics, but I think it's incorrect to say that the province is not prepared to give — let me deal just with the City of Winnipeg because that's all I deal with directly — it's wrong to say we're not prepared to give the city access to growth revenues because we are. We're prepared to do it through the Block Fund Grant to the City of Winnipeg on the realistic basis of something equivalent to the rate of increase in provincial expenditures, which again I say has to be practically based on the increase in growth revenues to the province as a whole.

So I think, Mr. Chairman, the City of Winnipeg has been given access over and above the points of income tax and corporate tax to total growth revenues to the province. Now at the same time I want to make a comment for the record, Mr. Chairman, and the Member for St. Johns may dispute this. When the previous administration brought in this plan of 2.2 points of personal income tax and 1 percent of corporate tax they were already giving, say you just deal with the City of Winnipeg, a per capita grant I think which had gone from \$8.00 to \$10.00.

I asked the Member for St. Johns to confirm it. What they did was they said okay now we're going to give you, instead of this unconditional grant we're going to give the City of Winnipeg its per capita share of 2.2 points of personal income tax and 1 of corporate tax. And what did it amount to when it was converted? \$10.50. —(Interjection)— The Member for St. Johns says it was converted. But it was a sham, it was a sham, Mr. Chairman, because without that would they not have just continued to increase the . . . (Interjection)— They wouldn't have. Mr. Chairman, I said at the time it was a sham because it was not any great increase in the amount of money accruing to the City of Winnipeg and municipalities. It was a way almost, Mr. Chairman, of trying to blame their excessively high rates of personal and income and income tax on the municipalities. That's all it was because they had the highest in Canada and sensitive to the criticism on that and so they wanted to avoid that by transferring some of that criticism to the municipalities. We're not really getting that money, that money is going to the municipalities, Mr. Chairman.

What really should have happened, Mr. Chairman, is the per capita grants should have continued to be increased on that basis, in accordance with the tax revenues accruing from those income tax points. They shouldn't have blamed the municipalities by assigning that to them because that's really all they've done. I suppose we could do the same thing but I don't want to play that kind of a sham game, Mr. Chairman.

MR. CHERNIACK: I thought I was through. I was relatively satisfied because I couldn't get any more out of the Minister but now he comes and displays the complete ignorance of the entire program of what growth taxes at the municipal level are about. I can't help, not rise to differ, but to inform the member, to explain to him what growth taxes are. Growth taxes are taxes which are related to gross provincial product, gross national product to some extent; they are related to inflation as the Minister

should well know since he collects liquor taxes, I don't know if there's much more consumption of liquor in the province than there was let's say a year ago but certainly there's a much greater revenue to the province out of the consumption of liquor, not by volume but by money spent for liquor, therefore that's a growth tax. I called it a regressive tax because growth is not necessarily a progressive tax, the words are not synonymous but in this case of course.

The Minister may not know or recall that back in 1968 I think it was the per capita tax was \$3.00 across the province. Just before Walter Weir rushed into that great election that was going to give him his own role as Premier and not one which he fought out at the party level and won but was going to be acclaimed by the people of Manitoba, if you recall, Mr. Chairman, he walked out without passing his estimates and I want to assure you, if only the First Minister would promise to call an election right away, we'll pass the Estimates to make sure that the government hasn't defaulted the way Walter Weir did. (Interjection)— Pardon, say it. See, Mr. Chairman, the insults fly just roll right off the tongue.

Mr. Chairman, \$3.00 is what was the per capita tax and the one big thing that Walter Weir did was to jump to \$8.00 — a \$5.00 increase, substantial. Mr. Chairman, yes we increased it I think to \$10.00 or 10 and a fraction but then we said that is still paternalism; it is still giving something on a flat-rated level, true we increased it but it was still a flat contribution, indeed it was a bulk contribution, bulk grant. But we said the cities are entitled, the municipalities are entitled to share in growth taxes. As I described to the Minister growth taxes really mean grow, not by the whim of government which decides to increase it by 50 cents, \$1.00 or as in the case of Walter Weir, \$5.00, but rather by the natural growth that takes place.

And that is why, yes, we made a calculation. As I recall it, and I'm subject to correction on this, the amount payable to municipalities was somewhat greater out of the income tax change than out of that per capita grant but the principle was then established and in three-and-a-half years the Conservative government has not changed the principle. The principle was that in addition to doing it and saying it we are no longer going to be in control of that portion of your revenue but rather it'll be the economy and the growth of the economy which will decide how much you get. We then made it a part of a package and I am sure as anything, Mr. Chairman, we invited the municipalities to think in the future of what other growth taxes they would like to participate in, and naturally we didn't say whatever you say will go because it had to be a substantial percentage of the municipalities that wanted it, both in people they represent and in size of the municipalities involved and there had to be some rationale to it. But they were invited to do it and I think clearly they were told that this portion of the income tax was theirs to do with as they saw fit and if they didn't want to have an income tax they could reduce it.

The Minister called it not only a sham, which it wasn't because there was no pretense that it was other than it was, and clearly it was a conversion from a per capita tax to a growth tax but there was

something else involved, Mr. Chairman. There was the recognition by government that municipalities do have something to say and do have something to contribute. At that time we felt that they should know that they could participate. When he says it was done to blame the municipalities for the increase, Mr. Chairman, we were proud as could be that when we increased income taxes we removed Medicare premiums. Please remember that, Mr. Chairman. As I recall the increase was some 4 percent in personal income tax and it balanced and it took care of the most regressive tax of all and that is premium tax which was charged by the Conservatives at, as I recall it, 100 percent of cost. That is, they got 50 percent from the Feds and the provincial portion came straight out of premium tax because Walter Weir was going to sue the Federal Government. Come to think of it Conservatives run to court don't they? He was going to sue the Federal Government for forcing Medicare on the Province of Manitoba. I'll never forget how my friend and he was my friend, still is although I haven't seen him for years, Buck Whitney, stood there in great embarrassment saying, yes I'm bringing in a Medicare bill but I'm opposed to it but I have to do it, it's being forced on me. What we did, the Minister should know, we increased income tax, we reduced the premium tax.

Now I see the Minister for Economic Affairs is here. He said then that he would never forget and, I must say, Mr. Chairman, I will never forget the way he said, time and again; Why the Minister of Finance, at the time when I was Minister of Finance, will be an old man, dottering old man, trying to stand up straight and having a cane to support him will say, we made the greatest shift of taxation that ever took place in the Province of Manitoba. He was right. We did it, we said it, I still say it, but he deplored it. Yet he's been in government over three-and-a-half years; he's done nothing to change it back. He reduced income tax if you remember. —(Interjection)— Pardon. I don't know, Mr. Chairman, he says something to me and when I don't hear it he shuts up which is just as well.

Mr. Chairman, the shift we made was one that we were not at all embarrassed about. We talked about it with great pride and it was no need at all to put onto the municipalities any form of burden that way. Don't forget that when the Conservatives came in they reduced income tax. They took, was it \$7 million from the gasoline tax, they don't admit they increased gasoline tax but they did and they did other things for which we've debated at other times.

But the Minister should know that when we move from per capita taxation to income taxation we did it because we changed from a flat rate payment to municipalities to a controllable and a growth tax and that was an indication of a change. He may call it a sham but I don't think people who understood what it was called it a sham because they indeed understood it.

MR. CHAIRMAN: The Honourable Member for Inkster.

MR. GREEN: Mr. Chairman, I'm glad the Minister has borne me out because at the time I said the municipal argument relative to getting more growth taxes was a sham; that the municipality was being controlled largely by Conservatives whose main

interest was to try to discredit the Provincial Government so that they could try to go into power and the presence of the Minister is a perfect example of that, Mr. Chairman. I don't follow that. I say that as a municipal councillor he was seeking provincial office and therefore he was trying his best to embarrass the Provincial Government and that it didn't matter what the Provincial Government would do, the member would say that it was a sham. As a matter of fact, he has borne me out because I said let's offer the municipalities whatever powers of taxation they want and that if you give them a share of provincial taxes it will not. If you give it to them for the purpose of helping the municipalities, that's one thing but if you think giving the municipal government a share of provincial taxes is going to shut their mouths and that they're going to then be nicer to the Provincial Government, you are badly mistaken.

The fact is that the Minister proves that I was right, Mr. Chairman, because when he says it is a sham, he is saying that the conditional grant was the same thing. Now will the Minister sustain that, that the conditional grant is the same thing? Will he go back to the conditional grant? A conditional grant in 1967 was \$3.00 per capita. Does the Minister say that the best way for a Provincial Government to operate is just before an election campaign to increase the grant? Because that's what he is now saying, Mr. Chairman.

The fact is that the growth taxes — and that is a fallacy as well and I said so at the time and I repeat it now — have resulted in the conditional grant that the member says should be adjusted every year by the Provincial Government has gone up from the \$10.00 that it then was to a much higher figure now and it didn't depend on the Provincial Government changing it every year. Is that a sham? Because that's what the municipalities were asking for. They said we don't want to be at the mercy of the Provincial Government changing the unconditional grant. Isn't that right? Isn't that their argument? Was not that their argument?

That was their argument, Mr. Chairman, that wasn't their position. Their argument was a sham. What they were really trying to do was to embarrass the Provincial Government and when the Provincial Government changed, did the Minister say that, yes, they have recognized some share of growth taxes? No, he told us what he said; he said it's a sham.

Well, Mr. Chairman, I hope this will be a lesson to anybody in any political party who thinks they can in any way materially interfere with what will be a feature of provincial-municipal politics as long as there is a Provincial Government and a municipality; that the municipality will be trying to get the Provincial Government to share a greater part of its expenditure so that they could go to the public and have a less onerous position of responsibility vis-a-vis their own taxes because, Mr. Chairman, municipal taxes are growth taxes. Why are they not growth taxes?

If a man has a home valued at \$15,000 and his taxes are \$500 — and the next year everything goes up by 10 percent, everything — his home becomes valued at \$16,500 and his taxes go up to \$550, if you sprinkle the mill rate, the taxes grow. Why should it be otherwise? Why should that field alone, Mr.

Chairman, remain constant so that the Minister who is a municipal councillor can go out and say, look what a good boy am I, your mill rate hasn't changed? Your municipal taxes have not gone up.

Now Provincial Governments that want to facilitate that, Mr. Chairman, are making a bad mistake if they think by facilitating it, they will be congratulated by the municipal councillor. Municipal councillors will say it's a sham, that's what they will say. For proof of that, Mr. Chairman, the Minister of Urban Affairs has told us when the province said there will be no longer any necessity of altering the unconditional grant, it will be altered automatically by the growth taxes of the income tax and the corporate income tax; the Minister has told us he said it was a sham. Well I know now, Mr. Chairman, why the Minister who learns from himself has done nothing to financially benefit the municipality. (Interjection)— Nothing, Mr. Chairman, nothing, nothing. Mr. Chairman, nothing. Mr. Chairman, he has done nothing.

MR. ENNS: Mr. Chairman, that's simply not true.

MR. GREEN: Mr. Chairman, he has taken a formula of taxation and turned it into a fund-blocking formula. The City of Winnipeg would have had more money had the participation formula continued than they have had by the fund-blocking formula instituted by the Minister of Urban Affairs. His fund-blocking formula is a sham and as a matter of fact, Mr. Chairman, despite the fact that they are Conservatives at City Hall, they are saying it's a sham. They are saying it's a sham. Do you know why, Mr. Chairman? It wouldn't matter if there were New Democrats in the Provincial Government and New Democrats at City Hall, they would have the same argument and the New Democrats at City Hall would call it a sham if the Provincial Government New Democrats did something. Of course, I agree with you, I have said so and therefore for the Provincial Government to think they are going to befriend the municipal council by . . .

MR. ENNS: But this Minister has made massive strides in bridging that gap. If ever there was an Urban Affairs Minister who has tried to bribe that gap, it is this Minister.

MR. GREEN: Mr. Chairman, it is interesting that the city councillors of Progressive Conservative persuasion are calling the fund blocking program a sham. Where did they learn the word "sham"? From the Minister of Urban Affairs. (Interjection)— Fund blocking.

Mr. Chairman, I'm sure it is a misnomer on the Estimates; that it's not block funding, it's fund-blocking because that is what it is. It's certainly misspelled on the Estimates and I am just providing a typographical correction; it is a fund-blocking program and that's what it does. I see nothing really wrong with it. I say that's the way it will be and there is no particular harm in the growth tax program except that it was a sham when it was requested, that's what was needed and when it was given it didn't change anything. The Minister has proved it didn't change anything and whatever Provincial Government comes to power, they should use that as a lesson. Don't try to ameliorate the situation; try to be fair.

The fairness, Mr. Chairman, was trying but municipal councillors refused because they didn't want to levy their own taxes. They wanted the Provincial Government to levy the taxes and the municipal councillors to spend the taxes; they wanted the best of all possible worlds. I suppose if they can get people to yield to that more credit to them, but I wouldn't yield to that. I would not want to have yielded to it in the past and I would not want to yield to it in the future.

If there are moneys that are necessary for the funding of a particular program, I think that should be discussed between the city and the province otherwise the municipalities should have available their sources of taxation and they should have available more sources of taxation if it is necessary to give it to them. If they want it, all such sources shall be discussed and the municipalities should also be relieved of responsibilities which are not fairly municipal. I say to you, Mr. Chairman, that it is unfair for the municipalities to be burdened with costs such as the Assiniboine Park. It is unfair for municipalities to be burdened with the full costs of providing for freeways which are of provincial nature. Those are the things and those are the ways in which the urban problems should be solved.

It is unfair for the municipality to have the full burden of solving the problem of mass transportation and that's why the Provincial Government should be involved, discuss it and provide funding for it, not unconditional grants which permit the taxes on the poorest people in the City of Winnipeg to be raised double the rate of the taxes on the richest people in the City of Winnipeg. That's the policy of the Provincial Government and that's what has happened. (Interjection)— The honourable member says that is not so? It is so, Mr. Chairman, and I have proved it to you. I challenge the honourable member to show that the figure is wrong; that the poor people in the City of Winnipeg who have to use mass transportation are being taxed an additional minimum of \$120 a year; that's double the mill rate on them as against any other citizen — double the mill rate — and I challenge the members to show that figure is wrong because that's what they are being taxed.

The Member for River Heights, the Minister of Consumer Affairs, seems to think that if you pay the taxes at the toll box, it's wonderful therefore the people who have to pay it when they get onto the bus —(Interjection)— he just said it, Mr. Chairman, loser pays, that's what he said. Mr. Chairman, the member says losers pay, losers pay.

MR. ENNS: No, that's not what he said.

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

MR. FILMON: A point of order, Mr. Chairman. I said, "User pay." It's spelled a little differently. The member is suffering from hardness of hearing but it's "user pay".

MR. CHAIRMAN: The Honourable Member for Inkster.

MR. GREEN: Mr. Chairman, I thank the honourable member for telling me what he said, user pay, and

I'm telling the honourable member that when he is saying user pay, the effect of it is loser pay. But, Mr. Chairman, the loser that he wants to pay and where he says it's elegant to pay taxes at the fare box, nobody should complain about it because that's user pay, those people have their mill rate doubled as compared to other people in the City of Winnipeg who are fortunate enough that they don't have to use the transit system. Mr. Chairman, the reason that the honourable member —(Interjections)

MR. CHAIRMAN: Order please. Order please. Order please.

MR. GREEN: Tell him to stop.

MR. CHAIRMAN: I would hope that the honourable members would allow one member at a time to speak in his place or her place.

The Honourable Member for Inkster.

MR. GREEN: The reason the Member for Pembina says that it doesn't make sense, Mr. Chairman, is that he is not a member of a family that has to use the transit every day to get to and from work and does not have that \$120 additional charge foisted on him. (Interjection)— The member says, "That's silly" and I want to put it on the record that the Member for Pembina, a Minister of the Conservative government says it's silly to be worried about the man who has had an increase of \$120 a year which is double the mill rate that is charged to the average citizen in society . . .

MR. CHAIRMAN: A point of order?

MR. GREEN: . . . that it is silly to talk about it as an increase in taxes.

MR. CHAIRMAN: Order please. The Honourable Minister of Highways on a point of order.

MR. ORCHARD: Mr. Chairman, on a point of order. I said the Member for Inkster is silly.

MR. GREEN: The honourable member is an expert on stupidity and silliness. I have never heard anything more asinine, Mr. Chairman, and I say that the honourable member has accused me of being silly because I said . . .

MR. CHAIRMAN: Order please, order please. I think this debate is deteriorating into just a mudslinging of words —(Interjection)— No, on both sides. I'm not pointing —(Interjection)—

MR. GREEN: Mr. Chairman, I object. The mudslinging has come from the Member for Pembina and I want to get up, Mr. Chairman, and indicate why it has happened. I object and I want to know where it has come from this side of the House.

MR. CHAIRMAN: The Honourable Member for Inkster was not acknowledged. I will acknowledge. Would you repeat exactly what you said so it can get on the record.

The Honourable Member for Inkster.

MR. GREEN: I want to say that the Honourable Member for Pembina, who is engaging in

mudslinging but he is missing by miles, Mr. Chairman. None of it hits; it is like spitting into the wind, it comes right back in his face. Mr. Chairman, the honourable member said I was silly when I said that the poor citizen in society who has to use the transit system has had his taxes increased by \$120 a year which is double the mill rate increase of the more wealthy citizen in our society. He says that's silly and I say that the reason he says that's silly is that he doesn't know, Mr. Chairman; he doesn't know what it means to have to use the transit system. Mr. Chairman, I really feel quite sorry for the honourable members. I feel sorry that they have been living in isolation; that they don't know what it is to be in this situation; that they consider it a joke to levy taxes on the poor people in society; that they consider it is silly to get up and talk about it; that they say the users should pay when the result of it is that the loser is the one who pays. That is what the Minister's policy is doing in the City of Winnipeg, Mr. Chairman, the policy of so-called unconditional grants; the policy which has blocked funds to the citizens of the City of Winnipeg and have blocked meaningful provincial programs for urban development because the Minister has said he will turn over the provincial funds without any discussion of urban development programs; that is his policy. He's the one who tries to have it both ways because, when one says there should be money for the parks, he says the money for the parks is designated in the \$38 million.

When we say, Mr. Chairman, that we would designate it he says, "We don't want to tie the hands of the municipal council". If it's designated their hands are tied; if it's not designated, Mr. Chairman, there is no urban thrust on the part of the provincial government. You cannot have it both ways. You cannot say it's an unconditional grant and in the same breath say that it's designated, because a designated grant and an unconditional grant are, by definition, the opposite of each other. When the Minister came and said he was going to make it an unconditional grant he specifically said he was doing it so it won't be a designated grant.

Now the Minister who is an expert on sham; maybe the whole fund-blocking program is a sham, and I rather expect it is. If, for instance, Mr. Chairman, the City of Winnipeg said they were going to discontinue the provincial parks and that they were going to subdivide Assiniboine Park and distribute it into building lots, maybe the Minister would say in that \$38 million there was \$4 million for parks and that the program is really a sham, that the City of Winnipeg doesn't have the right to do with the money what they want to do and that he would deduct four or five million from the 38 because they no longer run a park; or if the City of Winnipeg decided that they were going to go from 60 cents a fare to \$1 a fare — and it would be self-defeating to close the gap on the transit deficit to make no gap — and if they could get by charging \$1.50 or I don't know what crazy figure, if they could have it that the losers pay everything which would be a consummation which the Minister of Consumer Affairs devoutly wishes, since he says users should pay —(Interjection)— Mr. Chairman, that's what he says.

If they did that I presume, Mr. Chairman, the Minister would say, "Look, when we were giving you

\$38 million, six or seven million was to take care of a transit deficit and now that you're not running a transit deficit because you've decided to charge these fares, we are going to reduce the \$38 million to \$31 million". Then, Mr. Chairman, the whole fund-blocking program is a sham. It's a sham because it's impossible, Mr. Chairman. It's impossible for the Minister to maintain that the \$38 million is unconditional. By the very same token of where he said the former Minister calculated the money and then changed it to a growth tax, the Minister calculated the amount that was going out on conditional programs and calculated into an unconditional grant, knowing that it had to be spent on that money. So what's a sham, Mr. Chairman? What is the definition of a sham? The Minister of Urban Affairs, that's the definition.

MR. CHAIRMAN: Clause No. 2 — pass.

Resolution No. 119 — Resolved that there be granted to Her Majesty a sum not exceeding \$38,450,000 Urban Affairs, Block Funding for \$38,450,000 — pass.

Clause No. 3, Intergovernmental Land Sales, Resolution No. 120 — pass.

The Honourable Member for Elmwood.

MR. DOERN: Mr. Chairman, I think we have made substantial progress. I think that by agreement we're willing to pass 120 and stop at this point.

MR. CHAIRMAN: Resolution No. 120 — Resolved that there be granted to Her Majesty a sum not exceeding \$1 million for Urban Affairs, Intergovernmental Land Sales, \$1 million — pass.

Committee rise.