

THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Tuesday, May 21, 1974

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports. The Honourable Minister of Mines.

MINISTERIAL STATEMENT

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management) (Inkster): Mr. Speaker, I would like to indicate, if acceptable, a meeting of Municipal Affairs Committee on Thursday night at 8:00 o'clock. That will mean that the House would be occupied with committee that evening and other members would not have to be here. The House Leader of the Conservative Party asked me to schedule Agricultural Committee but apparently the Minister of Agriculture is not yet ready, so if it can be Municipal Affairs we know that there are briefs before that Committee as well as considerable work before that committee to complete their activities. Thursday night at 8:00 o'clock.

MR. SPEAKER: Any other ministerial statements? Notices of Motion; Introduction of Bills; Questions.

The Honourable House Leader. Orders of the Day.

ORDERS OF THE DAY

MR. GREEN: Yes, Mr. Speaker. Can we move now to the Concurrences. I believe that we were within the Department of the Attorney-General. Oh excuse me, Mr. Speaker. If there are any members ready to speak on bills, we can call the three bills that are standing on second reading.

MR. SPEAKER: We have Bill 55. The Honourable Member for Souris-Killarney. (Stands) Bill 60. The Honourable Member for Rhineland. (Stands) Bill 61. The Honourable Member for Riel.

BILL NO. 61

MR. DONALD W. CRAIK (Riel): Mr. Speaker, second reading of a bill, as has been said before in this session and in other sessions, of course, is the question of whether the bill contains more good in it than it does bad. And, Mr. Speaker, in the case of Bill 61, the question that is at stake here is the matter of principle contained in the bill and the bill, although it is an Act to amend The Income Tax Act, which in effect gives tax relief to people who are subject to property tax, either through the Property Tax Credit Plan or through the Income Credit Plan, or more accurately the cost of living tax credit plan, Mr. Speaker, the question that's really at stake is not whether or not people should be granted money back by way of this rebate - that is, how much they should be granted back by the rebate - but rather whether the system of a rebate in a matter such as this is an equitable system of handling taxation; and we've argued before, and continue to argue as the Official Opposition, that this particular system is an ineffective system, it's an expensive system, and it's not a particularly equitable system since the rebates apply to areas of taxation, primarily in the property tax field, that are the result in the first place of Provincial Government policy. So, Mr. Speaker, in effect, since the most of the money reverts back and comes through property taxes either from education tax or from municipal tax and both of these by the BNA Act are of course exclusively the responsibility of the Provincial Government, then, Mr. Speaker, if a rebate is necessary, surely the question has to be raised and answered as to what government policy was and is that creates the problem in the first place, and then, Mr. Speaker, deal with that problem and then, once you've dealt with that problem, if you find that a rebate system is the only system that will satisfy the problem, so you go to a rebate plan.

Well, Mr. Speaker, it's pretty difficult to get past the first question: that is, to what extent is the problem due to the policies of the Provincial Government? That is, why are the property taxes at a level that it is felt necessary to circumvent the normal financing system through financing municipalities or the school boards through the direct responsibility that the Provincial Government has in the first place in setting up these bodies, since they are in both cases the creations of the Provincial Government. So, Mr. Speaker, then we come back to whether or not we should have a rebate system to solve the problem of excessive - and it

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(MR. CRAIK cont'd). . .has to be excessive, Mr. Speaker - excessive property tax, before one would entertain going about this roundabout-mulberry-bush to try and find a solution to a problem.

Now in this particular case here, we find that this year the government maintains that in the lower income brackets, by increasing the property tax by an amount of \$50.00 that they can in fact alleviate the problems for those people that are of greatest concern to them. And, of course, Mr. Speaker, there is no doubt that the people who are the majority of the voters in Manitoba probably do receive a benefit from this plan that is significant in terms of their total tax on property. That is, \$50.00 increase in rebate may in fact be a significant amount in terms of their increase in taxation in the given tax year. But if we look at, for instance, the increase in taxation in the City of Winnipeg we find that - and it's roughly, probably roughly the same, although I don't think quite as bad in terms of relatively in 1974 - the budget for the City of Winnipeg indicates that of the total property tax increased in 1974, 81 percent is going to be carried by property and 19 percent is going to be picked up by the increase in rebate. So, Mr. Speaker, it must be very clear that the bill, the provisions of the bill that are contained, Bill 61 that we're looking at, are clearly inadequate to cover the increase in taxation that we're hit with this year. And the government--(Interjection)--

The Minister, I understand, Mr. Speaker, is having some difficulty in understanding. I don't think he has any difficulty at all, because he full well knows that he and the Member for Inkster in particular were the two individuals out of the entire government who were the strongest promoters of the Unicity system that brought us, to a very large extent, the largest increases in property tax, and this is, Mr. Speaker, reflected more in 1974 than it has in any year heretofore.

Mr. Speaker, I'm well versed in this because I got the shock of my life today when I went home and opened up the mail at supper time and found that I had received my property tax bill, along with a number of other people. And to give you an idea, Mr. Speaker, what the magnitude of that shock is, let me read you the differences at least in my taxes between this year and last year. And, Mr. Speaker, it amounts to a difference of \$267.00, Mr. Speaker, between 1974 and 1973. Of course I'm a wealthy member of the Legislature, you can tell that, Mr. Speaker, just like, you know, just like all the other wealthy people are on this side of the House, all of us, of course, making less than the members of the Cabinet bench that lines up two rows deep across the way, but nevertheless facing an increase in property tax of \$275.00. So one example only, Mr. Speaker, of how far the rebate increase goes. Out of my - not 275, \$267.00 increase, I can expect to pay only \$217.00 of an increase this year and then I should bow to the present government for giving me that very kind break of an extra increase of \$50.00 in the rebate. So, Mr. Speaker, this sort of probably bears out just about exactly what the City of Winnipeg calculations show in the information that has been made available in the last couple of weeks when they tabled their budget, that is, that of the increase in property tax, 81 percent is going to be picked up by property and 19 percent is going to be picked up by the increase in the rebate.--(Interjection)--Mr. Speaker, I'd be happy to when I finish my remarks here.

So, Mr. Speaker, I want to get back to the main premise of Bill 61. I don't feel particularly one way or another about Bill 61 because of the property tax, actual property tax I've just quoted to you. My main premise is that the rebate system is a roundabout way of attempting to solve a problem that should not have existed in the first place. The municipalities and the school boards are both the creations of the Provincial Government. If those two jurisdictions created by the Provincial Government have problems, they should be solved by a more direct method; that is a tax availability of those two different bodies should be set up so that they can more adequately get at the tax base that allows them to operate.

Secondly, in addition to that of course, to a very large extent in the case of the school boards the requirements of the school boards are there because of the policy of the Provincial Government with regards to curriculum, student-teacher relationship, library policy, not so much buildings because they're covered, in construction at least, by the Provincial Government but certainly the new buildings require a level of maintenance that has to be carried to a certain extent by the local taxpayer. All of these things are very much the result of Provincial Government policy with regards to curriculum, teachers, buildings, the whole works;

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(MR. CRAIK cont'd). . .and therefore, Mr. Speaker, if you don't have a solid foundation program to finance the educational system, what is the use of attempting to persuade the people that you're doing them a favour by giving them a \$50.00 increase in rebate when all of those things are going to cost them perhaps three, four times as much as that on their tax bill.

So, Mr. Speaker, with a degree, a degree of awareness, that to vote against giving people back money, to giving the taxpayer money, an increase in money, to recognize the fact that this is to be against motherhood, unless you understand the problem, Mr. Speaker, then our position is that we will continue to oppose an antiquated and inefficient way of paying back moneys to people. So, Mr. Speaker, we in a matter of principle have no hesitation at all in being opposed to Bill 61 because Bill 61 primarily devotes itself to those two issues - that is, the rebate of those two things.

The second one of course is a little different, but the property tax rebate is by far and large the biggest item contained in Bill 61. The other one is a slightly different matter, and the other provisions of the Act of course, as indicated by the Minister of Finance, are really only regular caretaking, housekeeping types of legislation, and so we have really no objection to those. But the big item contained in here is, again, a change in the property tax rebate and we're not opposed to the specific amount of the property tax rebate, but we are definitely opposed, on a matter of principle, to a system that is subject to so many fallacies, and we saw it no better, no better, Mr. Speaker, used than last year as a means of political gain when the government decided in the heat of an election year that they should not only increase the property tax rebate, but have it taken off at source rather than having it taken off on income tax, because having it taken off at source it came off the same month that an election was called in 1973. It was increased in amount in 1973, the tax bills went out just before the election was called in 1973, and it appeared in colour. It didn't appear, Mr. Speaker, in just ordinary normal white on the tax bill, it appeared in colour. "Less - Manitoba Government Property Tax Credit Resident Homeowners \$100.00 in 1973", Mr. Speaker, and in addition to that they said, "You'll not only do that, you'll put this in your tax bills." And it says in here - and I give the City credit for this and perhaps the government knew what was going on - "Enclosed at the request of the Province of Manitoba."

Well, Mr. Speaker, this is the strongest demonstration we've had of how this backwards system actually lends itself, too, to the Machiavellian politics that can be played with it at the time of an election year. And this year, of course, we've found that there is no relationship; there is no relationship to the increase in property taxation between that and the actual rebate increase. We find that in the Estimates Book the grants to the public schools system, which are \$125 million last year, are up by two million dollars, about 2 percent, Mr. Speaker, in a year when the inflation has hit the school system 15 percent, close to 15 percent. And therefore there is a slight amount added through the tax rebate, but what we have is the stage being all set again to load up the old school taxes and then, come next election, Mr. Speaker, there is nothing to prevent a sudden catch-up and a sudden release, a sudden release from those bad taxes, those property school taxes, school taxes on property, Mr. Speaker, a sudden catch-up at a very propitious time. . .

MR. SPEAKER: Order please. Order please.

MR. ENNS: . . .once in four years.

MR. CRAIK: . . . that provides, that provides, Mr. Speaker, the relief to the homeowner at a time that is also not to the detriment of the government in power.

So, Mr. Speaker, it must be perfectly obvious that it's very legitimate to expect someone, on a matter of principle, to vote against a system of financing education and municipality that can buy a lot of votes but in actual fact does not solve the basic problem.

Mr. Speaker, I want one more spoke I want to add to this, and I think it's high time that somebody stood up here and defended the middle income poor. All this nonsense we hear, "the middle income poor", the nonsense we hear about instituting this ability to pay. Mr. Speaker, they should add the other part to that sentence. They always forget to add that bit, ability to pay who? Well, Mr. Speaker, the ability to pay the government of the day. That part ought to be added on, Mr. Speaker. Never do we hear a rationalization of what the level of government spending should be. Always we hear that phrase cut short just at "ability to pay." It's never a question of who's going to be paid and whether the who who's getting paid is

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(MR. CRAIK cont'd) . . . actually spending the money wisely. And so we find that more and more and more of the roll-over of our dollars lies in the in the hands of government, and more and more and more the middle income poor get shafted the same as everybody that got their tax bill today is getting shafted if they have a property assessment that is probably somewhere over about \$6,000, Mr. Speaker, and I think probably, although I don't know the statistics exactly, that that probably covers perhaps the majority of the people in the City of Winnipeg at least - perhaps not in the rural areas, but speaking as a person that pays property in the urban areas, I'm sure that \$6,000 and over property assessment catches the majority of people. And I would include anybody that lived over there, that mark, as somewhere in the middle income poor, Mr. Speaker, who are not going to swallow a \$50.00 increase in rebate as being the solution to a very serious problem that seems to have no long-term solution in the way of a policy from the Provincial Government.

MR. SPEAKER: The Honourable Minister of Finance.

HON. SAUL CHERNIACK, Q.C. (Minister of Finance) (St. Johns): Mr. Speaker, the honourable member indicated that he was prepared to answer a question at the end of his contribution. I have two questions, if I may.

MR. SPEAKER: Clarification?

MR. CHERNIACK: Yes, Mr. Speaker, clarification. That's in accordance with the rules which you enforce, Mr. Speaker. Yes.

Mr. Speaker, I'd like to ask the honourable member in what category, what income group, does he place the middle income poor. That's one question. How much is it? Is it \$5,000 a year for a married man with two children? Is it fifteen or twenty-five? My second question, Mr. Speaker: The honourable member referred to 81 percent of the increase in property tax is picked up by property tax, 19 percent by rebate. Could he give confirmation of that statement and does it apply to his own tax bill or generally across the board? And does it apply to residential alone, or does it apply to commercial alone, or both?

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, if I can answer the last one first. It may take me a few minutes to dig out the information but I'm taking it from two sources. One is from the City of Winnipeg statement with regard to taxation that was produced about two weeks ago, that gives the amount of the urban costs. The other comes from the Manitoba Association of School Trustees which gives the breakdown of students in the urban and rural areas, and if the Minister would like to take down the figures, the increase in costs in the urban area is \$10.8 million in the area of the schools, 12.6 in the area of municipal costs, for a total of \$23.4 million. The rebate that's attributable to Winnipeg area, works out to approximately 55 percent of \$8 million, which is 4.4 million; 4.4 over 23.4 gives a 19 percent amount of the rebate that comes back to the urban area that are covered in those two reports. Nineteen percent of the increase is then covered by the rebate, and 81 percent, the remainder, has to come from property.

Now, Mr. Speaker, if you want to give me another few minutes, I can give the Minister more detail. To answer the first question, middle income poor of course is a common phrase. I would assume it's anywhere from five to fifteen thousand dollars; it's five to fifteen thousand dollars and probably, as a family represents anybody with a \$7,000, on average somewhere over \$7,000, but anyone in that bracket I would include in that category.

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

MR. I. H. ASPER (Leader of the Liberal Party) (Wolseley): Well, Mr. Speaker, I don't intend to labour Bill 61 too long. I find myself, and I'm sure the Liberal party caucus position is not dissimilar in its concern from the concerns expressed by the Honourable Member from Riel, except that we reach a different conclusion as to how to respond. Mr. Speaker, we are perplexed at the position taken by the Conservative Party in that for the second time there's an indication that the Conservative Party will vote against Bill 61 and that--(Interjection)--Well, Mr. Speaker, the roar of the Interlake is reaching my ears. I might say that I find Conservative criticism of this technique of lessening taxes to be somewhat hollow inasmuch as the great inventor of the technique was none other than the Conservative government of Mr. Roblin. And so it seems a little hollow, if not downright hypocritical, for the Conservative Party to say that it will vote against a tax rebate which follows a technique which was, as I say, first introduced into this House by a Conservative administration.

Well, Mr. Speaker, I think that's merely an aside. The real concern with Bill 61 -

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(MR. ASPER cont'd). . .and I concur that it is fundamentally a technique for amending the Property Tax Credit system to increase it - is, as the Honourable Member from Riel indicated a very clumsy, a very opportunistic way of dealing with the problem, and I would say a very unorthodox and ineffective way. Now while I concur completely with the sentiment expressed by the Honourable Member from Riel, nevertheless I feel bound, as the Liberal Party does, to support the bill because it is the only way we can vote in favour of a financial rebate or a reduction of taxes that the public of Manitoba would enjoy and requires. However that does not, that does not in any way lessen our disagreement with the government and our appeal to the government to change this technique.

Mr. Speaker, how did we get here? How did we get to the point where, a year after a person pays his tax, the government is prepared to rebate a portion of it? Well, Mr. Speaker, we got here through expediency. We got here through political opportunism. Because the Minister of Finance, must know, surely, and surely honourable members of government must know, that if you want to reduce the property tax, the education tax paid by the people on their property, it's very simple. That's what you do. You simply reduce the tax. You do not concoct some maniacal, bureaucratic means where people pay their tax and then a year later have got to file an income tax return form to get it back. Mr. Speaker, anyone knows that that is sheer nonsense, that is futile waste of time, a futile waste of money, and unfair to the taxpayer, because in effect he first pays his tax and a year later he gets it back.

Mr. Speaker, I will not vote against Bill 61 because of the opportunistic and cynical technique the government has used, but, Mr. Speaker, let it be recorded that with three years left to go, presumably, before the next election, surely the government, having used the gimmick, now we can change it. It's served its purpose. The government devised a technique which would put cheques, cash or credit into the hands of people in the weeks preceding an election. And, Mr. Speaker, it will take a lot more than the docile or the persuasive tones of the Honourable Minister of Finance to persuade members on this side, members of our caucus, that this technique of rebate was anything but that. And, Mr. Speaker, it having been done and it having proved very politically effective for the government, now the gimmick is no longer required, and we would urge the government to consider more effective, more immediate, and more direct forms of tax rebate or tax reduction rather than the "I pay you now, you keep my money for a year, and a year from now you give some of it back" - but not to all of us, just to some of us.

Mr. Speaker, there's an awful lot that can be debated on that point. I say that, regardless of the technique, the bill sticks to the gimmickry, sticks to the sham, sticks to a, I say, cynical government approach, because what is happening to the people of Manitoba is their rents are going up and government is posturing itself as the good guy; that it isn't raising your rents, it's the evil landlords, and then we, the good guy government give you a cheque back or give you a credit back, and, Mr. Speaker, that that is an intolerable situation. The level of taxation in the property area, as some 400,000 Manitobans will know today or tomorrow as they check their tax bills, is unacceptable. It's unacceptable at a time when the government of Manitoba produced, through inflation profiteering, \$140 million of surplus revenue, or of additional revenue this year, and was in a position to do far more than Bill 61 even contemplates. Far more. Double what Bill 61 contemplates. But instead Mr. Speaker, the government chooses to allow the system to run rampant. Every single facet of this government's endeavour is aimed at taking more and more and more from the private sector, from the public, and admittedly redistributing it, recirculating it; except Mr. Speaker, when you take a dollar from the public and say you're going to give it back, you don't give a dollar back. Something gets in between. And that's why we opposed the taking, the holding, and the the subsequent rebate, because one hundred cents on the dollar doesn't go back.

Mr. Speaker, this government has, by its neglect or ignoring of the City of Winnipeg's fiscal problems and the failure to devise or permit the City of Winnipeg to initiate a tax structure which is consistent with 21st Century or even 20th Century finance, this government has, through its lack of an urban policy and lack of a tax-sharing arrangement, stood by and seen this year the city taxes rise an average of \$200.00 per home. On top of that, government enterprise is charging the public more for its services. The average hydro bill will probably be up \$20.00, \$25.00. Autopac, the average is up \$20.00, \$25.00. All government

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(MR. ASPER cont'd) . . . endeavours, all government taxes, Mr. Speaker. All inflationary. And, Mr. Speaker, as of Friday, the people of Manitoba are paying ten cents or nine cents more per gallon of gasoline because of this government, to a large extent. Because this government could have, could have concurrent with the price rises done two things: (1) Taken the revenue from the oil companies as was contemplated and which it has failed to do and now can only do so by retroactive legislation and which is an unacceptable kind of legislation. And, Mr. Speaker--(Interjection)--No, Mr. Speaker, the Honourable Minister of Mines says I won't vote for it. Mr. Speaker, I have never accepted the principle of retroactive taxation. I have fought my own party. I have written pamphlets. I have given speeches across this country expressing total odium for retroactive taxation and I will do it again in this House should you bring that in. --(Interjection)--When I'm through.

Mr. Speaker, not only has the government failed to tax the increased oil prices, but it could have concurrently, if it felt a genuine concern for the consumers of Manitoba, it could have immediately introduced a bill, concurrent with the price rises of Friday, to reduce the gasoline tax in the province of Manitoba, as other provinces are doing, to cushion the blow. But it didn't do that. And, Mr. Speaker--(Interjection)--

MR. SPEAKER: Order please.

MR. ASPER: Mr. Speaker, I'm sure the Honourable Industry Minister, fresh from his great successes in industrializing Manitoba could restrain himself and allow me to complete my remarks. Mr. Speaker, within the next 90 days the apartment dwellers of Winnipeg will all receive notices of rent increase. Let the records show that those rent increases will be, on average, simply enough to cover property tax increases. Mr. Speaker, those rent increases will be on the average of seven to twelve dollars per month for a one-bedroom apartment in this city, and this government, having the opportunity through Bill 61 to alleviate that, to stop it, or to at least arrest it and reduce that cost, sits idly by and does nothing, and says "we have this little gimmick where we write you a cheque and we're good guys once a year because generally that's around election time and that's the gimmick we've chosen rather than direct intervention against property taxes."

Mr. Speaker, I hear the Minister of Finance saying that it's a Federal cheque. Mr. Speaker, let that kind of--I just can't characterize that comment with anything restrained enough to say in this House. Mr. Speaker, the hundreds of thousands of dollars that that government spends each year making certain that even those who don't speak English, those who are deaf, dumb and blind, will know that they are getting a gift from Big Daddy, makes it impossible for anyone to think that that rebate comes from anybody but the New Democratic Godfather of Manitoba. Mr. Speaker, that is the political gimmickry and the chicanery that characterizes the perpetuation of this rebate system that Bill 61 speaks of.

Mr. Speaker, if the government wants to, as it should, grant relief out of the \$140 million of profit it made this year on inflation from the consumers of Manitoba, then it simply has to cut property taxes. Do it now, not a year in retrospect; and that's how orthodox, that's how effective tax relief is given, by saying to the taxpayer, "Don't pay the tax; your tax is hereby reduced;" not, "You'll pay the tax; we'll take the money; we'll invest it; and then we'll give you some of it back," and now we posture as good heroes. Well, Mr. Speaker, the Honourable Mines Minister says you can't do it. Mr. Speaker, we have had tax cuts in this country, I would venture to say ever since 1917, since the war income tax was brought in. Mr. Speaker, that's how you cut taxes. You don't cut taxes by increasing them, taking the money, and then giving it back. You cut it by saying the taxes are hereby cut. But no, Mr. Speaker, Big Daddy wants you to line up at a wicket some place, and come to the fiscal soup, the kitchen, and receive your cheque.

Now, Mr. Speaker, not long ago the Finance Minister presented his budget and he spoke in glowing terms in the early passages of that debate as to what he was going to do in his battle with inflation for the people of Manitoba, and he introduced his cost-of-living tax rebate system. Mr. Speaker, even that resorted to the same kind of gimmickry. Not, "Your taxes are cut," Mr. Speaker. No. Your taxes are raised, or your taxes will remain the same but they'll be higher because costs have gone up, therefore you'll pay us more sales tax and more alcohol tax and more tobacco tax and so on. And we'll take that and then we'll give you a cost of living rebate - a year later, Mr. Speaker.

Now who are we aiding, Mr. Speaker? Well there's the forgotten group that the

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(MR. ASPER cont'd) Honourable Member for Riel referred to. I don't know whether you call them the middle income rich or the middle income poor or what they are. But, Mr. Speaker, if you look at the Finance Minister's view of what he should do for inflation, how he should compensate out of the 140 million super profits from inflation that this government earned this year - not earned, sorry; took from the public; took - he will give \$3.68 to the single secretary earning \$5,000. Mr. Speaker, the cost of taking the money, keeping it, writing a cheque, giving back, exceeds \$3.68, but, Mr. Speaker, the government can't resist the giving with one hand what they took with the other hand, and this is the whole theory of Bill 61 perpetuated again.

Mr. Speaker, if you are in that middle income group earning \$10,000 and you have a wife and no children, the cost-of-living has gone up for you by 10 cents per gallon per week, per gallon of gas, of which a good deal is taxation; Mr. Speaker, your Hydro bill has gone up; your property tax bill has gone up by \$200; your Autopac mandatorily has gone up about \$25.00 and your car license has gone up, and everything the government touches has gone up in your life. And the government, a rebate - \$8.44. That's what that government considers inflation fighting. Mr. Speaker, the \$8.44 represents a fraction of the government's new taxes on that family in the year. It represents only one-quarter of how much the Hydro bill will go up because of this government's handling of the Hydro system. And I say, Mr. Speaker, that anyone can see, a child should be able to rationalize that the cost of taking the money, holding it, and putting it through the bureaucratic machine - because God help us, they may use the Phoenix Data computer and that will increase the cost - Mr. Speaker, the cost exceeds the benefit. It isn't even a break-even, because we all know that the cost of writing a letter - and I might say that the government of the day will spend at least 50 cents per taxpayer in public relations campaigns - I project it if the past is any kind of a yardstick - on television, on radio and in the media, saying, "We are going to give you your \$8.44 as our aid to your fighting inflation."

Mr. Speaker, if that sounds farfetched, look at last night's, look at this evening's newspaper. There you will find in grand design, four or five or six columned advertisement in two tone colours by at least eight inches or ten inches or twelve inches, a great ad. It says that the Department of Agriculture in the Province of Manitoba is the friend of the farmer. Mr. Speaker, I saw the ad and I must say I was overcome with emotion, because it said, it said they were going to tell me about the stay option. Well, Mr. Speaker, I read and I read and I read, and all I got out of the ad was that the Department of Agriculture's got a lot of good things going for "youse guys" and they don't even tell you the phone number, the address; there's not even a solicitation for votes. It's just, "Fellows, we're great. Trust us. Love us." Well, Mr. Speaker, that's what's going to happen, that's what's going to happen with the cost of living, this tremendous weapon against inflation, the \$3.68 that the \$5,000 single worker is going to get to fight inflation.

Mr. Speaker, the point I'm making is that aside from the niggardliness of the government's efforts to cut taxes, cut costs of living, the mechanics, the gyrations, the cynicism of this technique is to be deplored. Mr. Speaker, I again, I find it difficult to, although perhaps it's not so difficult for me really in retrospect to understand why the Conservatives can't understand why the Liberals will vote for the bill. Mr. Speaker, it's very simple. It's the only game in town, and that's why we have to play in that game. We will not, we will not take a step which would be interpreted as wishing to deprive the taxpayers of Manitoba of any kind of relief but, Mr. Speaker, at the same time we again reiterate our appeal to the government to cut taxes, cut them meaningfully, and cut out the dancing, cut out the camouflage and cut out the political posturing, and cut out the gimmickry that is inherent in almost every move this government makes.

Mr. Speaker, the government has become the victim of Madison Avenue. It does not move in straight lines; it moves in lines dictated by some invisible public relations firm. And I appeal to the Minister of Finance to rethink Bill 61, rethink the concept, not for this year because there isn't time now, but some time in the next year or two, to bring in a genuine tax relief system as opposed to a tax rebate system. Mr. Speaker, if he does that, he'll once again earn the respect which he has lost, which he has lost and which this government has lost, from those who peruse, who comment, who objectively analyze fiscal affairs in this country. Because, Mr. Speaker, this kind of gimmickry that Bill 61 continues to extend is

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(MR. ASPER cont'd) not worthy of respect, it is not worthy of a government that is sincere in its attempt to tackle high costs and high taxation. We expect better from this government and we're entitled to believe that we can get it.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Thank you, Mr. Speaker. Mr. Speaker, I want you, Sir, at least to know and believe that this truly is an occasion where I had not intended to speak, but the demonstration that we have had, the fact that we know of course the government's position on this bill, it's contained in the bill, we've just had our position very clearly enunciated by my colleague the Member for Riel, and we now have had in equally clear terms the position of the Liberal Party's position with respect to this bill stated. And it really, Sir, affords me an opportunity to demonstrate, you know, graphically and visibly, the difference between the three political parties as represented in this House. And, Sir, while you may wish to say that that is not germane to the bill, nonetheless I think it is always a service when that can be done in a clear and succinct manner and it's a responsibility, I think, that spokesmen of different parties have sometimes to do. So, Mr. Speaker, let's understand very simply the simple lessons of politics, which I hope fellow Manitobans will learn too as they have occasion to acquaint themselves with the actions of the different political parties on this bill.

The members opposite, my socialist friends, there is no difficulty in understanding their position vis-a-vis this bill. They're basing their position on the principle of management, of greater management of the affairs of the people of Manitoba, not only this way, fiscally, but they do it in all other fields. It's a principle that they often espouse with a degree of pride. This is what they stand for, whether it's in Agriculture, it's Supply - Management, whether it's in a fiscal bill like this before us, it's the honest belief that they have that they can do more equitably through measures such as this, they can more equitably distribute the wealth of the province back to the citizens of the province on that principle. That's their principle that they stand on in this bill, that's the principle that's contained in this bill. Management by government, at least a certain portion of the resources of the people, in this case their tax dollars.

Mr. Speaker, our position on this bill has been also clearly stated. We have not just in this session but in other sessions put forward specific tax measures calling for specific tax reductions in different areas. We have found it difficult to live with ourselves to make those positions, or take those positions and still at the same time want to retain all the goody-goody legislation that this government has brought forward. In other words, that if we're talking about having the capacity to reduce income tax by 10 percent, having the capacity to make real and significant changes in other areas of taxation or at least holding back tax rises in other areas, then we can't in all honesty say that we can do all that and at the same time still give back the kind of tax rebates that this government is giving back. There has to, after all, be some degree of acceptance of responsibility as to what any government can do.

Mr. Speaker, we make that a matter of principle. The Member from Riel stated it very clearly that we hold to that principle despite the fact that politically it may not be a very favourable posture to take, that our political opponents at election time will use the action that we take on principle against us, but, Sir, that still is a matter of principle with us and we stand on that particular matter.

Now the Liberal Party and the Liberal Leader has of course demonstrated their matter of principle as far as this particular bill is concerned, or indeed as I would say as far as most any particular piece of legislation or matter is concerned. You know, having listened, Sir, having listened to - and I've just listened, you know, with one ear open because I was composing this speech at the same time, but I heard words coming out of the Honourable Leader of the Liberal Party, this bill is cynical, gimmickry, sham, intolerable, unacceptable, but he is voting for the bill. Because, really, the principle of course of the Liberal Party - and it is a shame that the once great Liberal Party has in fact come down to that - that it will stand for anything that they think the people will fall for. The Liberal Leader put it even better, you know, in more understandable terms. He said he'll play any game if it's the only game that's being played in town. I suppose you could put it even more graphically and say he'll crawl into bed if it's the only bed in town.

Well, Sir, there are those of us who, not for any intellectual snobbish reasons or because of political snobbery, we do draw lines as to who we will--what game we will play, what bed we will lie in. You know, I really have to ask this of the Liberal Leader. How high does that

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(MR. ENNS cont'd) fence have to get that he's straddling on and always in danger of falling off of before the Liberal Party will castrate themselves? You know, just how high does that fence have to get? Because, Sir, it is just unbelievable the performance of the Liberal Leader in this past ten or fifteen minutes. I'm sure anybody in the public galleries listening to the condemnation that the Leader of the Liberal Party heaped on the Minister of Finance, the intolerable piece of legislation that he is bringing into this House; this sham, this mockery, this cynicism, I'm sure that anybody listening really was having a tremendous amount of difficulty to then understand his logic and his reasoning for supporting this cynical, gimmickry, sham, intolerable, unacceptable legislation. Well, Mr. Speaker, that is, Sir, really one of the tremendous disservices that we in public life as political parties do on occasion, that we bow so totally to the altar of what somebody sometimes thinks is the current popularity listing or poll.

Mr. Speaker, I have a great deal more respect for members opposite who have on occasion shown, on occasion have shown that they are prepared, that they are prepared to stand on principles that are important to them, that they are prepared to, as they have now the option as government, the responsibility as government, to move in those areas despite a certain amount of obvious public outcry, despite a certain amount of obvious public reluctance to accept these particular matters. Mr. Speaker, it's my job to try to first of all, you know, help bring the government members opposite to their senses on occasion, to help point out how disastrous some of their principles and policies are, you know, and I think it's our job on this side of the House as the Official Opposition to offer clear and understandable alternatives. And, Mr. Speaker, it's in that kind of a setting that a reasonably well-informed public, informed, that is, through the writings of the media that report the issues of the day, can in fact make a reasonable choice. We do our people no service by confusing and muddying up the water by this concern about making sure that we're in on the game because it's the only one being played in town, and we haven't got time to clearly think out our principles on a relatively important matter such as this, a taxation bill such as this and then to have the political courage and the political guts to stand up for them, no matter whether they're going to cost you votes. And that's the whole problem with the Liberal Party and the Liberal Leader, is because it's been a long time since they've had any political guts. They've just constantly run up their trial balloons. They've constantly made sure that they were never caught off guard voting against a measure that had sex appeal with the voters.

Mr. Speaker, it is not that they don't know better. Mr. Speaker, the Honourable Liberal Leader has just made an excellent speech giving a number of excellent reasons why the measures before us, why the bill before us is not acceptable and why we should be challenging the Minister of Finance to go back and re-think his whole approach to the fiscal management of this province, why we should not accept this kind of gimmickry. In fact, Mr. Speaker, the Honourable Liberal Leader reminded us that a previous administration of course had tried this route before and it was the Conservative administration that did it, and Sir, at that time, and members are present here that stood on this side of the House and convinced us that that really was an awkward, unnecessary, expensive way of dealing with, of trying to give the people back some of their own money. Mr. Speaker, they convinced me then, the Conservative administration, that they were right. They also convinced the then Conservative administration that by sending along the little tickets with it, with Duff Roblin's signature under it like that, that that was blatant vote-buying.

Well, Mr. Speaker, what are we faced with today? The Leader of the Liberal Party has outlined it; a massive public relations campaign, a special orange blazer colour and the tax notices in the NDP election colours, I might add, you know. Well we've seen enough of those blazed orange Schreyer signs around in the last election that I can't help but make that association, you know. Blaze NDP orange colour, I think that's the sign of the tax notice; I just want to make sure that I'm right. It couldn't be Tory blue, that's a kind of a --but that particular line--(Interjection)--No, on the tax bill, where the--that's right. Yeah, right on the bottom. Yes, that kind of . . . Well now, the Leader of the Liberal Party made an excellent speech giving us all the reasons why this bill should be rejected. He also gave us and the people of Manitoba all the reasons why they should continue to reject the Liberal Party. Thank you.

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

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MR. STEVE PATRICK (Assiniboia): Thank you, Mr. Speaker. I did not . . .

MR. GEORGE MINAKER (St. James): Thank you, Mr. Speaker. I beg to move, seconded by the Honourable Member from Minnedosa that debate be adjourned.

MR. SPEAKER: Order please. Does the Honourable Member for Assiniboia wish to proceed? The Honourable Member for Assiniboia.

MR. PATRICK: Thank you, Mr. Speaker. I did intend to say a few words. I had no intention of getting into the debate but after listening to the Member for Lakeside I thought perhaps maybe some things that were said should not go by unchallenged and perhaps we should say something about it.

The honourable member all of a sudden became very high-principled and, Mr. Speaker, I would be much less high-principled but I would always pick the opportunity to allow some 60,000 to 80,000 senior citizens in this province to have a total tax credit rebate as far as their education tax is concerned. As far as the Honourable Member for Lakeside is concerned, he feels that senior citizens do not need any tax credit. Mr. Speaker, for ten years I have presented resolutions in this House to reduce the property tax as far as our senior citizens were concerned.

A MEMBER: I'm getting older every day.

MR. PATRICK: For ten years, or when the members on this side were on that side of the House, they continually opposed it. They opposed it. And I said, "Look. The proposal that I have before the House . . . and at that time I asked for an exemption of certain amounts of assessment, 2,000 or 2,500. I know they've done it in some of the states across the line: that they've removed total assessment as far as senior citizens were concerned. And that wasn't acceptable. So what I'm saying to the Member for Lakeside, certainly the senior citizens needed some tax relief measure. Certainly they did. These people have lived all their lives at great sacrifices to their families and to themselves so that they be able to retire in their own homes, and what was happening five years ago, four years ago, they were not able to retire in their homes. They had to move out because they weren't able to pay the property taxes. And as much as the mechanism, as much as the scheme is not good, the principle behind it by giving these people \$200.00 or \$150.00 tax credit is a good scheme, Mr. Speaker.

I spoke on the occasion when the bill was before the House the first year, and I said at that time I don't believe that the scheme is perhaps the proper one, but I said I will accept, I will accept what the plan will do for many people, for the people on low income, for the senior citizens, and I said I will accept it. And I believe I was the first one to speak on that bill. Even before I had an opportunity to caucus with my own party, that's what I said.

Now certainly I cannot accept what the Member for Lakeside said because I believe 80,000 senior citizens in this province must have some, must have some tax credit and they deserve it. They cannot afford to pay, they haven't got the money, so we have to provide something for them. So that's all I want to have. We may be high-principled and not like the scheme or the system, but surely that's not something that we can be so high-principled about. I think if it does more good than harm, and I think it does more good than harm, and when the members of that side were on the government side we had the same debate except the debates were just opposite. They were the same debates. The members of the government of the day said no, that's the greatest thing; we brought it out; it's great. We used to say on this side, well, can't you do it the other way? Can you do it at the municipal level where you can reduce the costs? And the same debates took place. So all of a sudden I can't see that much difference today except I do believe that as far as the process, it may not be the best but as far as what it does to many of our people in this province, I think it's much better than nothing. And I would sooner vote for this than vote for nothing, or have nothing.

So for that reason, Mr. Speaker, I think how can we deny or how can we say we will not support something that will give 80,000 people in this province what they need and need very badly, because if you don't, you know, many of them forced to leave their homes, forced to move out, so you have to give them something. Surely I can debate and say, look, maybe you can improve the system, but I cannot say that it's not in the right, you know, a step in the right direction, because surely it is. And there's many things that perhaps the principle isn't right but it's something that we have to do and something has to be done.

Now I certainly do not accept the Honourable Member for Lakeside saying the only thing that the members on this side will vote for, in the Liberal Party, is anything that has sex

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(MR. PATRICK cont'd) appeal measures and the only thing we'll propose to the House. Well that's very much wrong. He knows that. He knows that for many years what I proposed in this House and the members of our party proposed, which his party voted against and even the Leader of his party for the last two years would take this same thing and propose to the House, the same measures, the same resolution. Is that not correct? That's correct, Mr. Speaker. And I would like to say that perhaps only on one occasion since I've been in this House that I have taken a resolution that's been before this House, that some other member has introduced, and brought it back into the House. I don't say there's anything wrong with it but I have never done this. And he knows the members of his party, the Honourable Member for Lakeside, have done it on many occasions. The Member for Roblin this year has done it on a couple of resolutions. He's done it on the sales tax, he's done it on the railroad, that has been brought in by the members on this side. So surely all of a sudden to become high-principled, we all can be high-principled and say, look, we're going to deny 80,000 senior citizens, we're going to deny the people of low income; because we don't agree with the mechanism, we don't agree with the system, they should not get any tax credit.

I agree, the Honourable Member for Riel, he made a good speech and I agree with the comments what he said, that the system can be improved, and he took his position and he's entitled to do so, that he's going to vote against it because he disagrees with the mechanism of the government giving the rebates. And there's nothing wrong with that. I think it's fine. But, you know, for the Honourable Member for Lakeside to take the attitude that he did, I cannot accept, and, Mr. Speaker, this is the reason that I had to take the few minutes of the House to explain, when the bill was before this House in its original form a couple of years ago I was the first one to speak on it and at that time I said, "Look, I accept it. It's much better than we've ever had anything before in the last ten years." Some measures had to be taken, something had to be done, and this is at least a first step. It's better than nothing.

So, Mr. Speaker, I could not let this go unchallenged and I wanted to bring these points to the attention of the House.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Yes. Mr. Speaker, I take it that the Honourable Member for St. James wishes to adjourn this debate, because if he doesn't then the Minister of Finance would speak. But if he is intending to adjourn, then I will have a few words to say.

Mr. Speaker, I, like everybody else tonight, had the best of intentions, because I think that almost everybody has said that they didn't intend to speak on this particular legislation and I share that particular feeling. As a matter of fact, Mr. Speaker, I was inspired, not by the eloquent address that was given by the Member for Lakeside, but by the address that was given by the Leader of the Liberal Party, because, Mr. Speaker, I have from time to time expressed misgivings about the effectiveness of tax legislation in doing a real economic job in redistributing wealth. I have always indicated that the economic forces at work in society tend to undo some of the things that you try to do with tax legislation; that if you try to give somebody a break by giving them a rebate in taxes and somebody else has to pay more taxes, that they are inclined to then, if they are in a position of power, charge more for their services so the same person who got the tax breaks finds that they get an increase in a place that they have to pay whether it be rent, whether it be the proverbial loaf of bread that the Member for Lakeside refers to, or the pound of hamburger which is more dear to his heart, given the business that he is in, that this does make economic good sense, and therefore tax legislation does have a difficulty in redistributing wealth and I've never been a great enthusiast. And, Mr. Speaker, when I'm thinking the least of it, then a member such as the Leader of the Liberal Party, who knows about taxes, gets up and convinces me possibly that I am wrong, that there is something good in the tax legislation field. And of course there are many many exponents on it.

I've heard members of the other side saying that you have to give a better break in taxes, you have to give a break to the poor, you have to tax on the basis of the ability to pay. I think that that's been said by members of the Liberal Party and that certainly is the cornerstone of any New Democratic Party tax program, that the tax program is designed to make sense in accordance with the ability of the taxpayer to pay those taxes. And the bill that has been introduced and the gist of the scheme of taxation that has been produced by this government over the past several years with regard to the property tax credit plan, the rebate program, is a program which is designed to lessen the burden of taxes on those people who are least in a position to pay those taxes.

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(MR. GREEN cont'd) .

Now I am not saying that it will be 100 percent successful. I don't know what the ultimate effect of such a tax program will be, but I can say that of all the programs that I have heard, that this program probably has a better chance of being successful than any other program. And to give an example, Mr. Speaker, I understand that under this program, combined with the sales tax credit program, a pensioner, a married pensioner, given the total benefit of the tax credits that are available to him under the various programs, would have total credits of \$335.00. That's the total maximum that a pensioner in the lowest income group could receive. And I would think, Mr. Speaker, that it takes a long time, given that single tax credit, for other economic forces to catch up with that \$335.00 and that there is at least a definite credit for a period of time which I am not prepared at this moment to say how long it will last. I've got the statements in my office, Mr. Chairman, from I believe people in the area of the Member for Rhineland, showing that some people, because of the tax credit program, are paying virtually no taxes on their land. The program used to only deal with education taxes but because of the way the system operates now that they are paying virtually no taxes on their land because the total amount of the tax credit was enough to take care of the taxes that were levied. Now I say again, Mr. Speaker, that that has certainly some effect in dealing with people in accordance with their ability to pay.

Now the Leader of the Liberal Party made the suggestion--and I want to explore this because I think the Member for St. James has fallen into this pattern too. And the Member for, certainly the Leader of the Opposition has said that you could do much better and you could avoid all the administration and you could have a much cleaner system if you merely do not collect the taxes in the first place and give the people the same tax break. In other words, if the Minister of Finance several years ago gave \$28 million in tax credits, if you took \$28 million and said that that's roughly one and a half percent of sales tax and reduce the sales tax by one and a half percent, you would be doing the same thing. Or, if we want to use the Leader of the Liberal Party's example tonight, if the tax credit relative to municipal taxes amounts to \$20 million, \$25 million, if the City of Winnipeg - and don't forget there are two taxing authorities - if somehow the City of Winnipeg didn't tax that \$25 million in the first place, then there would be the same credit, the same would be done to all of the people in the community, and that you would be doing it without the cumbersome procedure of collecting the money first and paying it out again.

Now, Mr. Speaker, if you looked at the City of Winnipeg as some sort of entity which pays the taxes and gets the taxes back, that would be true, but that is not the case, Mr. Speaker. The City of Winnipeg is composed of 550,000 people. It's composed of businesses, it's composed of homes, it's composed of chattels that are attached with relation to businesses. And the taxes that are received by the City of Winnipeg are not received on the basis that they are paid back with regard to the tax credit rebate. If one did what the Leader of the Liberal Party is saying, and he is in a position where he is best to know because he is a tax expert, and if one did what he is saying and said that the City of Winnipeg taxes were decreased by 10 percent so that the people did not pay them rather than paying them first and getting them back, would that result in that widow that you're talking about getting \$130.00? Of course not, Mr. Speaker, because if the taxes were reduced by 10 percent, then the man who is paying \$2,000 in property tax on his home, he would get \$200.00 and the person who is paying \$200.00 would get \$20.00. Ten times as much would be given to the upper limit taxpayer as would be going to the person who was living in more modest surroundings and probably therefore paying a lower tax. And the Leader of the Liberal Party knows that, because he has made out all kinds of tax statements, whether it be municipal, provincial or federal, and he knows that if there was a flat tax decrease, which is what he appears to be advocating, that that would help the person in the highest income group and not only would it help him, Mr. Speaker, it would hurt the person in the lowest income group. Because to the extent that the person in the highest income group gets a benefit in taxing, that has to be made up by somebody, and that is made up by the general taxpayer, Mr. Speaker. And that is really what is being advocated by the Leader of the Liberal Party when he says that rather than giving a rebate, reduce the tax in the first place, and therefore you won't have to first of all collect the money and then send it back.

Now, Mr. Speaker, there's another thing that the honourable member is forgetting, or if he's not forgetting he is purposely holding back, and that is that if there was a municipal flat

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(MR. GREEN cont'd) tax decrease, it would mean that places like Hudson's Bay, Eatons, Polo Park, other places of that nature, would get the same percentage decrease as anybody else. And who would pay for that rebate in taxes that comes from those places? It would be paid for by the average taxpayer because, given the fact that the normal expenditures are going to take place, it's not a surcharge. If you give a flat tax decrease, a percentage decrease to everybody in the City of Winnipeg, it will go in the same percentage to the people who are now paying the assessment of Hudson's Bay, the CPR, the CNR, and the Provincial Government, wherever they have--(Interjection)--Well, you say that they should. You say that they should, Mr. Speaker, and I'm glad to hear, I am glad to hear that what the Honourable Member for Riel wants when he is talking about not giving this rebate, is that he wants to take the tax bill of the Hudson's Bay Company or the CPR, and give them a ten or fifteen or twenty percent decrease, which could amount to tens of thousands of dollars, and have that made up by the average taxpayer. That, to him, is preferable than--(Interjection)--Pardon me? Well, Mr. Speaker, the honourable member says that the average taxpayer is going to pay anyway, and I am suggesting to you that when the taxes are rebated in accordance with the program that is enunciated by the Minister of Finance, it is first of all given on the basis of a flat rate, which means \$150.00 is returned as the minimum to everybody; that beyond that, Mr. Speaker, if a person in filing his income tax shows that he is in a lower income group, he can get a maximum of \$250.00. Nobody can get the kind of decrease that the Honourable Member for Riel apparently wishes to give, and that is what he is suggesting.

Now the Honourable Member for St. James and the Leader of the Liberal Party have both said that this problem arises - the Leader of the Liberal Party - they have both said that this problem arises from not giving the City of Winnipeg a fair share of the growth taxes, that really the fiscal arrangement with the City of Winnipeg has to be that they get a fair share of the growth taxes. And what is a fair share of the growth taxes? Well we have a definition which was given by the Member for St. James himself. A fair share of the growth taxes would be to give to the City of Winnipeg, starting with five percent and in a period of five years going up to 25 percent, of all of the provincial income and sales taxes, Mr. Speaker.

MR. MINAKER: Mr. Speaker, on a point of order, I would suggest to the Honourable Minister of Mines and Natural Resources that I have never said in this House that there be a percentage tied to a fair growth tax. I have never ever said in Hansard or anywhere in this House five percent a year or anything like that. As a member of the official delegation, that was one of the proposals put forward by the city, but as such in this House I have never indicated that, as a member and representing St. James, that I had stipulated a certain percentage of the growth tax.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, if you will go through my speech, I never said that the honourable member said that in this House. What the honourable member is now telling me, and I'm glad to hear it, that when he was a member of that official delegation and said that it should start from five percent and can go to 25 percent, and that when he went out to say that he was going to go all around the City of Winnipeg from constituency to constituency and say, as the member of that official delegation, as one of the people who was pursuing it, that when it should go from five percent to 25 percent, that when he was saying that, not in this House but in City Council and to the Cabinet and to the City of Winnipeg, that he was misleading the citizens of Winnipeg. He never really meant it; he was only saying it; and he didn't say it in this House. Mr. Speaker, what the honourable member is saying is that what he doesn't say in this House he doesn't really mean, that what he says as a member of an official delegation, leading the City of Winnipeg to ask for the Provincial Government to take a position, that he really doesn't mean it and that we should ignore what he says when he--well we really did, you know, Mr. Speaker.

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

MR. MINAKER: Mr. Speaker, as a personal privilege, the Honourable Minister is trying to imply that I say things that I'm not sincere in or believe in. For all he knows, I might even think that the cities and urban government should possibly get more, but a point I was making was that I have never ever stipulated a percentage in any debate and times have changed. I might even think that . . .

MR. SPEAKER: Order please. The honourable member does not have a matter of

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(MR. SPEAKER cont'd) privilege. It's just a difference of opinion between the honourable members.

MR. GREEN: I never said that the honourable member said it in debate. I said--Mr. Speaker, the honourable member on a point of privilege got up, said "I never specified any percentage in this House, I never used the words in this House," he said those things when he came to the province as a delegation. I really want to know, does the member say it or doesn't he say it? I said that the Honourable Member for St. James took the position that it should start with five percent, it should go to 25 percent, it should be five to 25 percent of all the provincial income taxes and sales taxes. That's what the honourable member said. Now he says it may be more, it should be a higher percentage. A few minutes ago I thought he was retracting it; now he wants to add on. Maybe it should be ten percent and 50 percent. Let's use the figures ten percent of it. Do those satisfy you better than five percent and 25 percent?

A MEMBER: an auction.

MR. GREEN: Well, it is an auction with him. Obviously he doesn't know what he wants. All he knows is that when he appears as official delegation, he says that it's five percent and 25 percent, and then he can come in the House and say that "I didn't say that." Because, Mr. Speaker, I never used the honourable member's name insofar as in this House is concerned. But what he was prepared to do, and he ran into one meeting and he stopped, he was prepared to do, to go to every Community Council in Greater Winnipeg and read out and say that they demand that the Provincial Government give the City of Winnipeg tax sharing to the extent of five percent in the first year, 25 percent in the fifth year, of all the income tax and sales tax that is collected by the Provincial Government. But they had one meeting, Mr. Speaker, and they ran into citizens and they said, "These aren't citizens, these are New Democrats." You know, that's the attitude of the Honourable Member for St. James. These aren't citizens. They don't like what we say, They're New Democrats. And that's the position that Councillor Wankling took at the meeting, and if I'm attributing it to the Member for St. James and it's not his, then I apologize, but that's certainly what Councillor Wankling said.--(Interjection)--

If the honourable member took that position too, then I say, let him wear it; that if a person disagrees with him he's a New Democrat. Well let me tell you something, that position was rejected, because if it had to be applied, Mr. Speaker, it certainly couldn't be applied to the City of Winnipeg. What about the City of Portage la Prairie? What about the Town of Virden? What about the City of Brandon? Aren't they entitled to the same thing? So the honourable member was really saying that 50 percent, 50 percent of all provincial revenue should be allocated, without the responsibility of the councils concerned to collect them, to all of the areas in the Province of Manitoba. Well, if he thinks that people who disagree with that are New Democrats, then let me tell you that one of the persons who supported the provincial position to my recollection on that question was the Member for Morris, so he must be a New Democrat, because that is absolutely--that is absolutely the most ridiculous hypothesis that has ever been advanced by any municipal council anywhere concerning municipal revenues. And the people of Winnipeg wouldn't buy it and the people of the Province of Manitoba wouldn't buy it, and the honourable member knows it.

Now, Mr. Speaker, the Honourable Leader of the Liberal Party says that there should be an increase, there should be a decrease in taxes, so that you're not collecting the money and then giving it back, and the Member for Lakeside said that the Roblin government repealed the rebate program largely at our urgings because we said it wasn't a good program. Well, Mr. Speaker, I remember speaking on the rebate program and I can't vouch for what every person said, but I know that the main complaint with the rebate program that was advanced by members of the New Democratic Party was that the funds were not deducted at source; that there should have been a credit put on every tax bill; that it was not necessary to have the citizen apply for a \$50.00 rebate and get a cheque from the Premier of the province for \$50.00; that that was a waste.

Well, Mr. Speaker, we have a different problem here and the Minister of Finance has indicated the problem. If it was a flat \$50.00 rebate for everybody and was in no way related to the ability to pay, it could be put on the tax bill and it could be reduced, but the government was not satisfied with a flat \$50.00 rebate. First of all the rebate figure wasn't enough, and secondly, it was in no way related to ability to pay, and the Minister of Finance worked out--and I think another government has done this before us so we were not the pioneers; the

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(MR. GREEN cont'd) Province of Ontario did it - they worked out a plan that was based on ability to pay. It didn't have two of the defects that concerned us when we were in Opposition. One was that it wasn't a flat 50 to everybody; secondly it did not involve the Provincial Government sending a cheque back. As a matter of fact, Mr. Speaker, we happen to have the problem that the cheque is sent back by the Federal Government. The cheque is actually sent back by the Federal Government, so if one is suggesting that this is a way which was devised to make miles for the Provincial Government, I would accept that it is; I would accept the fact that the Provincial Government wanted to devise a tax scheme which would commend itself to the people of Greater Winnipeg, which would commend itself to the people in Manitoba generally, and hope by devising this tax scheme that in commending itself the people would return the government to office. Is that an unholy basis upon which to devise a tax scheme? Because to me that's what every party is trying to do. They are trying to commend themselves to the voters of the province of Manitoba.

I sometimes, you know, whether the Honourable Member for Riel--I don't know whether he's shaking his head at me or--(Interjection)--Well he's shaking his head at me. Then I understand, you know, I understand that the Honourable Member for Riel does not like to commend himself to the voters of the Province of Manitoba and that explains many of his actions, Mr. Speaker. That explains many of his actions. But, frankly, I believe that that is what I am here for.--(Interjection)--Well, Mr. Speaker, the honourable member wins some, you know. He comes close the same as anybody else. But the fact is that if that is his business, if that is his purpose, that he does not believe that he is to commend himself to his voters, the if he won it was by accident, because he didn't want to; he didn't want the people in his constituency to vote for him? He was trying to turn them off. And maybe that's another indication of his lack of success, Mr. Speaker, because he didn't happen to turn them off, he happened to turn them on.--(Interjection)--

Well, Mr. Speaker if the fact is, if the fact is that the scheme that we have devised with regard to a tax rebate based on the ability of the people to pay is not a good scheme, it does not commend itself to the Province of Manitoba, I presume that the political process will take its natural course and it will not be, as the Leader of the Liberal Party seems to suggest or as other people seem to suggest, a means by which we have fooled the public, because I do not believe that the public fools. I believe that the public is most times much smarter than most of the people who are trying to get themselves to commend themselves to the public. Well, Mr. Speaker, the honourable member says that I tried to fool them. I am suggesting to the honourable member that when I go to my constituencies I try to do my best to commend myself to them on the basis of not fooling them, and we have had equal success. I have been successful in trying what I have tried to do, the honourable member has been apparently not successful in turning off his voters, as he says is his attempt when he is running for office.

But, Mr. Speaker, the Honourable Leader of the Liberal Party, in dealing with these questions, at all times tried to indicate that a flat tax decrease, not collecting the money but letting the people have it and then not having to rebate, is a better system than a tax rebate, and in this respect, Mr. Speaker, the Member for Lakeside did indicate that he could not see any degree of principle in the honourable member's program. The Member for Lakeside said that "we feel that this program is not acceptable; on principle it is not acceptable and therefore we are to vote against it," because, Mr. Speaker, the Member for Lakeside apparently takes the position that the program does no good whatsoever, that it has no value. And I respect, Mr. Speaker, that opinion. It goes hand in hand with a suggestion that there should be reduced government spending, because the Leader of the Opposition has said that there should be a tax reduction, and a tax reduction cannot take place without reduced government spending. This is completely in line with the Member for Morris' position that there should be reduced government spending and that the tax reduction therefore would not involve any problems insofar as government fiscal policy is concerned.

I haven't heard the Leader of the Opposition really pursue that to its end. Both he and the Leader of the Liberal Party, although I can't now quote chapter and verse, I believe that they have taken this position that the reduced government spending would leave money in the hands of the people and that this would result in a better business climate, more purchasing power and a stimulation of the economy. Well, Mr. Speaker, I suppose that that is a position that could be taken, although I wonder whether a tax decrease now, with any other purpose than

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(MR. GREEN cont'd) to assist the people in low incomes, which is what the Minister of Finance's program does, is really a responsible economic policy. Because if you're talking about stimulating the economy by a tax decrease of the present time, it seems to me, Mr. Speaker, that that's like Valentino thinking he had to do a great deal with regard to stimulating a nymphomaniac. The economy is well stimulated. The government of Ontario, which is a Progressive Conservative administration--(Interjection)--They didn't give tax decreases. They increased; they both gave a tax credit on the one hand and an increase of two percent in the sales tax on the other hand. You say they're crazy. Well okay, the Government of Ontario is crazy. I'll convey to Mr. Davis the position of the Member for Sturgeon Creek with regard to that government.--(Interjection)--Yes, I'm sure that you would. I'm sure that you wouldn't just throw out that remark.

Now, Mr. Speaker, the only purpose, as I understand it, in the Minister of Finance's program, is to deal with the people, is to provide a relief of taxation, of the burden of taxation, and as that credit affects all of the people in the Province of Manitoba, there is a minimum of \$150.00. As it affects the lower income group, it can rise to a maximum of \$250.00. There has been no plan suggested by any of the people in this House which indicates to me a better way of dealing with the people of low income group than the plan that has been proposed. The Honourable Leader of the Liberal Party says that you can do it by taking the sales tax off necessities, such as clothing.

Well, Mr. Speaker, let's look at that. I mean, the Honourable Leader of the Opposition the Honourable Leader of the Liberal Party, they buy clothing, and the persons in the income group of four or five thousand dollars, they buy clothing. To what extent? I suggest to you that the big gainers from a general relief in sales tax would be the people who buy the most clothing, which would be the people who had the most money; and that if you give a percentage rebate to all of those people you will, in the last analysis, be taxing the poor, whereas the Minister of Finance has given a rebate on sales tax which can be as high as \$76.00, which removes it. Well the Honourable Leader, Mr. Speaker, the Leader of the Opposition, he gives us the back of his hand, and you know why he gives us the back of his hand? Because he buys clothing and he doesn't get the \$76.00. But the fact is, Mr. Speaker, that the person who gets that \$76.00 rebate gets a rebate, Mr. Speaker, gets a rebate not only on clothing, not only on other things that he will buy which have sales taxable, but the person who gets that \$76.00 will in many respects be getting a full rebate of the entire five percent sales tax that he paid, whereas he might pay - he might pay - you know, a person has to pay \$200.00 for clothing before he pays \$10.00 in sales tax.

Well, Mr. Speaker, there are many people in the low income groups who do not buy that much clothing. There is such a thing as hand-me-downs, or from person to person, or making your own clothing. I know it because I've seen it and I've been it, and I tell you that that person pays \$10.00 sales tax on clothing - the Honourable Leader of the Opposition and myself - and I join with him and I'm in a good position - we pay much more taxes on clothing, and to relieve him and I of perhaps \$100.00 or \$75.00 in order to give the person on the low income group \$10.00 is to tax the poor to favour the rich, and the honourable member knows it. Because that is the effect of such a rebate on taxes. The program that has been announced by the Minister of Finance is one which will rebate to people in the lower income groups not a tax on clothing, but in many cases half, and in some cases all of the sales tax which they pay to the Provincial Government. And, Mr. Speaker, I repeat, to the extent that taxation can be used to in some way give a better break to people in low income groups as against people in high income groups, as imperfect as it is, the system that has been announced by the Minister of Finance and which members are being asked to vote on, is the best one that I've heard in this House.

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MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SIDNEY SPIVAK, Q.C. (Leader of the Official Opposition) (River Heights): Mr. Speaker, the Honourable House Leader in referring to the suggestions that there should be tax reductions essentially across the board, and which would affect those in the middle income and lower middle income group, and which would allow people to have the money, and in the course of this cut, as a result of this, or this money becoming available as the result of government spending. He suggested, if I'm correct, and he made the reference to Valentino stimulating a nymphomaniac, and Mr. Speaker, I want to tell the Honourable Minister that on Sunday night David Lewis, the Leader of the New Democratic Party for Canada, said in a speech that was presented on National Television, "What this country needs is a reduction of income tax for middle income and lower middle income poor." So, Mr. Speaker, what David Lewis suggested is Valentino stimulating a nymphomaniac. And, Mr. Speaker, it is the same terms. He suggested a tax cut across the board. --(Interjection)-- Oh yes he did. Middle and lower middle income groups. Mr. Speaker, middle, lower middle income.

A MEMBER: That's not across-the-board. That's not across-the-board.

MR. SPEAKER: Order please.

MR. SPIVAK: Mr. Speaker, I suggest that in effect he is our Valentino at this point trying to stimulate the Canadian voter, and he's not going to get very far.

Now, Mr. Speaker, the hypocrisy with which the government deals with this matter, and the hypocrisy that really is present in the statements of the Honourable Minister of Mines and Natural Resources, you know, at one point has to be called, because you see the Honourable Minister of Finance goes down to Federal-Provincial Conferences and stands up and pleads that the municipalities and local governments of this country, and of Manitoba, are unable to meet their requirements. He then states that they'll be in a deficit position, and there is consideration that must be given on the part of the Federal Government to assist the provincial governments in dealing with the municipalities and local governments who must deal with the basic services to people. And the hypocrisy of a government going down to the federal level and basically requesting support for increased programs and increased taxation, and then standing up and basically talking in the way they do with respect to what they are providing for the individual, but not for the local governments or for the municipalities or the urban areas, is something to behold.

I wonder if I may just for a few moments deal with the Honourable Member from Assiniboia's remarks with respect to the senior citizens. Mr. Speaker, there's no question that relief is necessary and relief has been given to a certain extent in the programs that are offered. And no one is saying that that relief shouldn't be provided.

A MEMBER: Sure, you voted it in.

MR. SPIVAK: Well, Mr. Speaker, we are not going to be put in the position that because the government offers something, because the government, you know, provides something, that we must automatically vote for it because we cannot stand up and indicate to the government that that isn't the way. Mr. Speaker, on the same logic that the Minister of Finance has tried to apply in this particular situation, in the years in which Tammany Hall ruled, ruled New York, in which welfare was handed out by the political bosses, who in effect at least provided relief for the people. Should people have objected to that system? Should people have been repelled by that system? Should people have worked against that system? Because that system did provide relief, Mr. Speaker; and it did provide assistance to people, and did provide a mechanism whereby people could find some regress with respect to government.

The fact is, Mr. Speaker, the relief that is being offered is not what we are objecting to. We are objecting to the method, and we are objecting to the relief as not being adequate. We are trying to convince the government, which we have a right to do, of our position. The difference between ourselves and the honourable members opposite is that we recognize that in doing this, it can be misinterpreted; and we recognize as well that in stating our position, in stating our position in this way at this particular time when people do see relief operate on the municipal taxes, it can be misconstrued as to what our intention would be.

But, Mr. Speaker, the problem is severe and the problem is not going to be corrected by the gimmickry that is involved in this proposal, and involved in the way this has been handled.

You know, Mr. Speaker, when the Estimates of the government were presented there

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(MR. SPIVAK cont'd) was no indication at all of additional relief to be provided through this tax rebate program. But, Mr. Speaker, everyone was in the position in terms of municipal and urban councils of trying to strike the actual mill rate that they would have to deal with to be able to meet their needs. Everyone is pressured, pressured like hell to try and deal with the problems that they have.

In the case of the City of Winnipeg they have severe problems caused as a result of the unification, the amalgamation of services, the levelling which has occurred in which everyone has been raised to the highest level for the municipal services, or municipal employment, that is now under the umbrella of Unicity. And we have the situation, Mr. Speaker, of a multitude of problems that the City of Winnipeg must deal with with respect to the city.

We have an example today. How many millions of dollars will have been lost by the people who live in Winnipeg because the storm sewer system in Winnipeg is not adequate. And, Mr. Speaker, when will that storm sewer be provided so that we will not witness, or go through an experience what the people of Winnipeg have had to experience in the last 24 hours? Well, Mr. Speaker, it's easy for the Honourable Minister to say, well that's the City of Winnipeg's problem. Let them deal with it. That's their problem.

Well, Mr. Speaker, let's go back to what the Honourable Minister has said at the Dominion-Provincial Conferences. In the conference in January, 24th and 25th, of this year he said, and I quote, "Another piece of evidence, the deficit position of the federal-provincial and local governments on a national account basis," - and this is on a nine month basis for 1973 - "suggests not only that the Federal Government would be running into a very small 1973 deficit, but also that the combined fiscal impact of all provinces and all local governments far outstripped that of the Federal Government. In my judgment from the point of view of stabilization this situation was not appropriate and should not be allowed to continue into 1974." And then, Mr. Speaker, I say to the honourable members opposite there was a \$52 million surplus, a \$52 million surplus that the government had in its budgetary position, and what did they do with that \$52 million? \$32 million was carried forward; \$20 million was put into capital - we've already borrowed \$700 million but they still put \$20 million into capital. And what did they give municipalities and the urban areas? What additional contribution are they giving to the tax load that they have to bear? \$2.00 per capita. I mean, Mr. Speaker, what are we talking about. How can the Minister have the gall to go to the federal conferences and suggest that our local governments are going to be in a deficit position, and then suggest to the municipalities that there'll be a \$2.00 per capita, or \$2 million contribution, and we will give you also the amusement tax, and you can take over the amusement tax, and that'll amount to \$600,000. And, you know, \$2,600,000 you're going to get.

Well what about the rebate? Okay, let's talk about the rebate. The municipalities when they struck their taxes, did they know about the rebate? No, Mr. Speaker. The rebate is given to the people. But they had to deal --(Interjection)-- Oh, a good thing they didn't. But what do they have to deal with, Mr. Speaker? They had to deal with the problems that the city have such as storm sewers. Can they deal with it? No. So what do you have? You have the situation now where insofar as the government is concerned what happened today, in the last 24 hours, is an act of God. Yet in next year it'll be an act of God, and the year after it'll be an act of God.

But, Mr. Speaker, at what point when the real problems of the urban area of Winnipeg are going to have to be dealt with, whether it's the blighted district around the central business district, whether it has to do with the urban renewal programs, whether it has to be with the development of the kind of programs that will allow the City to develop rather than deteriorate in certain parts, whether it really will deal with the bridges that are necessary, and deal with the multitude of problems relating to the transportation system, when they have to deal with this, Mr. Speaker, where is that money going to come? It's going to come from the amusement tax, which is going to give them \$300,000. And then, Mr. Speaker, --(Interjection)-- \$300,000. Yes. Seven hundred, and then you take off the administration costs and you'll find out what they're going to be left with. Yes. Mr. Speaker, then I want to suggest something else. That the basic problems, you know, the people are paying for the kind of government they're getting. And the people are going to pay not in taxes, you know the pensioner isn't going to pay in taxes, he's going to pay in the clean-up bills, in the destruction and loss of his furniture. He's going to pay today and tomorrow and the next day in the clean-up that has occurred and, you know, in

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(MR. SPIVAK cont'd) the clothing that he has to throw out.

A MEMBER: Who is the hypocrite now?

MR. SPIVAK: No. No. I'm not being the hypocrite. I'm saying to you that with all the research, \$16 million, with all the planning that was undertaken by your Planning and Research Division, you can't tell me that you did not know the scale and what had to be done on a city level to try and bring the services of the City of Winnipeg up to the standards that are required in modern day. Nor can you tell me that you did not know, that you did not know the kind of costs that would have to be borne. Nor can you tell me that you did not know, with all the research money that's been spent, the kind of direction that was required and the kind of financial support that had to be given. But, Mr. Speaker, they're not interested in that particular problem. What they are interested in is the gimmickry involved in trying to give the taxpayer a cheque whereby he can receive an apparent benefit from the Godfathers of Broadway, from the New Democratic Party, who are looking after his interests.

But, Mr. Speaker, they've got a problem, because they have to give it immediately, because otherwise the people will be damned mad if they have to wait as long as a year. So they provided last year the gimmick of basically applying it to the tax bills immediately, and applying the additional cheque next year. Now they talk about a cost of living reduction. Cost of living reduction.

A MEMBER: What a laugh.

MR. SPIVAK: Next year when you file your income tax on the basis of a formula that they presented, people are going to be in a position to be able to receive from the government a cheque - by next year. But, Mr. Speaker, in almost all cases the people involved will have paid as a result of the inflation, increased taxation in the goods and services that they use and the goods that they purchase more than they will get back. So, Mr. Speaker, there's no benefit to them. It's another kind of gimmickry.

Mr. Speaker, the Honourable House Leader has indicated the degree of progressiveness in this is something to be questioned. The former Member of Crescentwood was the only honest member of the NDP Party when he said it did nothing. In real terms it did nothing. And the fact is, Mr. Speaker, that what they have done is played a shell game with the people of Manitoba and they expect us to buy it and they expect, because there are people in need involved, for us not to be in a position to debate or to object to it.

Well, Mr. Speaker, there's far more involved in this because what we're really dealing with is the whole fiscal management of the members opposite. Now I say, Mr. Speaker, and I say this directly, where is all the planning? Where is the research? Where is the documentation to support their position? Where is all the information of what is going to happen? Are they suggesting, Mr. Speaker, that the municipalities and the urban areas of this province are not going to have escalating costs that are enormous? Is it their intention, Mr. Speaker, to continue this game and to have this widened? Are they going to next year give us a \$350 rebate? Are they going to give us a \$500 rebate? Are we going to go up to \$1,000?

Mr. Speaker, it's very easy, very easy, because the way they're going, you see, they don't have to pay for it in this fiscal year, and when election time comes they can promise that for the next fiscal year, and if they become the government then somehow or other they'll borrow the money to try and deal with it or they'll play around, or they'll leave it for another government to try and carry through. But the fact is that this is a fraud, and the fact is that the Minister of Finance is a fraud and so is the House Leader, when they talk about the great tax reform program that's being offered. The truth is, Mr. Speaker, that the gap is widening. The fact is that the kind of involvement in revenue-sharing that the government must take with the municipalities and the urban areas of this province is not being undertaken, and must be undertaken. If it is not undertaken, Mr. Speaker, then the problem is that the gap will be greater and the amounts of money that are going to be required will be more. Whatever one may say, Mr. Speaker, if a storm sewer program is needed in the City of Winnipeg, if it's undertaken this year it will cost less than it will cost three years from today. And then one has to say, well, is this necessary? Well then, Mr. Speaker, I say again, who's paying because this is not done? Well, the government's not being pressed; the people will suggest that it's not the government's fault; but the fact is everybody individually is paying for it and they're paying a great deal. And I would say in many respects they're paying far more than the kind of credit that they're ever going to receive from the education tax program and they're going to

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(MR. SPIVAK cont'd) ever receive from the cost of living reduction program, and the very pensioners the Honourable Member for Assiniboia is talking about are going to be out of pocket. So, Mr. Speaker, there has to be other programs devised.

Now, Mr. Speaker, I want to come back to the fact that realistically when we've examined what the government is doing in this area, they're not doing very much. We're talking several million dollars, that's all. Now, one then has to look at the kind of revenues that the government has undertaken. Since 1967, Mr. Speaker, the revenues in the province were \$300 million. They're now over \$800 million. That's a \$500 million increase. And, Mr. Speaker, how much of an increase, how much of a contribution is being given to the municipalities? What? Another two or three million dollars? Is that what we're really talking about? Four million? Five million? How much can they really document by all their researches as to what they're actually contributing? Mr. Speaker, it's not very much, and yet the municipal people have to bear the brunt, Mr. Speaker, of the basic costs.

Now it would be far more honest on the part of the government to say at this point the following: "That our program, while it may have had its political implications for us last year and the year before, and may have been advantageous to us, has to be altered and changed. That in effect the way in which we operate and continue to operate will have the effect of passing on to the consumer the ultimate cost that now must be absorbed by the commercial and industrial base who are now having to pay the high degree of taxation, the real estate taxation in this province." Because, Mr. Speaker, the net effect is that the consumers in this province, which are the people, are now having to pay in higher prices the cost of goods and services because of the increased taxation as one component part that people are having to pay. And, Mr. Speaker, as this continues to rise, the consumers who are the consumers in Manitoba, because we consume 75 percent of what we produce and we only export a very small portion of that, the consumers, Mr. Speaker, are going to be the very ones who are going to be paying this increased escalation because the costs have gone up. And what we now have to do is put our government spending in some shape and set our priorities in such a way that there is money available for the kinds of programs that count, that will vitally affect and assist people in the handling of the day to day matters that affect them, and in providing the essential services that we consider standard.

When we have a situation like last night, in which a modern city has a back-up of its sewer system - and there is some belief now that the sewer system is antiquated and it's necessary to correct it to be able to continue a modern city - then we're going to have to cope with that problem and the problem is why wasn't it coped with before? Well it wasn't coped with before because there's no money available, and the Honourable Minister of Mines and Natural Resources can talk all he wants about the Honourable Member for St. James and the participation in the growth tax, and say what an effrontery to have suggested something. But, Mr. Speaker, I want to say something to you, and to the Minister of Mines and Natural Resources through you, that where is the money going to come for the things that are going to have to be dealt with? Is it going to come from the Federal Government? Well, Mr. Speaker, we take the national equalization payments that the Federal Government gives us, we lump it into the general funding, and we think of how bright we are because we're able to dole it away in other forms.

But, Mr. Speaker, you know, the national equalization money that is forthcoming is coming to the province as a means to assist a province that does not have the financial resources as other areas to be able to equalize it so that they can provide services for everyone. But, Mr. Speaker, one of the problems we have to deal with is the basic essential services that have to be provided at the local level for which local people are involved and which they are essentially tearing their hair out trying to be responsible and carry on their undertakings.

So, Mr. Speaker, this problem is not one that is going to go away this year. This problem is going to be with us for years to come. It's exemplified by what happened in the last 24 hours and it will continue, Mr. Speaker, in many other ways. But the honourable members opposite face a problem, because next year it'll be \$350, \$400, and they're going to try and still provide the shell game, when the reality is that the kind of revenue-sharing that has to be undertaken, that must be undertaken - and you can call it growth tax if you want, you can call it whatever you want, but the kind of revenue-sharing that has to come out of full consultation with municipalities and urban areas of this province has not been undertaken and must be

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(MR. SPIVAK cont'd) undertaken. And at that conference, Mr. Speaker, and at those meetings, the kind of documentation that I suggested the honourable members opposite have, and if they didn't have they should resign as government, because those forecasts -- there's no point of having a Department of Urban Affairs if they didn't have that kind of information. Mr. Speaker, that information has to be placed on the table so that there is some awareness on the part of the people involved as to what will occur in the years to come, and there is an ability for people to try and work out the management, because this kind of game isn't going to be sufficient. You know, it was all right in an earlier stage but we're reaching and it's far outstripping the ability, Mr. Speaker, of people to make rational decisions who are charged with those responsibilities on the local level, dealing with the problems that they have to cope with.

Mr. Speaker, I come back to the words of the Godfather. Are the local municipalities, the urban areas and the people of this province to be completely subservient to the Minister of Finance and to the Government? Are they to be in the position of having a minimum kind of contribution from the kind of revenues that the province has with \$100 million of equalization to actually meet their problems? Mr. Speaker, how can the government seriously talk, you know, in the kind of terms that . . . how can the government, Sir, talk in the terms that it did in this year's Budget, of participation and revenue-sharing with the municipalities with the kind of load that they have to bear, recognizing that there was a \$52 million surplus and recognizing as well that they have to cope with problems that are escalating in nature and escalating in costs as well?

So, Mr. Speaker, my point at this stage is to indicate to the honourable members opposite that the program that you've offered is, I suggest, a program that has assisted people to a certain extent, that is a contribution to the escalation of costs the people have to bear, has had an effect in reduction of taxation, but is not good enough. Now, Mr. Speaker, the kind of proposal the government should be considering is a reduction of income tax across the board in this province. Because, Mr. Speaker, the problem that anyone living in this province has is that while the government may argue about the ability to pay, you have to look at the benefits that you're receiving to see whether the kind of justification on the part of the government is there. And, Mr. Speaker, with respect to the waste in whatever department we want to tackle, with respect to the mismanagement in any department that we want to refer to, with respect to the lack of management ability in any area or in any activity that has been touched by this government, the people have to say, "Is it necessary for me, on the basis of some progressive method of taxation, to bear the rate of taxation I have to pay, to allow these people sloppily to lose the money that belongs to the people?"

Secondly, Mr. Speaker, the government is too heavily involved in this economy in this province. The government, because of its involvement, pays a higher price for the goods and services it uses and buys, and the problem, Mr. Speaker, is that that high price means that there is an increased price paid by the private sector and that ultimately means that the consumers in this province have to pay a higher price for the goods that they're purchasing. And there is a reason, Mr. Speaker, why we were the highest in the increase in the cost of living last month across Canada. And I suggest, Mr. Speaker, that that cost of living increase is going to be there for some time. The fact is, Mr. Speaker, between the borrowing of the government and its involvement in the capital spending in connection with the total economy, in the budget of the government of its \$800 million, it is too much of a component, too high a component with respect to our system, and the result is that it has had the effect of increasing prices so ultimately the consumer is paying.

Now, Mr. Speaker, we need a tax reduction. We need the kind of program that will benefit the people in the low income area and the senior citizens, and that can be done in a variety of different ways. And I can suggest them if the honourable members want to. You know if, in fact, there is a tax reduction program that should be offered, and I believe it should, it can be offered as a tax reduction program, not tied, Mr. Speaker, to the real estate tax, because, Mr. Speaker, senior citizens should be in this position at this point, that the kind of programs that have to be now rearranged for them to be able to meet the escalation that's now occurring for those who are on fixed incomes or who are receiving government incomes or even with a mini-income program of the Provincial Government, there has to be new programs devised, Mr. Speaker. There has to be funds set up with revolving funds to be able to take care of those people in need, and not to be put in the position, Mr. Speaker, of having to go

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(MR. SPIVAK cont'd) through the game that we are now playing. What I'm suggesting -- and, Mr. Speaker, when we talk about a reduction of the sales tax, you know, the Honourable Minister says the reduction on clothing doesn't mean very much. Reduction on used goods means a good deal, because, Mr. Speaker, people on low income buy used goods.--(Interjection)-- Oh yes. Ha. Ha. Oh yes. Mostly antiques. Well, Mr. Speaker, the fact is that the government have fallen in the trap of essentially being, you know, and the Minister of Finance is typical of every Minister of Finance, once a tax always a tax. Once a tax always a tax. --(Interjection)-- Oh, what?

MR. CHERNIACK: . . . taxation. We did it. Not you. We did it.

MR. SPIVAK: What did you do?

MR. CHERNIACK: Used goods. Used clothing, Shoes, Repairs.

MR. SPIVAK: Mr. Speaker, again, in a budget of about \$800 million, in a sales tax that's increased by I think about \$20 million or \$25 million, a sales tax that's increased by \$25 million, the kind of reductions that they're talking about are minimal, just as the kind of contribution that's been given to the municipalities is minimal. So, Mr. Speaker, we say to the honourable members opposite: What you have done this year has provided an option, and the only option, to the municipalities and the cities, to stay as they are. What you've really provided, Mr. Speaker, or the honourable members opposite, to the municipalities and the urban area, is the option, Mr. Speaker, not to do anything. What you really have said to them is that the kind of improvements that should be made in your areas to assist the quality of life cannot be made. What you've indicated to them is that they have to essentially deal with the only thing they can deal with which is . . .

MR. SPEAKER: Order please. I wonder if all the chairmen of the small caucuses would take their meetings outside so I can hear what's going on. The Honourable Leader of the Opposition.

A MEMBER: That means you, Sam.

MR. SPIVAK: All they have provided for the municipalities and urban areas is the recognition that the only thing that they're going to be able to do is deal with the escalation of their labour cost component in whatever they're doing. Yes, we're going to be in a standstill in this province for years to come and we're going to get more behind, Mr. Speaker, simply because there's going to be nothing offered by this government to assist those who have been charged with the responsibility in trying to cope and deal with those matters that they must deal with, whether it be in the field of transportation, the field of urban renewal, or the multitude of local services that must be provided. And so what we have, Mr. Speaker, is an attempt on the part of the government to suggest that what they're doing is helping the low income people, and in the course of doing it they're helping in a progressive way the people who can least afford it, and further, that what they are doing is in the interest of assisting the people in this province. What they are doing is they are essentially tying a rope around all the councillors in this province, including the City of Winnipeg councillors and the City of Brandon, and they're basically saying, "Okay, you have no play whatsoever. You deal with the police and give them whatever you want. You deal with the firemen and you give them whatever you want." But, Mr. Speaker, you're not going to have the ability, with the kind of escalation that's taking place, to do very much. So what will happen is that the quality of services that have to be provided won't be provided. We'll have no undertakings with respect to the multitude of services that are required, and what we will have is a gradual strangulation with respect to the rural and urban areas, and the government will sit pat on the belief that what they are doing will be sufficient to be able to cloud the issue. And the First Minister will be able to stand up and say on any debate whatsoever, "We've given an education tax rebate." And he will be able to argue for the municipal tax rebate and now the cost of living rebate. And he will use that on any debate on taxation. Whether we talk education, whether we talk municipal affairs, whether we talk, you know, the total tax program, he will say, we're doing this and we're doing this. And he will use the same amount three different times and three different ways and give the suggestion, Mr. Speaker, that they are offering a contribution somehow . . . the people.

I must say to the honourable members opposite, it's an unfortunate thing that the election isn't held this year instead of last year, for many reasons. And I guess this is something that, you know, we couldn't . . .

A MEMBER: You may not have been the Leader.

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MR. SPIVAK: Well I may not have been the Leader but, Mr. Speaker, on the other hand, I have to say to the Minister of Finance that he wouldn't have been the Minister of Finance. Last year he was the Minister of Finance but this year he wouldn't have been the Minister of Finance, and that would have been helpful to us, frankly. So I would say to him that had the government lasted its five years, or waited for five years before it went to the people, and had the people had the opportunity to see how the government deals with taxation matters, to recognize the load that they're going to have to bear, to see how the government copes with the basic problem that they are affected with every day, which is the cost of living, to see the Honourable Minister of Autopac and to know that this year we had a \$10 million deficit and next year we're going to have a \$10 million deficit, to know that hydro rates are going to double within four years, in five years, to know that all the people who are paying the high degree of taxation in the commercial and industrial field are going to now pass it on by increased costs, had the consumers and the people of this province understood this, the government would not be the government today. And our problem, Mr. Speaker, is that they may be able to try or they may be satisfied that what they have done this year is sufficient, but what they are doing is not sufficient. It is not coping with the problem nor is it going to be capable of coping with the problem. The kind of contribution given to the urban areas and municipalities is minimal. It is not revenue-sharing; it is not participation in growth tax; it does not give them the ability to be able to handle the problems that they have; and the shell game that's being played provides only a minimum kind of relief, and we still remain, Mr. Speaker, the highest taxed province in this country. We still have people, middle income and lower income people, who are being squeezed by a government that is not capable of reviewing, Mr. Speaker, reviewing . . .

A MEMBER: You said that last year.

MR. SPIVAK: Oh we said that last time. Yes. Well the only problem we had, we didn't have the multitude program. You know, the honourable member should recognize that there hasn't been a program that's been introduced this Session that we've been able to talk about, that hasn't lost money. Everybody who comes, every chairman of a committee, who comes to the committee and sits down with us, says we've lost money. You know, Moose Lake Loggers has lost \$250,000. You know, MDC loses \$40 million. Autopac loses \$10 million. Mr. Speaker, the problem now is that all of that money, all of that money is going to have to be borrowed or paid for by the taxpayers. And, Mr. Speaker, we're going to be paying for it. And so I suggest to you, when one looks at the load that has to be carried by the people for the New Democratic Party, it's almost intolerable and that's why people are objecting. And the kind of shell game and the kind of taxes that have to be paid, Mr. Speaker, the kind of taxes that have to be paid today, are only what I consider symptomatic of what is going to be a much more serious problem in the years to come. Serious in many respects, because if the province does not have the ability, Mr. Speaker, to be able to raise the revenues that are required, there will either have to be extensive borrowing; if the province is not prepared to sit down with the municipalities and urban areas to deal with the problems that we've talked about, the very serious problem will be that the services that have to be provided will not and the general quality of life which was supposed to be improved by all the efforts of the government, will not have been achieved, and the degree of progressivism that is supposed to be inherent in the kind of tax proposal will have been eaten up in the increased costs that the consumer has to pay.

Mr. Speaker, I close with this, and say that the honourable members, no matter what they want to say, no matter how they want to stand up and suggest that somehow or other they have improved the lot of the unfortunate, the person on the low income and the disadvantaged, no matter how they want to suggest that all the multitudinous programs have a system that helps, when one takes on the other side the increased cost of living, the increased cost of government services, when one takes that and balance it off, people are not better off in this province, they are farther behind.

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

MR. MINAKER: Thank you, Mr. Speaker. I beg to move, seconded by the Honourable Member from Gladstone, that the debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, I move, seconded by the Honourable the Minister of

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(MR. GREEN cont'd) Agriculture, that the House do now adjourn.

MOTION presented and carried, and the House was adjourned until 10:00 a.m.
Wednesday morning.