



# P R E S S   R E L E A S E

*Mayor Stephen Juba*

TIME

WINNIPEG

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1968

Having received a copy of the remarks made by Mr. Eric Wells at the University of Winnipeg on Monday, October 21st, I feel it is unfortunate that Mr. Wells is being misinformed and wish to make the following comments.

Mr. Wells indicates that less than a year ago as the City considered its estimates that it saw what was coming up and went into an emergency session with the Manitoba Government. Since I have been in office the City has submitted dozens of briefs complaining about the unfair distribution of tax revenues of the Province derived from the citizens of Winnipeg. In fact, a brief was submitted to the Province in 1965 and the brief submitted in 1968 was in reality an up-dating of the 1965 brief. In the 1968 brief it was pointed out that the Honourable Gurney Evans had stated that of the \$407,000,000 which Manitoba taxpayers pay Ottawa, the Provincial Treasurer gets back about \$204,000,000. He further indicated that of the amount returned to the Province about \$167,000,000 is used to assist municipalities. On a per capita basis the citizens of Winnipeg should be entitled to about \$42,000,000. At the present time the City of Winnipeg receives total grants from the Province which are estimated to be about \$11,800,000 in 1968. If the Province agreed to all the proposals in the City's brief, this would cost the Province an additional \$9,277,000. This amount together with what is being received in 1968 totals about \$21,000,000 which is only 50% of the total amount which might be expected on a per capita basis. It is significant to note that the Government's policy of distributing "unconditional grants" to municipalities is on a per capita basis.

Mr. Wells stated that Alderman Danzker added this observation: "The goals have been set too high, and it was almost impossible to stop the machinery of spending at this point". It is incredible that Alderman Danzker, as Chairman of the Committee on Finance which supervises all spending of the City, would make such a statement.

Mr. Wells stated that the City of Winnipeg continued to drift and drifted into an increase of more than 12 mills in 1968. He also stated that the tax increase did not come about because of uncontrollable expenditures but because it was too late to stop the machinery of spending. It is interesting to note that the municipal levy increased 2.7 mills over the 1967 rate, Metro increased 2 mills and Schools 7.3 mills. It can be seen that 9.3 mills of the 12 mill increase was completely beyond the control of City Council. The increase in the municipal mill rate produced additional tax revenue of \$1,527,000. Wage increases cost \$1,805,000 more in 1968 than in 1967. It can be seen, therefore, that wages alone more than account for the increase in the mill rate for municipal purposes.



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Mr. Wells infers that the brief to the Provincial Government was prepared by myself and shown only to six of the 18 Aldermen -- 6 being members of the Finance Committee, and even some of the six had grave reservations of some of the language in the brief. The brief was not prepared by myself. It received the full support of the Chairman and Members of the Committee on Finance and was presented to all Members of Council before the official presentation to the Provincial Cabinet. At last night's Council Meeting the question of the brief was discussed and I asked if any member of Council disagreed or had any second thoughts regarding its contents, none indicated opposition. Mr. Wells has taken several sections from the brief and attempted to play with words. I would suggest that he read the whole of pages 10 and 11 to get the true intent which was included in the brief. Mr. Wells suggests that prior discussion, co-operation, approval and enthusiasm were vital to present the kind of united front which is the only solution to our problems -- both financial and social. I would suggest that when you have attempted over a period of years to get this type of co-operation, approval, etc. and the results are nil, then other methods of approach must be made. The meetings which are to be held with the Provincial Government can only be arranged at the convenience of the Premier and the Cabinet. Regular meetings will be held but experience has proven that any meetings with senior Governments are held at their convenience.

Again Mr. Wells has questioned the removal of the limitation on the municipal mill rate in the City following a change which was approved at the last session of the Legislature increasing Winnipeg's limitation from 12 to 25 mills. This change in legislation was to put the City of Winnipeg on the same basis as all other municipalities covered by the Municipal Act. The proposal to eliminate the limitation on the municipal mill rate would only be requested if

- (a) The Province to assume a minimum of 65% of the School Foundation Program in the City of Winnipeg.
- (b) The Foundation Program to be reviewed annually and adjusted to meet rising or falling costs.
- (c) The City be permitted to allow a \$2,000 assessment exemption on all properties or 66 2/3% of the assessment, whichever is the lesser.
- (d) That there be only one mill rate applicable to all properties.



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Any exemption that is granted to assist those persons in the lower income brackets can only in part be accomplished by increasing the mill rate on those persons with higher assessments. Apparently Mr. Wells and his advisors including the Chairman of the Committee on Finance did not read or understand the City's brief.

It was the decision of the Finance Committee that the Mayor make the official presentation and all Aldermen were invited to be present. My letter, accompanying the brief, read in part as follows:

"The City of Winnipeg Council are deeply concerned with the financial problems facing the City of Winnipeg and believe that there must be a complete realignment of the fiscal policy which presently exists between the Province of Manitoba and the City of Winnipeg. As the recommendations in this brief are considered to be essential in order to relieve the realty tax burden on our citizens and to give a more equitable distribution of the revenues extracted from them, we are submitting this brief to you, the Premier of the Province.

It is imperative that decisions be made as quickly as possible if the City is to continue to function with its present level of services. We will be pleased to meet with you or any of your Ministers as soon as possible in order to discuss the enclosed brief."