

Second Session - Fortieth Legislature
of the
Legislative Assembly of Manitoba
Standing Committee
on
Social and Economic Development

Chairperson
Mr. Thomas Nevakshonoff
Constituency of Interlake

Vol. LXV No. 1 - 6 p.m., Thursday, June 27, 2013

ISSN 1708-6698

MANITOBA LEGISLATIVE ASSEMBLY
Fortieth Legislature

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LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON SOCIAL AND ECONOMIC DEVELOPMENT

Thursday, June 27, 2013

TIME – 6 p.m.

LOCATION – Winnipeg, Manitoba

**CHAIRPERSON – Mr. Tom Nevakshonoff
(Interlake)**

**VICE-CHAIRPERSON – Mr. James Allum
(Fort Garry-Riverview)**

ATTENDANCE – 11 QUORUM – 6

Members of the Committee present:

*Hon. Mr. Chomiak, Hon. Mses. Melnick,
Oswald, Hon. Mr. Struthers*

*Mr. Allum, Mrs. Driedger, Messrs. Graydon,
Maguire, Marcelino, Mrs. Mitchelson, Mr.
Nevakshonoff*

Substitutions:

*Mr. Pedersen for Mr. Maguire
Mr. Briese for Mr. Graydon
Mr. Graydon for Mr. Pedersen at 9:15 p.m.
Mr. Maguire for Mr. Briese at 9:15 p.m.*

APPEARING:

Hon. Jon Gerrard, MLA for River Heights

PUBLIC PRESENTERS:

*Mr. William Pfeiffer, private citizen
Ms. Candace Maxymowich, private citizen
Mr. Eric Pollmann, private citizen
Mr. Mahendra Wanigasekara, private citizen
Ms. Regan Archambault, private citizen
Mr. David Sutherland, private citizen
Mr. Lanny McInnes, Retail Council of Canada
Mr. Colin Craig, Canadian Taxpayers
Federation
Mr. Don Woodstock, private citizen
Ms. Kathleen Cook, private citizen
Mr. Dwayne Marling, Canadian Restaurant and
Foodservices Association
Mr. Humphry Davy, private citizen
Mr. Brian Segal, private citizen
Ms. Denise Conan, private citizen
Mr. Jared Miller, private citizen*

*Mr. Dwight Hildebrand, private citizen
Ms. Julie Bubnick, private citizen
Mr. Dave Capar, private citizen
Mr. Sig Laser, private citizen
Mr. Charter Kidzugane, private citizen*

WRITTEN SUBMISSIONS:

*Ryan Sturgeon, private citizen
Jeff Wharton and others, private citizens*

MATTERS UNDER CONSIDERATION:

*Bill 20–The Manitoba Building and Renewal
Funding and Fiscal Management Act (Various
Acts Amended)*

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Mr. Vice-Chairperson: Good evening. Will the Standing Committee on Social and Economic Development please come to order.

Our first item of business is the election of a new chairperson. Are there any nominations for this position?

An Honourable Member: I nominate Tom Nevakshonoff.

Mr. Vice-Chairperson: Honourable Ms. Melnick.

Hon. Christine Melnick (Minister of Immigration and Multiculturalism): Yes, I'd like to nominate Tom Nevakshonoff.

Mr. Vice-Chairperson: Tom Nevakshonoff has been nominated. Are there any other nominations?

Hearing no other nominations, Tom Nevakshonoff, will you please take the Chair.

Mr. Chairperson: Good evening.

Committee Substitutions

Mr. Chairperson: First order of business, announcing a couple of substitutions. Mr. Pedersen is in for Mr. Maguire, and Mr. Briese is in for Mr. Graydon.

* * *

Mr. Chairperson: This meeting has been called to consider Bill 20, The Manitoba Building and Renewal Funding and Fiscal Management Act (Various Acts Amended). As per agreement of the House dated June 20th, tonight we will hear from 30 of the presenters registered to speak to Bill 20, and you have the list of those presenters before you.

On the topic of determining the order of public presentations, I will note that we do have out-of-town presenters in attendance marked with an asterisk on the list. With this consideration in mind, in what order does the committee wish to hear the presentations?

Mr. Blaine Pedersen (Midland): The out-of-town presenters are usually called first, aren't they?

Mr. Chairperson: You're suggesting that we hear out-of-town presenters first?

Mr. Pedersen: I suggest we hear out-of-town presenters first.

Mr. Chairperson: Mr. Pedersen has said. Is that agreeable to the committee? *[Agreed]*

I would also like to remind members of the committee that, in accordance with the agreement mentioned before, the committee may also by leave decide to hear from presenters in addition to those scheduled for tonight's meeting.

Before we proceed with presentations, we do have a number of other items and points of information to consider. For the information of all presenters, while written versions of presentations are not required, if you are going to accompany your presentation with written materials, we ask that you provide 20 copies. If you need help with photocopying, speak to our staff.

As well, I would like to inform presenters that, in accordance with our rules, the time limit of 10 minutes has been allotted for presentations, with another five minutes allowed for questions from committee members. Also, in accordance with the rules agreed in the House for the meetings hearing from presenters on Bill 20, if a presenter is not in attendance when their name is called, they will be dropped to the bottom of the list of tonight's presenters. If the presenter is not in attendance when their name is called a second time tonight, they will be dropped to the bottom of the global list of presenters.

Written submissions: The following written submissions on Bill 20 have been received and

distributed to committee members: Ryan Sturgeon, Jeff Wharton. Please note that Mr. Wharton is submitting on behalf of 12 other citizens whose names are listed on the first page of the submission. Does the committee agree to have these documents appear in the Hansard transcript of this meeting? *[Agreed]*

Speaking in committee: Prior to proceeding with public presentations, I would like to advise members of the public regarding the process for speaking in committee. The proceedings of our meetings are recorded in order to provide a verbatim transcript. Each time someone wishes to speak, whether it be an MLA or a presenter, I have to say the person's name. This is the signal for the Hansard recorder to turn microphones on and off.

Thank you for your patience. We will now proceed with public presentations.

I call Mr. William Pfeiffer, private citizen. That's Pfeiffer, is it, sir? Do you have any written materials for distribution to the committee?

Mr. William Pfeiffer (Private Citizen): No, just my personal notes. Thank you.

Mr. Chairperson: Thank you, sir. You may proceed.

Mr. Pfeiffer: My name is William Pfeiffer. I was born and raised in Manitoba. I have three children in Manitoba; I have two grandchildren. I would like to first request that this government remove protecting families from their budget propaganda. You see, my oldest daughter and her husband have good jobs, their own home, two children. Their problem is that they fall into an income zone where they don't qualify really for any government subsidies because they make too much money, yet not enough to pay all their bills. So the PST increase will only serve to put them another hundred dollars further behind in their bills. This is not protecting families.

My son-in-law works for a company that has good opportunities in Alberta. Until recently, he's never considered these, although with their third child on the way he must look at what's best for his family. Although I can't blame him, I can tell this committee that my wife and myself would be devastated to see them go.

It is my opinion that the PST increase is a result of a much bigger problem, and that problem is integrity. In the Manitoba I was raised in, if you wronged somebody, you were dragged by the ear

over to that person and made to apologize. And, if you knew my father, you knew that that apology had better be sincere.

During the 2000 election, you stated that you would balance the budget by 2013-14. Your opposition claimed that it would take 'til 2017-18. You have now adjusted your forecast to 2016-17. And let's be frank. No one believes you.

So it is clear that they were far more accurate than you were, and considering that you were the government in power and had access to far more accurate information, it is safe to say that at the very least you were misleading the voters. You made many promises during the election, to which the opposition stated could not be achieved without raising taxes. You assured voters that you would balance the budget without raising the taxes. You lied. A mere six months after the election you saddled Manitobans with the largest increase in decades. You were the party in power; if you stand by the fact that you didn't know, then you are incompetent.

*(18:10)

The opposition said you were planning to raise the PST; you called that nonsense. Again, you lied. The opposition was far more accurate and honest in its financial claims during the election; you were outright dishonest. For this reason, I believe you owe Hugh McFadyen an official apology. I also believe that Mr. Selinger owes an apology to the people of Manitoba, and I'm disgusted by the fact that he doesn't think that he does.

I would also like to point out that NDP MLAs who stated during the election that they would vote against any PST increase, are now supporting it, also owe an apology to their constituents as they also lied. You owe your loyalty to the voters of Manitoba, not to unelected party executives. I am shocked that, with the sheer number of Manitobans that are opposed to this increase, there is not one elected NDP member willing to stand up for what they believe in, that you've all just held your noses and drank the Kool-Aid.

At some point this government must look into cutting spending, because the level of taxation is going to be unsustainable and too difficult for Manitobans to endure, and you must start looking into those spending cuts before they are forced upon you and are far deeper than Manitobans can bear.

This committee may believe that some of these issues don't belong—don't belong here in this debate about Bill 20 and the PST. However, your leader opened the door when he sent out his most recent flyer and attached any and all issues to it.

On that note, I will point out that Mr. Selinger's dishonesty began a long time ago with Crocus. And, as sure as he plans to use this past dishonesty and scare tactics to try to pull the wool over everyone's eyes in regards to the Filmon government and the former PC government, I will assure you that everyone I know knows that you don't provide extra tax credits to leave your savings in a fund that you know is going to collapse. And then, when called out because you have a glowing report to a dying fund, you just misspoke? That's nonsense.

I'm not very happy about you guys running around doing all of these ribbon cuttings either, especially for projects that were finalized far before this PST increase was announced and the funding in place long ago. Again, this is dishonest. And what's even worse is when you show up to ribbon cuttings for city projects that the City doesn't even know about and has not approved yet. This is just grandstanding and, again, dishonest and insulting to the voters of Manitoba.

I would now like to touch on your propaganda PST fire-flyer you recently released. You say that the PCs will sell Manitoba Hydro, and they say they won't. Based on my previous statements, it's easy to see who we should believe. Besides, at the rate the government is going, Hydro will be bankrupt and no one will want to buy it anyway, so, really, it's a non-issue.

Next would be your 1-cent tax. Please refer back to my opening paragraph. My children already have too much month at the end of the money, and this puts them another \$100 behind. I believe that makes it a 10,000-cent tax. How stupid do you think we are? It is not a 1 per cent tax increase; the PST is increasing by 14.28 per cent.

The 1,000 nurses that were fired by the Filmon government were rehired the same day. This was some sort of procedural nonsense to move them all into the same RHA, but all you keep saying is that a thousand nurses were fired in one day. I don't know which is worse, the way you're misleading the voters or the fact that the media hasn't taken you to task on it. I can't speak for everyone, but for myself, my anger and disgust with this government has far less to do with an increase in the PST as it does with the

absolute dishonest way in which you did it. And, as a side note to Mr. Struthers, what you did to MJC was disgusting, and all of Manitoba knows you lost in court. We don't care how you spin it.

Thank you.

Any questions?

Mr. Chairperson: Thank you for your presentation, sir.

Do members of the committee have questions?

Hon. Stan Struthers (Minister of Finance): Thank you, Mr. Pfeiffer.

I simply want to thank you for coming to the Legislature and expressing your thoughts to us. We appreciate that, so thank you very much.

Mrs. Myrna Driedger (Charleswood): Thank you, Mr. Pfeiffer, for your presentation.

I'd like to ask you a couple of questions, and the first one is how would you feel if the NDP raised the PST on Monday before hearing from all the over 200 people that have signed up to speak to this?

Floor Comment: I don't believe this—

Mr. Chairperson: Mr. Pfeiffer, I have to recognize you.

Mr. Pfeiffer: Oh, yes. Sorry. I did read that.

Well, first of all, I don't believe they should be raising the PST at all, but certainly they should not be raising the PST—well, they shouldn't be raising until a referendum is heard. But for sure they should not raise anything, and you can delay it, so stop saying that you can't. You can delay it, and it should be, at the very minimum, delayed until these hearings are finished.

Mrs. Driedger: So, obviously, then, Mr. Pfeiffer, you do feel that there should be a referendum held before raising the PST so that the government would actually be adhering to the current legislation that will still be in place on Monday.

Floor Comment: Yes, and for heaven's sakes—

Mr. Chairperson: Mr. Pfeiffer.

Mr. Pfeiffer: Oh, sorry. Yes, and for heaven's sakes, please make that referendum a non-confidence vote as well.

Mrs. Driedger: And, Mr. Pfeiffer, you were talking and you did have some emotion in your voice as to what might happen with your children, and the kind

of challenges, the finances, you know, the financial predicament they could be put in because of the PST, and all of the other increased taxes and fees that have increased over the last couple years. Have you had, you know, much of a chance to talk to your kids, and how serious do you think they might become?

Mr. Pfeiffer: Last weekend they came out to the lake with us, and it's not just the PST; the PST is just what we're talking about here. It's the PST, the hydro rates, the gas rates, the—I mean, this has become—for a government that said, we're going to balance the budget without raising taxes—I mean, you know, politicians usually have the decency to wrap their lies in a tiny bit of truth. You didn't even have the decency to wrap your dishonesty in the tiniest bit of truth.

Mrs. Driedger: Mr. Pfeiffer, what do you think should happen to a government that doesn't tell the truth?

Mr. Pfeiffer: We need a way—you know, in this case, I've never seen—first of all, let me make it clear. I didn't vote PC in the last election. I also didn't vote NDP. I declined my ballot. You know, it's not like I'm partisan, but I believe, with the anger out right now, that I think that we need some way to recall a government, something similar to what BC has and that they used to remove the HST. We need something like that, so that when this—I mean, this is—I'm speechless as to the level of—I'll use Mr. Selinger's terms—nonsense that you guys are putting Manitobans through. To say that you didn't know means you're incompetent. I believe you did know, and I believe you lied. And for lying that outrageously, you should resign.

Hon. Dave Chomiak (Minister of Innovation, Energy and Mines): Mr. Pfeiffer, what rural community are you from?

Floor Comment: St. Adolphe.

Mr. Chomiak: You're from St. Adolphe. Thank you.

Mr. Chairperson: Seeing no further questions, I thank you for your presentation, sir.

Order. Order. Order. Just as a reminder to the public, I'd like to remind the members of the public who are observing the committee meeting to please not disturb the committee proceedings by applauding or commenting from the audience. I thank you for your co-operation.

I call Ms. Candace Maxymowich, private citizen.

Ms. Maxymowich, do you have any written materials for the committee?

* (18:20)

Ms. Candace Maxymowich (Private Citizen): No, I do not.

Mr. Chairperson: You may proceed.

Ms. Maxymowich: Thank you.

It's a pleasure to appear before this legislative committee to present my position on Bill 20. I am strongly opposed to this bill. I do not support a tax increase, and I believe that rather than disregarding what's in the best interests of hard-working Manitobans and their families by—sorry—by imposing a tax hike, this government should look more closely at their own spending.

I also believe that a referendum should be held to allow all Manitobans the opportunity to voice their opinion on whether or not they support this tax increase. The biggest issue we have in our province right now is this government's mismanagement of tax dollars. This government has racked up debt that is frightful to future generations, and I'm appalled by this government's arrogance, mismanagement, lack of vision and lack of accountability. I'm deeply worried by how this government feels it can increase taxes without consulting the public and without better accountability for the billions already being collected and spent.

This government has shown that they have no vision for the future of our province. It's just the same tax-and-spend, tax-and-spend, tax-and-spend mentality.

Tearing up the taxpayer protection act, there's no principle on that. There's no understanding of the vitality of our small business sector, no understanding, no listening, no respect for people.

Less than two years ago, the NDP were arguing there should be a referendum on the Canadian Wheat Board, and with all due respect to farmers, the issue impacted a small portion of our population. Yet here we're—are, there are 37 NDP MLAs saying that they know better than a million Manitobans.

The Premier (Mr. Selinger) said during the election he wasn't going to raise the PST and promised not to raise taxes. In fact, he called the suggestion he would do just that, ridiculous and

nonsense. How can taxpayers believe anything this government says when their credibility has hit a new low? There's no assurance the additional funds collected from this PST increase will even go to what this government is telling us it will be used for.

This promise-breaking Premier and his arrogant NDP broke a promise to Manitobans and continue to act like they're above the law. Not only is this government attempting to legislate its way out of a referendum; it's avoiding consultation. Now, I know that public consultation is not this government's strong point; this government failed to consult with the municipalities prior to announcing their forced amalgamation, another example of this government not looking forward.

I know many people are angry with how this government has attempted to railroad the PST hike through. Many are already having a hard time keeping up with all their other government fees and taxes that are rising faster than most people's paycheques. Others are just really angry that the Premier broke his promise and is getting rid of the requirement to hold a referendum.

I'd be interested to know, during the prebudget consultations—sorry—how many times Manitobans told the Minister of Finance (Mr. Struthers) that an increase in the PST is what they wanted or thought was best.

By not holding a referendum this government leaves us with a democratic deficit, an avoidable, unnecessary democratic deficit that is being created by this government by not listening to Manitobans and just by not holding a referendum.

The MLA for Charleswood, who I have the utmost respect for, said something about a year ago, and I want to recite from Hansard, May 3rd, 2012, she said: Is a law a law? Does it matter? Does it matter that we put in all this time here debating laws, working on laws?

Well, does it matter? See, this government has no problem breaking laws, let alone breaking promises. Are the NDP so arrogant that they will break the law? The answer is yes; we've seen it before. The NDP organized a media tour of a new birthing centre in south Winnipeg just days before launching the provincial election campaign and were found guilty of violating an election law, but suffered no consequences. And, yes, it's the same election campaign when the Premier (Mr. Selinger) promised that he wasn't going to raise taxes.

So the interesting thing is that this government used \$3.5 million of taxpayers' money to open the new birthing centre. However, they lacked a real plan or vision by failing to ensure Manitoba had enough midwives before opening the birthing centre. This provincial government opened its first official training program for midwives in 2006 through the University College of the North with an investment of \$1.6 million, yet not a single student graduated from the program. There's no question that midwives play an essential role in improving maternal and newborn health, but this government mismanaged this program. This government has spent millions of taxpayers' money failing to provide results, and this is just one example. No one wants their taxes raised so that more money can be wasted.

Taxpayers finance the programs and services the government provides, but are not getting the quality of services we deserve in return. This NDP government has more than doubled its spending on the province's health-care system since it tabled its first budget in 2000, but what do we have to show for it? People in rural Manitoba can't count on finding an open ER in their communities when they need one. In October 2012, the emergency room in my hometown at the Vita and District Health Centre closed, and here we are, months later, and there's still no commitment from this NDP government as to when it might reopen.

As of February 2013 there were 17 hospitals that had downgraded or closed its emergency rooms for varying periods of time, sometimes permanently.

The NDP want us to applaud them for hiring more doctors and nurses and building more health-care facilities, but since the NDP took office, more than 2,100 doctors have left Manitoba. Manitoba has one of the lowest doctor retention rates in Canada.

But it's not just doctors that are leaving our province. Young Manitobans are voting with their feet and leaving for better opportunities. We live in a beautiful province with wonderful people, but it's being run into the ground by this NDP government. Forcing a tax hike on Manitoba taxpayers does not make our province a great place to live, work and play for generations to come. This NDP government is squandering away young people's futures one tax increase at a time.

Some young people have been drawn to the big lights of Toronto, Vancouver, Calgary and yes, even to Saskatchewan. Why? Well, Manitoba's not as

affordable as the NDP would like us to believe. That's one of the reasons young people are leaving. Dynamic private sector jobs with good salaries are another draw for young people, and the high-tax NDP government isn't producing these jobs. Those high taxes are creating a drag on both the economy and retention of young people in this province.

So the government often insists the money just isn't there. But most taxpayers know that the money is there because they work to earn income and contribute to the provincial economy through taxation. Citizens of our province provide many billions of tax dollars—tax dollars to the government every year. The problem isn't a lack of funds; it's the mismanagement of tax dollars. We are often told that the only options to improve essential government services are either more taxation or reduced programs and services. But I believe it's possible to discover and deal with bureaucratic excesses and waste, reprioritize program funding, cut bloated expenses and get taxpayers the best service without having to raise taxes or cut essential services.

This NDP government wants us to believe they need the extra money from a higher PST to pay for flood costs and other expenses. However, the reality is there is plenty of ways to cut in government. This government has 192 marketing and communications staff across government agencies and Crown corporations at a cost of \$12.5 million per year.

So I believe this tax increase is unjust and unreasonable, and the reason that I say that is because I believe this government needs to take a serious look at the way their spending should pay for services rather than digging deeper into the pockets of taxpayers. The NDP could lead by example and reduce the size of Cabinet and reinstitute the 40 per cent pay reduction for Cabinet during times of deficit spending. Manitoba's high levels of public sector employment also come at a substantial cost to taxpayers and should be reduced.

In 2012, a bureaucrat described being put in a room and paid \$90,000 per year to do nothing for four years. Why? Because he was trying to blow the whistle on the Crocus Investment Fund collapse. How many other bureaucrats have been put in do-nothing rooms?

Before the 2011 election, the former MLA for St. James also served as a special military envoy, yet after she decided not to run again in 2011, the Premier (Mr. Selinger) decided to turn her old special military envoy title into a full-time job for

her. For the cost of her office, assistant and other expenses, taxpayers footed an additional \$190,000 per year.

Even though Manitoba Hydro has a monopoly on electricity sales in the province, MPI has a monopoly on car insurance, and most other government services have monopolies on their services, the Province spends about \$1 million each year on giveaway promotional items like golf balls and manicure sets. The government should cut its wasteful advertising, put non-essential projects on the backburner and reduce its massive bureaucracy. The Premier needs to start leading by example and reduce his large Cabinet and handouts to his own party by cancelling the vote tax subsidy.

Plain and simple, before raising taxes, politicians should lead by example and reduce wasteful spending. Continuing to raise taxes year after year is simply not sustainable. Thank you.

Mr. Chairperson: Thank you for your presentation, Ms. Maxymowich.

The floor is now open for questions.

Mr. Struthers: Thank you very much, Ms. Maxymowich. Thank you for coming to the Legislature. I appreciated hearing from you, and thanks again.

Mrs. Driedger: Thank you, Ms. Maxymowich. I know that you are somebody that follows politics very carefully and you do a lot of research on your own, and I think you follow Hansard pretty carefully, too, over many years.

I would just like to ask you: How would you feel if the NDP raise the PST on Monday before hearing from the over 200 speakers that have signed up to speak to this legislation?

Ms. Maxymowich: If I had been one of those speakers registered to speak and not been heard before that, I would feel very insulted, so yes.

Mr. Chomiak: Yes, thank you. You're from Vita?

Floor Comment: I am, yes.

Mr. Chairperson: Ms. Maxymowich. Sorry, I have to recognize you.

* (18:30)

Ms. Maxymowich: Yes.

Mr. Chomiak: Yes, could you give me a sense of—I'm trying to get a sense of people who are coming here. Are you in farming or—what's your background there in Vita? Without—I don't want to personalize it, but.

Ms. Maxymowich: My parents do live on a farm. My mother works as a home-care attendant. I've volunteered quite a bit of my time volunteering in long-term care. As well, I'm very involved in politics here in Winnipeg, so.

Mrs. Driedger: Ms. Maxymowich, just wondering, you did reference about, you know, some of the feelings that youth are going to be having, and you certainly are part of that generation that is going to be very affected by this.

What are you hearing from some of your, you know, youth friends and, you know, students out there? What are you hearing them say about the PST and about Manitoba's tax environment and how, you know, they feel about it and whether they're going to think of looking elsewhere to go?

Ms. Maxymowich: I actually do have many friends who have considered moving to other cities such as Toronto and Calgary for their post-secondary studies and have the feeling that when they do move there that they likely won't return to Manitoba.

Hon. Jon Gerrard (River Heights): One of the poor choices that you mentioned was the poor management of the Vita health care and the emergency room. Can you tell us a little bit more about where the problems are?

Ms. Maxymowich: Right. The reason that the Vita and District Health Centre emergency room closed last October was due to a lack of physicians. The Vita and District Health Centre services about 1,700 residents per year, so it was very disappointing to see. And the closure of the Vita and District Health Centre, be it temporary or otherwise, definitely affects the community.

Mr. Chairperson: Seeing no further questions, Ms. Maxymowich, I thank you for your presentation.

For the information of all in attendance—*[interjection]* Order. Once again, disorderly conduct by members of the public. I would like to remind members of the public who are observing the committee meeting to please not disturb the committee proceedings by applauding or com-

menting from the audience. Once again, I ask for your co-operation in this regard.

For the information of all in attendance, we do have a second committee room open down the hall as an overflow room. The sound from this room is being broadcast in that room, so you will be able to hear the proceedings. If you are a listed presenter and you are planning on going to the other room, please advise our staff so that they can make note of that and ensure you have time to get back when your name is called.

The next individual I'm calling was initially marked as somebody from inside of Winnipeg. He has since informed us that he's from Altona, so I'm going to call Mr. Mahendra Wanigasekara. *[interjection]* He's gone to the washroom. We will call the next person on the list, and we'll go back to Mr. Mahendra Wanigasekara.

Next person is Mr. Eric Pollmann, private citizen.

Good evening, Mr. Pollmann. Do you have any written materials for the committee, sir?

Mr. Eric Pollmann (Private Citizen): No, I do not.

Mr. Chairperson: You may proceed.

Mr. Pollmann: Thank you, Sir.

My name is Eric Pollmann, 43 years old. I've lived in Manitoba my entire life. You got to be tough to live in this province. I love it here. It's my home. I lived in Winnipeg up until a few years ago. Now I find myself with two stepchildren, teenagers, and a 2-year-old daughter.

I'm a stay-at-home father, which is something that's both exhilarating, terrifying and very rewarding. However, now I know what my mom has been talking about all these years. Being the house dad, I do the shopping, the grocery shopping, the budgeting, everything. It's tough. I'm telling you it's getting tougher every day.

Highest fuel prices I can ever recall right now. We live in Anola. My wife is a nurse. She travels to Winnipeg. Okay, she loves her work. She loves what she does, but it's getting harder every day to fill up the tank. She doesn't want to work where we live. She likes what she does, and that's her choice and I respect her for it. And in return for that, she respects me and my opinions on this, and she's allowed me to come here tonight. Being a good husband that I am, I asked permission.

I found that the people speaking behind me—before me—were spot on in the way a lot of us feel. This isn't just about the PST hike and the way you're doing it. This is a bigger picture. Your integrity here is—there is none anymore in the eyes of the voters. You can read the papers; you've seen the polls. You guys are committing political suicide with every move you make. It is unbelievable. You campaigned on no new taxes. You turned McFadyen into the bogeyman. The first budget you got, bam, you hit us with the biggest one in 25 years—another 2 cents on gas.

I find it rather ironic that you've introduced some bills lately that protect consumers and citizens from auto dealers, from garages, and so forth, but yet the legislation that protects us from you, you decide we're just going to do an end run around it. I say no. You're reasoning for it doesn't fly. There was no big huge ginormous flood this year; it didn't happen, okay. To say you need to spend this money now, it's an emergency, you've been in power for how long, and you have not seen this coming? Everybody knows concrete gets old. Everybody knows rivers swell. I mean, this is part of living here, you know. We're tough that way. But what we can't fight against is the cash register monster. I mean, every time we go to shop, the bill gets bigger and bigger. The bags get smaller and smaller. The quality gets worse and worse. Now I got to choose: do I get more food that's garbage, or do I get less food that's healthy? And we live in Manitoba, and I have to make that choice. We have to make choices whether or not our kids are going to go to camp because of costs. I've got taxes on things I've never paid taxes on before.

I just can't fathom the unaccountability, and I guess that's what you get when you have a majority; you're unaccountable. You know, it's funny, you guys are screaming in Ottawa about the Conservatives, but look at them, they're not really—there's no big conspiracy there. They haven't told any big huge lies—not campaign lies. You may argue some other things, and that's fine, that's a different forum altogether.

But I'm just talking, overall, the bigger—you know, I'm telling my friends and family that I'm doing this today. You know, and some of them commend me. The thing that shocks me the most is my father—lifelong NDP guy. They immigrated here from Germany in the late '60s—NDP. He's a bricklayer, union guy, NDP, yeah. You know what he says now? Never again. I asked him, what about the tax break you're going to get on school taxes?

They think we're stupid, you know. That's—shame on you guys and shame on both of you. When I say this to people and they say, what does it matter who's in power, they're all the same. Apathy—that's—I think that's your biggest ally sometimes is more apathy, willing to rollover and say they're all going to do it. Shame on all of you. Really. Shame on all of you. You know, you're supposed to be in these positions—this is supposed to be—you're supposed to sacrifice for us to take these jobs. That's what it's about, and you're not doing that.

The hubris and the arrogance and the ignorance of forcing companies to implement this PST before the legislation is even passed—the same thing you did to the Jockey Club.

Sir, I'm real. I'm looking at you right now, and you can tell I am. And I really have to wonder, are you competent for this job? I don't know you personally and I don't mean anything personal by it. I'm not partisan or anything. Well at least I wasn't up until now. Do you hate me? Do you hate my family? What are you doing to us? This isn't right. To say your implementing it no matter what tells all of us here to—that are speaking, that it doesn't mean anything, nothing. What does that say?

I thought this was a democracy. I thought we lived in a free country, you know. We like to sit there smugly and say we're better than the US. Seems to me when politicians in the US screw up, they get thrown out of office. Boy, if it were the olden days, you'd guys be dragged out by your heels.

Nowadays, everyone's too busy trying to pay their bills, trying to keep their heads up, trying to just—my child's favourite cartoon, just keep swimming—just keep swimming. That's all we can do, and you count on that. It's called governance by fear and control. It's tax debt slavery. It's just horrible what you people are doing. When my generation is going to be worse off than the previous generation before me, that's unheard of.

* (18:40)

When 70 per cent of Americans nowadays are living paycheque to paycheque, you can't think that we're that far behind—paycheque to paycheque. I mean, my family, we're one car bill away from disaster, you know, that's how it is.

But you guys, I don't know. You come here every day, you go home in your nice houses or whatever, you don't seem to see the people standing in line at grocery stores, everyone's grumbling about

the bills they're—everyone's tense towards each other. And what? Because it's getting fricking harder to live, man—just to live. This isn't right; what you're doing isn't right. It's a travesty of our legislation. It's a—you're stepping on every single citizen in this province when you're doing what you're about to do.

And you know what? Now that—having read what you've said, that this is happening no matter what, I know everything I've said here, pfft, means for nothing.

Thank you, Sir. I'm finished.

Mr. Chairperson: Thank you, Mr. Pollmann.

The floor is open for questions.

Mr. Struthers: Yes, thank you very much, Mr. Pollmann. I appreciate the advice that you've given us. I found that—I found it interesting, so thank you very much.

Mrs. Driedger: Well, Mr. Pollmann, I found your comments far more than interesting because I think you have really been able to articulate what we're also hearing from many, many people out there. And it's a message we've been trying to get across to the government for a long time. This is the most debated bill in second reading that we have ever had in this Legislature, and we are running into a—you know, a brick wall with the government, trying to get across to them that this is affecting ordinary people and it's affecting families and it really is affecting the people that can least afford it.

And you have said that very, very well. And you also, I think, are indicating that respect for the public is something that politicians need to pay more heed to, and that is something that maybe has been lost. And especially with the legislation that will, you know, disappear very, very soon, allowing the public to have a say, is really something that seems important.

I want to ask you what made you, at this point, want to come forward and speak up like this? And I'll just leave it at that.

Mr. Pollmann: Thank you. As I mentioned, I have a 2-year-old daughter. She just turned 2 in April; happy accident, let's say. I've been through—pardon me—I've been through some tragedy in my life. I will not get into details, but I've seen some things and I've been through some things that, you know, other people have told me that they just couldn't plain survive, you know. And at the end of all that, I met my current wife, and we have our daughter. And she

is exceptional, to say the very least. About the cutest thing you'll ever see. She's precocious, she's beautiful, she's a lot like me and it scares the hell out of me.

But now I have to care about what happens when I'm gone, because when I was a single man, I did not care. Burn the bridges, let them light my way. Who cares? I could pack up and leave tomorrow. I didn't care.

It's different now; I have stepchildren that I love very much. My daughter, you know, they have family here. My wife is not adverse to packing up and moving; she's lived in New Zealand, she's lived in Australia, she's travelled to England, Jerusalem. She's been everywhere. She's a worldly person.

She looks and she just sort of snidely laughs and says, democracy, yes.

You know, it's pathetic. And it's beyond just this PST thing; it's a whole thing. Like, when I ask my friends, what do you think about it? Who cares, they're all going to do it, it doesn't matter who's in power.

That's a damning statement to all of you, I would think. This is what you do. You're supposed to serve us, you're supposed to engage the people, and they don't care. You're just not getting them anymore, and that's when stuff like this starts happening.

Why can't you re-examine the bipole project? There is a ton of money to be saved there. I bet you I could drive around this city and this province and find how many government buildings that are empty, with the lights on. Stupid, silly things like this. You guys go for the low-hanging fruit all the time: tax cigarettes, tax booze. Let's do this; it's easy. It's easy because no one cares about smokers and, hey, it's a sin tax, right?

The arrogance, the—it's just beyond—I—it's barely stomachable, quite honestly. It makes you wonder what it's going to take for people to rise up in the streets and just generally shut down this province and say, enough is enough.

I mean, our income increases gradually; taxes boom. Gas goes up by dimes, comes down by half pennies. Wages don't follow suit. You know, we're going to—I used to sell cars, and what we're going to be and what we are already, really, is underwater. We owe more than we have and we'll make. And throwing more debt and digging the hole deeper ain't going to get us out. And taxing people—like, you

know, you put that 1 per cent on big-ticket items; that puts another item just out reach for a young couple.

You know, walking around here today and seeing the nice grads and everything, taking their pictures—and it's nice, and it really is. I sound like a sap, I know, but I look, and I seriously question how many of them are going to be here when they're 30. Not a lot, I don't think—I really don't think.

You know, I stuck through here—I've stayed here as—through it all. I cried when the Jets left; I cried when they came back. I persevered, but for the first time, I'm seriously—I consider looking west. My dad spent the last 10 years of—

Mr. Chairperson: Order. We're now over five minutes. Time for questioners' answers has run out.

Thank you for your presentation, Mr. Pollmann.

We'll now go back to call Mahendra Wanigasekara. Mr. Wanigasekara, are you present? Order. Mr. Wanigasekara, are you present?

Do you have any written materials for the committee, sir? The clerks will distribute them. Am I saying your name correctly? Wanigasekara.

Mr. Mahendra Wanigasekara (Private Citizen): Yes, you are saying it correct. Yes.

Mr. Chairperson: Pardon me?

Mr. Wanigasekara: You are doing it right.

Mr. Chairperson: Thank you. My last name is Nevakshonoff, so surnames are important to me.

You may proceed, sir.

Mr. Wanigasekara: Okay, I have 10 minutes to talk and then five minutes to answer the questions, right?

Mr. Chairperson: That's correct.

Mr. Wanigasekara: Yes. Sorry about my accent. English is my third language. And I want to give a one-minute talk about me, because that will give a good base about what I'm going to talk.

I came to this country in 1986 as an immigrant, and I could not speak English at that time. Then I was a dental surgeon by my profession at that time. Then I had to get into dentistry here, so I got in. I had to do English literature, and I had to spend my—I had to spend a lot of money to do this degree. And I have two children, and my daughter is studying at the University of Manitoba faculty of medicine in the fourth year right now. And my son is going to—this

year, to the faculty of dentistry, to dental hygiene, most probably. Definitely he will go to dentistry in the future. This is my plan. When I came into this country, that was in my mind. And it has succeeded by now.

Then I'm going to talk to my points now. I gave my base not to boast about myself, but to give a good lesson to this government, including the PC government and also to the NDP government. During the Filmon government era, a lot of people lost jobs. Everybody knows that, including the nurses. And, under this government, they are spending money without a limit. And if I was doing that at my home, what will happen to me? I'd have to go bankrupt. I'd have to go bankrupt.

What you have to do is you have to be accountable to the money, to your wife, to your children, if you are a proper husband; vice versa to the wife too. Same to the people who are running the government: They must be accountable to the people who appointed them in terms of spending money—this is people's money. It's not their money.

* (18:50)

Now I am going to my talking points.

This point, the first point is breaking the promise by the Selinger government. When they came into power, during the election promise, he said—thank you—he said that he's not going to increase tax. So, if he increases the tax, he breaks the promise. And also there is no referendum, because there's not—there will not be a referendum in the way that they are going to do it. And if there is no referendum to do this, it is also not good. They are breaking a promise and they are breaking the law.

And now, I have a business in Niverville and I have a business in Altona, my home is in Lindenwoods at the end of Brian Pallister's street. And several members of parliament or several people who are going to contest, came to my home and I talked to them, do this, do this, do this. They are saying okay, yes, yes, I'm going to do this. None of them did anything that I asked them to do as a suggestion.

Now, my points. First point is, if they increase this PST, it will damage—a big damage to the business. How? This is the way it is, because I'm doing business for fifteen years, and I am ready for retirement working in this country as an immigrant for fifteen years. I am ready for retirement, if I want to, because the way I handle my money.

Now, if this PST increases, my—I have a concern this proposed tax increase will make our already uncompetitive tax framework even more attractive—even more unattractive—sorry—even more unattractive to the to business community. Manitoba businesses have raised concerns about how increasing the PST, if—starting from here the eighth paragraph, the first seven paragraphs is about the referendum. I'll come to the first seven paragraphs at last.

Now, starting from the eighth paragraph. Manitoba businesses have raised concerns about how increasing the PST to 8 per cent will make us competitive with Saskatchewan which has recently lowered the PST to 5 per cent. And even a lot of immigrants are going there because of another bill that they passed already, especially from people who are coming from Germany and other places. When you add the increased PST along with our higher personal income tax rates, higher corporate income tax rate and that we remain one of the only provinces in Canada that continues to have a payroll tax, it clearly shows we are establishing an uncompetitive tax framework with other provinces.

According to recent analysis by the Fraser Institute, the PST hike that the provincial government is proposing will also result in a reduction in jobs and income growth.

Can I ask a question? Can you follow my accent? Yes? Good.

Here is why. The provincial sales tax applies not only to items both at the register but also to the cost of doing business. That includes capital goods, example: machinery, equipment and new technologies. Materials, energy and other goods or services that entrepreneurs purchase and use to provide what they sell to their customers, are being taxed before they give it to the customers. Same like this NDP government did the double tax on land transfer tax—tax on land transfer tax. Okay?

Then the next one. The higher cost of capital goods is by far the most detrimental feature of the PST. Since investments in machinery, equipment and technology are the foundation of a stronger and more productive economy, the higher PST rate will further increase the cost of doing business, leaving entrepreneurs with less money to operate, expand, innovate, hire people and pay high wages. I know it personally because I'm working in out of town, Altona, Niverville. It's not easy to hire people to work if they are not paid enough.

Partly due to the PST, Manitoba had Canada's second-highest overall tax rate on new investment in 2012, at 26.3 per cent. For perspective, the corporate rate was 16.2 per cent in Alberta and 17.9 per cent in Ontario. In a world where provinces compete for mobile investment dollars, increasing the PST will make it even more expensive to invest and to do business in Manitoba. By deterring investment, Manitoba families ultimately lose because less investment means reduced job creation and income growth.

The government's decision to increase the decision to increase the PST raises a number of other questions.

My next point, do they spend, and has to discuss it in detail. Like, in front of people, they have to discuss, this is the way I'm increasing the tax, these are the ways I'm spending the money and this is what the benefit that you are getting. And then do the referendum, and if people want it, raise the tax. That's okay. I'm willing to pay my tax for a better infrastructure for where I'm living for 27 years. I came to Manitoba and I'm living in Manitoba and I want to live in Manitoba for future and to help this province.

Now, my questions: How will the \$270 million received as a result of the increase be invested? Same like the way that increase, I think two—maybe one or two years ago, they put a tax on gasoline by saying they're putting that money onto the roads. If you go on Highway No. 75 and turn Highway 14 to go to Winkler, there's a big hole there for the last three months—there's a big hole. From Highway 75 to Highway 14 junction, go and see that. I'm talking to NDP government, all the MPs. They increased the tax for gasoline and that's the way that they are repairing the roads. Very ashamed, as a Manitoban, to see that.

Now, the reality, what plan is there to provide a solution for the significant municipal infrastructure deficit? How will challenges for the business community surrounding an already uncompetitive tax framework—

Mr. Chairperson: One minute, sir.

Mr. Wanigasekara: Sure, thank you. Then there are three chapters related to the same thing, the last paragraphs.

Now, I want to tell one thing. Please, for NDP government, I want to tell I'm not against the NDP

government. I'm not against all the governments. People come and go. Governments come and go.

Please use the money—use our money properly. If you don't know how to use the money, take as an example as an immigrant how I did it in this country. I'm sorry to say about boasting, but I'm telling it as an example to the government. I'm not bankrupted. I will never be bankrupt; I'm sure about that and—unfortunately if I am sick or something.

So thank you for listening to me, and this is constructively and please don't take personal. And I want to support all the governments which have come in here with our tax dollars. Please use it properly.

Mr. Chairperson: Thank you for your presentation.

The floor is open for questions.

Mr. Struthers: Mr. Wanigasekara, I want to thank you for coming in to the Legislature today. I appreciate for your—appreciate you and say thanks for your constructive advice. Thank you very much.

Mrs. Driedger: Thank you, Mr. Wanigasekara. I appreciate hearing your comments and I want to thank you for coming here and also for bringing the perspective that you have brought as somebody that immigrated to Canada and has worked really hard and made a success of yourself, and you had dreams and your family is fulfilling those dreams. And I think you present a very strong picture for this government to zero in on to—you know, for them to pay attention to what this PST hike is going to do.

You've made some really good points in here. One of the things I just want to tell you is, we've asked numerous times for the government to tell us where this PST money will be going. And that was one of the questions you raised, how will the \$277 million received as a result of the increase be invested? We have asked this government numerous times for that list. They have refused every time, telling us that what they would do is at the end of the year, they'll tell us where they spent the money.

To me, that's not accountability. And therefore, you know, as opposition and us representing the public, it's obviously then not accountability for the public too.

Are you surprised that the NDP government would not tell us up front where that PST hike is going to be spent?

Mr. Wanigasekara: Okay, can I tell you, through an example, as an answer to this? Remember what I said in my talk. During the time when they were increasing that gasoline tax, they said that they put it into the roads. Did they do it?

* (19:00)

So the reason that they're not telling it, they could not do it, because the way they are spending, I guarantee, they will be the same if they are not changing their policies. Example, if I want to—if I want to retire, example, if I don't have enough money, what should I do is? I have to do some spending cuts. Example, if I have two cars, you sell one car. If I have a home, take the equity and go to the rental home, or something like that. So, therefore, you have to adjust something to do it in terms of the spending. If somebody's spending without accountability and without thinking about it, I'll guarantee the roads will be the same in another five years' time, I'm sure.

Mr. Gerrard: Thank you for your presentation, and I gather your business is a dental business in Altona, and you make a very important point about this—Manitoba having a very high tax on investment and part of the reason for that is the PST. And that's a problem because people will be less likely to invest here in new investments and they may be more likely to invest that money elsewhere.

I wonder whether you would comment in particular on your own business and how things are impacting.

Mr. Wanigasekara: Thank you, Dr. Gerrard. You ask that question. I was going to tell about this.

For 27 years I did my accounting and I did not hire an accountant, and I did some tax studies before I do my taxes, okay? The second thing, I do my mutual funds and investments and the stock investments. I'm a very good risk taker, and I did it by reading and learning and experiencing. So the way that you are saying, if they want to increase the businesses to come here—the good example is Winkler. About 20 or 25 years ago, do you remember that long-term credit union manager, how did they do and get that Winkler to compete with Altona and other things? Now it is a city. Take those examples. I'm not saying for NDP government and Mr. Chomiak—we will do mistakes. Everybody can do mistakes, and I respect what Gary Doer and Mr. Gary Filmon and everybody who has done and—what you have done. I'm not saying that everybody that

did wrong, but what I'm saying is before you invest you have to check. There are a lot of risks, and we have to check about whether can I get a return against those risks. This PST is a big risk because it tax on that inflates—sorry—the foundation, like I explained in that their machinery unfold as a capital cost. That is not good for the investment.

Did I give you the answer to your question?

Mr. Gerrard: Yes.

Mr. Wanigasekara: That's good.

Mr. Chairperson: Time for questions and answers has expired. I thank you, Mr. Wanigasekara for your presentation.

I'll now call Regan Archambault, private citizen.

Ms. Archambault, do you have any written materials for the committee meeting?

Ms. Regan Archambault (Private Citizen): No, I don't. I'll just be speaking.

Mr. Chairperson: You may proceed.

Ms. Archambault: Thank you.

I come to you all today wearing many hats, as many of us do. This proposed tax increase affects myself, it affects my family and many around me in many different capacities.

The first hat that I come to you in is as a realtor and someone who owns my own family business. My husband and I run our business together. We take into account all that we spend in a year in gas, which has gone up, in phone bills, advertising, signage—the list goes on and on and on, and then on. So this tax increase means an increase that can easily total in the thousands for us every year, and this is something, clearly, we do not take lightly. Not only is it just extra expense, this now means that we're going to have to work a little bit harder to recover that. That's going to mean selling one more house. That's going to mean working that much harder and spending that much more time away from our two children.

In our day-to-day travels as realtors, we sit at many kitchen tables with families in all walks of life. We hear first-hand how first-time home buyers struggle to save for that down payment, and they struggle. They save, they finally have it. They're excited, and then they realize how much extra they still have to save when it comes to their closing costs, when they realize that there's land transfer tax.

With this new tax increase, here's just a snapshot of how much more it's going to cost them after this tax goes up. There'll be the \$80 registration fee for your new land title; \$20 extra in PST on their land title insurance based on title insurance of \$250; there'll be an extra \$72 in PST on their home insurance premiums based on an average \$900 policy; there'll be an extra \$40 in PST on their lawyer fees; buying and selling, based on \$500 in fees—pretty nominal costs, a conservative estimate anyway. Twenty-six fifty in land transfer tax, and that would be \$2,650, with the decimal at the end of that, paid by the buyer, plus the \$794 dollars in education taxes based on the property in the Louis Riel School Division with a total education tax bill of \$1,494 minus the \$700 tax credit.

That land transfer tax alone is really, really hard to justify to buyers. When it was first introduced in 1987, it was a nominal \$260 as a tax for an average home. Today, that figure jumps to a staggering \$3,050. That's hardly pocket change. If everything else had increased at the same rate as the land transfer tax we'd have some pretty staggering prices.

The price of gas in 1987 was 47 cents a litre. If it had increased at the same rate, today it would be \$5.51 a litre. A shiny new Honda Civic would have set you back \$10,000 in 1987. Today, if it had accelerated at that same rate, we'd be paying \$117,300 for that Civic. Minimum wage in 1987 was \$4.70 an hour. Today's rate would be \$55 an hour. As I said, it can be really challenging to explain to buyers how this is justified to merely change the title from one owner to another.

One excellent example from a couple of years ago is a home built in 1904 in St. Boniface. It sold for \$75,500 in 1987 and \$266,000 in 2010. The land transfer tax increased \$1,305—or, no, sorry—1,305 per cent from \$227 in 1987 to \$2,648 in 2010. And we know that certainly the values have continued to increase these last few years so it would be even more if it was to sell today.

These numbers are factual. These are factual statistics; it's black and white. This is not rhetoric. The other thing to consider is the economic spinoff from a real estate transaction. It's anything but insignificant. In Manitoba it's estimated that it's approximately \$40,000 per transaction in economic spinoff. If everything that a homeowner is doing to cost—is going to cost that much more, it's inevitably going to slow that economic growth considerably. It's the butterfly effect; one thing costs that little bit

more, it's going to mean saying no to something else down the line, and if a whole lot of things are costing significantly more, there's going to be a lot of tough decisions to be made by Manitoba families.

Because you see, as homeowners, as heads of households, we can't simply go to our bosses and demand more money because now the roof is going to cost more to fix or groceries will cost a bit more or clothing or gas to get to work, or all the things that we spend to get by day to day. So that means that we have to cut elsewhere because there's only so much to go around. We can't just spend more. We can't just snap our fingers and make more money either, so tough decisions get made.

The next hat that I wear is as a community philanthropist and activist. There are so many incredible organizations that pick up where government leaves off. These new tack change—tax changes are piggybacked onto last year's tax changes, and it's making those that help others be able to do far less of that.

Established in 1984, the Children's Wish Foundation—it's a national, non-profit organization dedicated to fulfilling a favourite wish for a child diagnosed with life-threatening illnesses. Since its inception, Children's Wish has granted more than 19,000 wishes for children and their families and fulfills approximately a thousand wishes a year, granting nearly three wishes every day, being able to—each being an individual and adventure structurally kept—carefully structured to meet the needs of that particular child. Each wish is as unique as the child who makes it. A wish can range from a personal computer or a home theatre system, to travel or meeting with a celebrity or, as we all know, that dream vacation to Disney World.

These organizations face a lot of costs to keep operating. They don't receive government funding. With a further tax burden, this means escalating costs in office supplies, in meeting their day-to-day operating expenses. Something like this could very well indeed make the difference in being able to grant one more wish to a child this year. For that child to have to be deferred to next year, that may be a year that that child doesn't have.

* (19:10)

The North End Family Centre is another fantastic, hard-working organization that fills a dire need in this city's north end. The people that use the centre are often within just a few blocks radius of the

centre. These aren't people that can just stop by Tim's for a coffee like you or I can. These are mostly single moms. They're trying their hardest to get by from one month to the next, leaving—often living in meagre apartment conditions. Do you know that a simple load of laundry can cost \$4 to do in an average apartment building coin-op laundry. I know how much laundry my family of four goes through in a week, and that can add up pretty fast.

So this place, it offers a safe environment, and in an area where you have, you know, a lot of drugs and a lot of activity going on that can be unsavory and intimidating for a young mom and her kids. This is a safe environment that they can do their laundry, it gives them a break on that. They can set up a free voice mail so that a potential employer can reach them, as they often don't have a phone. They can also take advantage of a free clothing exchange to have something decent to wear to an interview, or just to have something decent to wear to restore their dignity, just have somewhere to belong to share their stories of struggle and success.

Again, this great place doesn't get a dime of government funding. They pinch every penny they get from donations and they stretch them as far as they can go. So now their coffee, their laundry detergent, their phone bills, all their operating expenses, all cost that much more. And someone, and in this case many someones, is simply going to have to go without.

Finally, I come to you as a mother. I have two children, as I had said before. And with all the craziness in this world, it can be quite the challenge to raise them as quality contributing citizens. I try every day to teach them wrong from right, to be kind and considerate of others, what it means to stick to your word, and to do what's right even when it's hard.

This is where I find the biggest struggle in coming to grips with this government's decisions as of late. I tell my kids about the importance of our laws and how important it is to respect them. And yet, the government can completely just disrespect those laws with no consequences.

Mr. Chairperson: One minute, please.

Ms. Archambault: How is that right? I teach them to live within their means and make responsible decisions. When they look to their government and see that it doesn't matter to them, why should it matter to us? How do I teach them the value of a

hard-earned dollar when, apparently, you can just turn around and demand more when you overspend?

If I ran my household the way this government is running our provincial purse strings, I'd be bankrupt and lose everything.

My children are 10 and 15. I've been trying to explain to them what's happening right now. They both felt the government is simply bullying its citizens, the very citizens that they're elected to represent.

You were all elected to represent our collective voices and, yet, it becomes increasingly apparent that you're not interesting in listening to our thoughts and concerns, our ideas, our suggestions. The fact that it's law for you to do and then arbitrarily change that law because you'd rather not, is simply offensive and comes off as smug.

We want to see the government work together with opposing ideas to reach the best possible plan, to fine-tune and restructure a new plan that meets the needs of all—

Mr. Chairperson: Order. Time for your presentation has expired.

I now open the floor to questions.

But, before I do, just to remind yourself and other presenters, try not to cover your microphones with any papers because that obstructs the recording for Hansard. So if I could have your co-operation.

Questions?

Mr. Struthers: I want to thank you, Ms. Archambault, for coming in and advising us, and I appreciate the story—your story about your kids and how important politics is to them. So thanks for coming in.

Mrs. Driedger: Well, thank you, Mrs. Archambault, for being here, and you've brought a couple of new perspectives to the discussion and one is certainly about non-profits.

You know, we know for years, for instance, that Osborne House has struggled to raise money to try to provide services to women in domestic violence. And you've pointed out a couple of very good programs here now that are just two of many that are going to be faced with some big challenges. And we've seen, you know, that non-profits are really having to struggle a lot more nowadays to try to find that money.

Can you just expound a little bit more on, like the North End Family Centre and the Children's Wish Foundation, and are you hearing from others as well as to how much this PST is actually going to affect the budgets and what kind of discussions non-profits are having as to how they're going to manage all of this?

Ms. Archambault: For example, with the North End Family Centre, I actually had a great conversation with the executive director, Kyle Mason, and they really have to face a lot of tough decisions every month, month to month. They are kind of crossing their fingers and holding it together the best they can on an on-going basis, just hoping that they can keep the doors open another month to keep people going. So they know all too well how far they have to stretch a dollar and the challenges that certainly come with that. So they—and now with their costs going up that much more, there's some tough decisions to make on which programs they're maybe going to have cut back and not be able to offer, how they're going to have to try and outsource with no one there to outsource it to. Like, where are they—who else is going to pick up the void here, because no one else was filling this void whatsoever before their inception two years ago.

So now there's been this need fulfilled and people are thriving on it and just like, thank you, finally someone's here, just to find out that maybe they won't be. That's really tough to face.

Mr. Gerrard: Yes, I—you made the statement that the increase in the PST from 7 to—per cent to 8 per cent could easily end up costing you in the thousands. I think that you were referring particularly to your real estate business. And just, I mean, the PST, in terms of how it applies to the things that go into houses and to all sorts of other components, could you just explain a little bit more where that thousands come from?

Ms. Archambault: In terms of my business or in terms of—my business? Okay.

So, if I look at sending out just-listed cards for a new listing so I can try and make sure that I've captured every last buyer that I can for my sellers, when I add up my costs over the course of a year, the additional PST would be roughly around \$300. So there's \$300 just with that one thing. Never mind getting—printing out the flyers, all my printing costs for the year. That would probably—we estimate it was going to be about another \$180 or so, just on

extra paper, toner, et cetera—just for those printing materials.

We look at—we are charged for every time we put that for sale sign up in the yard, we are charged a fee from that; those are taxed. For every time that we have to get the key safe, we have to pay for that as well; there's also tax on that. So all of those things all contribute. And every time we have to get new signs printed, those are obviously taxed, as well. So there's so many peripheral costs—that's just in the listing side of it, never mind the buyer's side of it.

As a realtor, I get around. I drive a lot. There's a reason I drive a very gas-conscious vehicle. I go through a lot of gas. So not only is the gas gone up, now it's going to cost that much more, too, at the pump. So I—cellphone bills are certainly—and, as a realtor, I live and die by that thing, I think, as most of us do. You leave that at home and you feel like your arm's cut off. So these are all essential services—our internet, our office fees, everything is going to be costing that much more. It's going to cost my broker that much more to run his office now and he's not just going to be a good old boy and suck that up for us, that's going to all be trickled down to the agents that are going to have cover that, so.

Mr. Chairperson: Time for questions and answers has expired. Thank you very much for your presentation.

Call Mr. Dustin Thorsten. Is Mr. Thorsten present? Dustin Thorsten? Okay, Mr. Thorsten's name will be dropped to the bottom of tonight's list.

I call Mr. David Sutherland. Mr. Sutherland, do you have any written materials for the committee, sir?

Mr. David Sutherland (Private Citizen): No, I do not.

Mr. Chairperson: You may proceed.

Mr. Sutherland: Good evening. I'm David Sutherland from Landmark, Manitoba. The PST rate hike, the way it is being proposed, is illegal and unethical. It, by law, was to go to the people in a referendum prior to the introduction to the House. Only dictators and communists adjust the law after the fact to make everything appear squeaky clean. The minister admitted he sought legal advice prior to introducing this legislation. By doing that, he has admitted that there was reservations and knowledge about breaking the law prior to doing so.

* (19:20)

The excuses for raising the PST as well as breaking the law tells me that if this was a last-minute emergency as claimed, what kind of fiscal management is this government running? Is this Province bankrupt or close to bankruptcy? Excuses offered to the public I would only expect from a young child caught with their can-hand in the cookie jar.

Now, with the example that your government has set, does it not follow that we, the public, can break the law and adjust it to avoid the consequences?

I, for one, am very disgusted: Senate abuses, bureaucrat abuses, political abuses, corruption abuses, unpunished lying to the public, and now this breaking of the law and trying to split hairs over the details. One hundred and forty-six years of Canada, 143 years of Manitoba, and all we have progressed to is, oh, I'll pay it back when I get caught, or we'll investigate and put forward a new set of rules and make sure that it won't happen again, or my favourite, well, the voters will have their say at the next election. Enough, I say.

This government is very lucky that the abused taxpayers of Manitoba are not like people in other areas of the world who would have marched on the Legislature and physically removed the government from power.

The road you have chosen is a very dangerous one indeed. I think all laws should carry real consequences when they are broken.

Many tyrants, dictators and communist regimes started out as a smiling elect me. We are a democratic benevolent government, only to change and ignore laws in their favour. Does this government truly think they know better than the people of this province?

During Mr. Struthers prebudget dog and pony show in Niverville there was no outstanding show of support for the Premier Selinger tax, yet this has become a burning issue for this government.

By choosing to break this law your government has chosen the path of civil disobedience. Civil disobedience is only for citizens and opposition parties. By example, the protest blockade at the Portage Diversion ended with the delivery of a court injunction which made this protest very peaceful, yet your government, in a hissy fit, charged two members of the protest, albeit temporarily, for their

actions. Your government sort of forgot these people suffered to save Winnipeg and have had their promises of compensation delayed. Why would they aggrieve to have it happen again? This is their only recourse to an unresponsive government.

You as a government had the opportunity to change the law about the Premier Selinger tax increase prior to now, and you chose not to do so. You have the power, so civil disobedience is not for you.

This government chose to raise taxes six months after running an election and promising not to raise taxes. Your government lied to the people of Manitoba, writing it off as just another broken promise is not good enough for me. Your government has broken the only thing of value that it had, which is its good word; your government's honesty and integrity died with it.

The Premier Selinger tax increase was supposed to go to flood fighting, then to infrastructure, then to critical infrastructure. Infrastructure, what a wonderful word, it means so many different things to so many different people. I've seen your government's definition of infrastructure, and it looks, to me, eerily similar to general revenues.

What of the existing funds that would have been distributed to infrastructure if there was no Premier Selinger tax hike? Would it be added on top of the Premier Selinger tax funds? I think not. I would suggest that those funds would disappear into your government's pet projects.

Based on your government's previous record of telling the truth to the people of Manitoba, forgive me if I choose not to believe your version of where the money will go.

Every time it has been suggested to this government that they have to do better with our money, the standard answer is that essential services would have to be cut. Well, if I was in those essential services I'd be very terrified of a government that holds a knife to my job's throat every time they do not see eye to eye with reality.

To say that voters will get their say about the Premier Selinger tax hike in a couple years after removing the right to vote on this increase now is hypocritical, to say the very least. I would suggest to you that your party remove the word democrat from your party name, for it's very clear you have no inkling as to what its meaning is.

Your government's recent rash of bills and announcements picking up on the low-hanging fruit, like having the Hells Angels declared a criminal organization, is not going to distract the voters from your government's illegal activities. Talk about the pot calling the kettle black.

After much thought about how I could make a difference to change this wrong, I realized that closing my eyes and clicking my heels together three times and saying out loud, I wish this would go away, wasn't going to work. So I've decided to keep a record of every 1-cent-on-the-dollar Premier Selinger tax, and send an equal amount to the provincial Conservative Party as an investment to change this wrong.

Finally, to the backbenchers of the NDP government: The fan is running, and you are well aware something large is coming to hit it. You now have a limited opportunity to prove to your constituents that you are more than trained seals in raising your flippers upon command. You have a choice to represent your constituents and vote against Bill 20, or fall in the next election along with your integrity. The added bonus of voting against this bill is that you have a chance to rebuild your party and its integrity by ousting the current ruling regime.

Thank you.

Mr. Chairperson: Thank you, Mr. Sutherland. The floor is now open for questions.

Mr. Struthers: Thanks for coming to the Leg., Mr. Sutherland. I appreciate you taking the time to come and speak with us.

Mr. Sutherland: Was that a question, Mr. Struthers? Because a point of order, Mr. Chairman, that Mr. Struthers is misusing his question time by not asking a question.

Mr. Chairperson: I've been informed by the Clerk Assistant that only members of the committee can raise points of order.

Mrs. Driedger: Thank you, Mr. Sutherland. That, indeed, was a good point that you're raising. And you sound like you have reached a point where you're extremely fed up with what you're seeing here with how the government is handling financial issues and other issues. And integrity was a number—a word that you used a number of times.

I do want to let you know that, and—because there was some mention, too, that, you know, the government wants the PST increase because they

want to put it into infrastructure, and there's something that Manitobans need to be aware of, and it is that last year, in their budget, they siphoned away \$320 million from their infrastructure budget. They did not even spend that. And yet, now, they're trying to convince Manitobans that they need all of this money desperately to go into infrastructure, when last year, \$320 million disappeared from that infrastructure fund. And the government will not tell us where it was spent. We've asked for a list of that, and they refuse to give it to us.

And I think what you are indicating through your comments and your angry tone, and I—you have a right to feel that way, too—is that, you know, enough of what's going on in Manitoba, it's maybe time for a tax revolt. Is that something that you sense that might be coming here in this province?

Mr. Sutherland: What I would like to see in this province is some methodology to take any politician that gets elected in—on false premises and have them booted out of office. Some people say, well, gee, that's an American system. But you know what? The system that we have right now is a failure, is an utter failure, because we're allowing people to get in under false premises and do whatever they feel to do, and we have no recourse. And the angrier people get, that isn't just going to dissipate. That anger will pop up, and it will pop up somewhere else.

Mr. Gerrard: I give you credit for keeping track of the number of cents and dollars and tens of dollars and hundreds of dollars that you're going to be paying in the next year or so for the PST. Have you made an estimate, and have you got—in terms of how this will impact you at this point, or is this just going to be something that you'll do moving forward?

Mr. Sutherland: I am an independent business owner. I have to keep track of all the cents and dollars, so this is not a surprise or anything, to me. I also—I have a sign repair business, which I travel extensively through northern Ontario and all of Manitoba, parts of Saskatchewan, and in that sign business I also have to keep a record of every tax cent that goes for a litre of fuel. So I know exactly how many tax pennies I'm giving to this government, and when I see the roads that I have to drive on, that money isn't getting down to the roads. Yes, I'm a little ticked off about it and it's not too hard to track.

* (19:30)

Mrs. Driedger: Mr. Sutherland, how would you feel if come Monday, the NDP bring in the PST on

Monday knowing there are still about 200 other people that are signed up to speak that would not have had a chance to speak?

Mr. Sutherland: It's utterly wrong—utterly wrong.

Mr. Chairperson: Seeing no further questions, I thank you for your presentation.

I now call Mr. Rey Laferriere, private citizen. Mr. Rey Laferriere. Mr. Laferriere's name will be dropped to the bottom of tonight's list.

That concludes my list of out-of-town presenters.

We'll now return to the top of the list, and I call Lanny McInnes, Retail Council of Canada. Mr. McInnes, do you have any written materials for the committee, sir?

Mr. Lanny McInnes (Retail Council of Canada): Not this evening.

Mr. Chairperson: You may proceed.

Mr. McInnes: On behalf of Manitoba's retail sector and our customers, Retail Council of Canada appreciates the opportunity to voice our opposition to Bill 20 and the government's decision to increase our provincial sales tax.

RCC has been the voice of retail in Canada since 1963, and we speak on behalf of a industry that touches the daily lives of Canadians in every corner of the country by providing jobs, career opportunities and by investing in the communities that we serve. RCC is a not-for-profit industry-funded association representing more than 45,000 storefronts of all retail formats across Canada, though we're a strong advocate for retailing in Canada and we work with all levels of government and other stakeholders to 'support'—support employment growth, career opportunities in retail, to promote and sustain retail investments in communities from coast to coast, and to enhance consumer choice in industry competitiveness. We speak on behalf of a sector that has more than 6,900 retail locations in Manitoba and that employs over 73,000 workers in this province.

Mr. Chair, Manitoba retailers have weathered the global economic storm fairly well, but they are still facing increasing competition, increasing cross-border shopping and increasing product prices. In fact, last year retail sales growth in Manitoba fell behind the national average for the first time in a decade, and for the first time ever, total retail sales in Manitoba were lower than in Saskatchewan.

Manitoba retailers are looking for the provincial government to find ways of lowering costs for retailers and consumers, not increasing them.

The proposed PST increase in Budget 2013 was announced without consultation with our industry, without warning, as the Premier (Mr. Selinger) had previously stated that this was a ridiculous notion, and without a referendum as required by subsection 10(1) of The Balanced Budget, Fiscal Management Taxpayer Accountability Act. This is why RCC has been and remains strongly opposed to the provincial government raising the price of goods for Manitoba consumers by increasing the provincial sales tax. Increasing Manitoba's PST will negatively impact the spending power of families across the province, especially those on a fixed income.

A higher PST will also provide Manitoba shoppers with another reason to look at doing more shopping south of the border. As a result, Manitoba retailers are expecting to see decreased sales. Fewer dollars being spent at Manitoba retailers will impact retail employment. It will impact the amount of retail investment planned for the province, and this impacts not just our sector, but countless other businesses that serve the retail trade. We assume that the cumulative negative impact the PST increase will have on Manitoba's economy as a result will be significant.

If there has been an economic analysis done by the provincial government on the overall impact that this PST increase will have on our economy, I think it should be shared with the public. Certainly, not one business in this province would have budgeted for a PST increase as this government ran on a platform saying—stating, it would do no such thing.

Over the past decade RCC has shared our opposition against any increase to Manitoba's PST with the Premier on no fewer than five occasions. The Premier has said repeatedly that he has heard and supported our members and that a PST increase was not on the table. Actions speak louder than words, Mr. Chair, so it should surprise no one on this committee that retailers are skeptical that this PST increase will be time-limited to 10 years.

We've already seen through government announcements and media comments that revenue raised will not be restricted to funding key infrastructure projects as originally communicated, but will go towards funding core government operations.

Separate from the economic impacts of the PST increase and retailers concerns over the reliability of assurances provided by the government, there is an additional issue that we have around the implementation of the tax increase.

Choosing Canada Day for implementation demonstrates a surprising lack of awareness and understanding by the government of our sector. July 1st is a statutory holiday and most retailers will, in fact, be closed. So will the businesses that retailers, especially smaller, independent retailers, rely upon to provide their IT and system supports.

The system changes that retailers are required to make as a result of an increase to the PST run through the entire supply chain, it's not as simple as simply changing a number at the till. It requires sophisticated IT system changes throughout the company's operations and that of their vendors.

These changes are not inexpensive and retailers must pay for them. And, again, none of them would have budgeted for this. For a small retailer, that's a significant hit on their bottom line. Choosing a statutory holiday for these system changes to come into effect adds complexity and costs for retailers.

As well, the government's handling of the PST exemption for bike helmets by first announcing a July 1st implementation and then changing it to May 1st has meant that some Manitoba retailers have been required to make two system changes rather than just one. This is yet another additional cost to those retailers.

We believe that one of the first things the government should have considered when making this—these decisions was how the changes would impact Manitoba businesses and their customers. And there's no evidence that any such analysis was undertaken.

So that's the revenue side. What of the spending side? RCC shares the concerns voiced by many others throughout—since Budget 2013, but there has been a lack of consultation and agreement with Manitoba municipalities on what the strategic critical infrastructure priorities for the province should be.

First the province and municipalities need to agree on critical infrastructure—how critical infrastructure is defined before any future Building Manitoba Fund projects are announced.

We agree that Manitoba roads are in dire need of attention. We hope that the government will

demonstrate respect for Manitoba taxpayers by working with municipalities to address our critical infrastructure needs in a strategic way. Retailers and their customers need good roads; that's how our goods get to our stores and get to your homes.

This money shouldn't be funding splash pads or covering off core program expenditures, it should be coming out of government's general revenues.

If the government does in fact use the money for key strategic infrastructure projects, we want assurance that municipalities and businesses impacted by these projects are consulted during the planning stages. If these projects are not coordinated, the result to some businesses can be devastating.

The Minister of Local Government (Mr. Lemieux) has already apologized in advance for the inconvenience project construction will likely cause. However, if a co-ordinated approach isn't taken and businesses are unable to provide input into the planning, some businesses may suffer to the point of having to close their doors. We can safely assume that forcing businesses to close their doors for good is not the goal of the provincial government and is not what they're hoping to achieve.

Therefore, we feel that consultation and co-ordination with businesses affected by infrastructure projects must be mandatory before a shovel hits the ground.

We acknowledge that a national discussion and solution to improving the condition of Canada's roads, bridges and water systems, is required.

In our opinion, bringing together businesses, municipalities and other stakeholders to develop a Manitoba solution and then provide that plan to Manitobans, would have been the right approach to begin addressing this challenge. Unfortunately, Bill 20 opposes that type of approach, and so we must oppose Bill 20.

Thank you for your consideration.

Mr. Chairperson: Thank you for your presentation, sir.

Floor is open for questions.

Mr. Struthers: Sure, thanks, Lanny. First of all, let me say that I appreciate you coming in tonight to speak with us. I also appreciate coming to speak with us on behalf of your council, both before the budget and after.

And I enjoy coming—listening to you come and speak with us and making your case. Whether we agree on things or not, I think we should continue to act in that kind of a respectful manner, I—and I appreciate that.

* (19:40)

You mentioned infrastructure. One thing that Bill 20 is very clear on is that every dollar that is raised through this hike in PST will go into infrastructure in Manitoba. The Minister of Finance will have—will speak every year as to where that money went, so that you will know that.

But I think we've had some good discussions with your group about how we pay for infrastructure. I would like to give you a chance tonight to expand on that, tonight; I appreciate you mentioned that in your presentation. I know that you know that infrastructure, roads and bridges, schools and hospitals, those sorts of things, those capital investments, are important. But we do need to pay for them, so I would be interested in some advice, in terms of how we pay for these things that are critical.

Mr. McInnes: We've—we have discussed this in the past, and infrastructure, especially transportation infrastructure, is very important to our industry. Having said that, this option, the option that the government has taken, was one that not only there was no consultation on, but it was one that you had ruled out, out of hand. And so, to suggest that this is somehow, you know, an inevitability, kind of shrugs off almost five or six years of discussions in terms of how—what strategies should be implemented to address this issue.

This isn't something that happened overnight. This is something that this government should have been planning for over the last decade. And in our discussions with your department in the—in previous years, especially, we've always indicated that a different approach is necessary because we would get to the point where the government would be at this junction. They would have to determine whether they're going to actually be able to invest in infrastructure any more or significantly raise taxes. And we said, you know, before we get to that point, you need a strategy in place. Well, we're here. And the taxes are going up.

Mrs. Driedger: Thank you, Mr. McInnes, for your presentation, for being here tonight and sharing, also, the warnings that you have given government over a

number of years, the recommendations you've made to them over time.

It was just really interesting, right now, hearing the Minister of Finance (Mr. Struthers)—said that he's enjoyed meeting with your group many times, which seems like a long way from what he should've said, because, yes, it's maybe nice to sit and enjoy a coffee with somebody, but it sounds like, perhaps, the government has not been adequately listening to what you've been saying. And you have articulated very well, and brought forward a lot of concerns by thousands of businesses in Manitoba.

Now, July 1st, I would just like to ask you a little bit more about that, because the government really does seem to be unaware of the effect that could have. And I wonder if you can just explain a little bit more about what some of the problems might be, how businesses are going to be able to resolve those problems and whether there could be some businesses that could actually lose money because of that poor choice of day.

Mr. McInnes: Well, I—first off, there's no business that's going to gain money because of this increase. It's going to cost every business because of the system changes that it requires. The problem with implementing on a July 1st, and the reason why it's surprising, is because when the federal government reduced the GST by 2 per cent, they've chose July 1st as the implementation date, and at that time we raised significant concerns over the date. Even though, you know, we agreed that it was a good policy decision, the date was problematic.

And we listed the reasons from a—from an IT perspective, the fact that businesses that are there to assist, especially small businesses that don't have IT departments of their own to fix it, are closed and not accessible if there is a problem. And that's a—you know, an added cost, to call somebody in on a holiday, for sure.

Mr. Chairperson: Time for questions has expired.

I thank you for your presentation, sir.

I would just beg the indulgence of all members of the committee, we only have five minutes for questions and answers, so try and keep your questions briefer than a minute, I would suggest, and maybe we can get to everybody if we follow that policy.

I'll now call Mr. John Hower, private citizen. Mr. John Hower. Mr. Hower's name will be dropped to the bottom of this evening's list.

Call Mr. Colin Craig, Canadian Taxpayers Federation. Mr. Craig, do you have any written materials for the committee, sir?

Mr. Colin Craig (Canadian Taxpayers Federation): No, I don't.

Mr. Chairperson: You may proceed.

Mr. Craig: Well, good evening, and thank you for the opportunity to speak here tonight on behalf of the Canadian Taxpayers Federation to Bill 20. Tonight I want to talk about two concepts that we often hear about from the government, those being sustainability and root causes.

When the government talks about sustainability, often it is in an environmental context. Make no mistake, it's important to have sustainable environmental practices. However, equally as important is the concept of financial sustainability, in particular for the taxpayer. Unfortunately, what's going on in this province is not sustainable for the average family out there.

Consider a May 29 Statistics Canada report that noted the average Manitoban saw a 1.8 per cent increase to their paycheque over the previous year. Considering that small increase, how is the average family supposed to keep up with the government—all the government fees and taxes that are going up by a much faster rate? One has to remember that there is only one taxpayer.

If you think back to Mr. Pollmann's presentation earlier and some of the points that he raised about the impact to his family, in a little over a year all Manitobans saw their hydro rate—hydro bills go up by more than 8 per cent. That's about four times as fast as what the average family's income has gone up by. Worse yet, hydro bills are expected to increase by more than 3 and a half per cent or more in the coming years ahead.

In terms of school taxes, consider the Winnipeg School Division. Last year they raised school taxes by 7.8 per cent and this year they went up by 6.7 per cent. Again, both of those increases are three times as much as the average Manitoban's pay went up. Now, make no mistake, many other school divisions across the province also saw large increases.

In terms of municipal property-based taxes, recall the City of Winnipeg raised property taxes by 3.87 per cent. In other words, that's about double what the average per-taxpayer's paycheque went up by.

And then, of course, there's the matter of the tax increases in last year's provincial budget. According to the Winnipeg Sun, it was the largest tax increase in 25 years.

As you can see, government tax increases are already unsustainable. Taxes continue to eat up the funds families have for putting kids in soccer, going to the lake and all kinds of other activities. For seniors on fixed incomes, the increases reduce the likelihood that they'll be able to stay in their homes well into their retirement. It also limits the amount of money that they have for get-togethers down at the coffee shop for their friends.

Now, on top of all those tax increases, for the Premier (Mr. Selinger) to once again break his election promise to not raise taxes, well, that's simply unacceptable.

Some claim it's just a 1 per cent increase. While it may be a 1 per cent increase to the rate, it's actually a 14.29 per cent increase to the amount of sales taxes that people pay. It's basic math. Right now if you buy something that's a hundred dollars, you'll pay \$7 in PST. On July 1st, if you buy that same hundred-dollar item, you'll pay \$8 in PST. Again, that's a 14.29 per cent increase or roughly eight times what the average Manitoban saw their income go up by according to StatsCan.

Now, worse yet, the decision to raise the PST occurred without first holding a referendum. Obviously, that's something the current legislation requires. It's also a slap in the face to democracy. Back in 1995, the Canadian Taxpayers Federation was the loudest organization pushing for the province's balanced-budget taxpayer protection legislation. We thought it was a great bill that would help hold politicians accountable and provide taxpayers with a safeguard against politicians saying one thing about taxes during an election and another once they got elected. Thus, we were particularly offended to see the bill trampled on year after year after year.

Now, while we expect the government to pass Bill 20 and ignore the wishes of Manitobans, perhaps you will entertain a small request, and that is to change the name of the balanced budget, fiscal

management and taxpayer protection act. After all, there is no longer any taxpayer protection in the legislation, and deficits continue to grip this Province for the foreseeable future.

So what are the root causes of high deficits and taxes increasing faster than people's paycheques? Well, fortunately the answer is simple, and that is unsustainable spending. For over a decade now, the CTF has cautioned the government to slow down spending increases, improve our tax competitiveness with other jurisdictions

* (19:50)

Well, fortunately, the answer is simple, and that is unsustainable spending. For over a decade now, the CTF has cautioned the government to slow down spending increases, improve our tax competitiveness with other jurisdictions and save for a rainy day. For over a decade the government has ignored such prudent advice. Instead, the Doer-Selinger era has seen increased spending at more than double the rate of inflation, even when you account for population growth. Today's Manitoba's net debt is increasing by about \$52 per second and we stand out as a high-tax jurisdiction in western Canada.

Over the past 14 years we have seen the bureaucracy balloon in size, and with more than—more and more generous pay increases for many government employees. The scope of government has also increased. Now there are staff to do things like holding fishing contests, replacing private sector consultants who advise on business succession planning. Few problems seem to have arisen over the past decade that weren't met with big government cheques rather than holding people accountable for the funds that are already in the system.

We've also seen all kinds of discretionary projects proceed as well. There always seems to be someone knocking on the door at the Legislature with a bill—luxury project in mind, and then walking out with a cheque for that project. In fact, if you go back and look at the provincial government's own budgets, you'll see the Province has spent more than budgeted in 11 of the past 12 years. More—most private sector managers would have been fired for such a track record.

Incredibly, had the government met its own spending targets we wouldn't be running a deficit right now. With such carefree spending, one has to question why the bureaucracy would get any sense that our tax dollars should be watched closely. After

all, if you look at the top of the government food chain, you'll see the Selinger government has a Cabinet that is three positions larger than when Gary Doer left office. And of course, with every MLA that gets elevated to Cabinet, they receive a higher paycheque, additional staff, a government vehicle and all kinds of other perks.

But it doesn't end there. A new position was created for a former MLA a couple of years ago to be a special military envoy at a cost of nearly \$200,000 a year. And then, of course, there's the additional funds for the vote tax, money—tax dollars that will be transferred to the NDP through the vote tax mechanism.

Addressing those three aforementioned problems could save the taxpayers over \$1 million a year. Now, a million dollars won't offset the revenue brought in by higher PST, but it would send a strong example to the bureaucracy that the government is ready to lead by example.

Another area where you could look at is the bureaucracy itself. According to Statistics Canada data from April, 26 per cent of people working in Manitoba work for the government in one form or another, yet, nationwide the average is just 21 per cent.

The Frontier Centre for Public Policy has drilled down into these numbers a lot more, and what they've discovered is that \$1.2 billion a year can be saved merely if we could get our large bureaucracy at the municipal and provincial level down to the national average. Again, that's not even becoming a lean government; that's just becoming as good as the Canadian average.

Fortunately, downsizing could be achieved in a relatively pain-free manner. According to the 2011 Civil Service Commission Report, 39.5 per cent of government employees are going to be eligible for retirement over the next 10 years. It's time to get rid of non-essential positions. Other provinces can do this, why can't Manitoba?

Another opportunity for savings comes in the form of pension reform. In short, most people in the private sector don't have a workplace pension, yet most people in the government have the most expensive type out there, defined benefit. But not only that, government plans are also getting big bailouts each year courtesy of the taxpayer through higher and higher contribution rates. To address this problem we encourage you to do something

Saskatchewan's NDP government did during the 1970s, and that was to close off defined benefit pension plans to new hires and begin putting them in less costly and less risky pension plans known as defined contribution. Such an approach is more than fair to existing and future employees.

Now, make no mistake, high spending needs to be addressed beyond civil servant pay and benefits. Overall the government needs to prioritize spending. Projects need to be prioritized, underperforming programs should be shut down and some assets should be sold off entirely. But not only that, the government should explore government reform through things such as contracting out, managed competition, gain sharing and those types of initiatives.

A couple of years ago we discovered the government spends about a million dollars a year on give-away promotional items like golf balls and barbecue sets. Those are the other types of examples of government waste that should be eliminated as well. After all, the government doesn't have to compete the same way the private sector does.

Cutting back on advertising could save millions of dollars a year as well. In fact, while you're at it, the government should stop buying Jets tickets and let the fans buy those instead.

In conclusion, I think it's pretty clear that the government needs to go after the root causes of its unsustainable tax increases, and that, of course, is wasteful spending and inefficient program delivery.

Thank you for considering our comments.

Mr. Chairperson: Thank you, Mr. Craig.

The floor is open for questions.

Mr. Struthers: Thanks, Mr. Craig, for coming in to speak with us today. I appreciate your advice.

Mr. Chairperson: Thank you, Mr. Struthers.

Mrs. Driedger: I have a couple of questions, Mr. Craig, and thank you very much. I suspect that you have brought a lot of concerns to the government over the years. It strikes me that they have probably not listened particularly well.

Two questions that I do have for you, and one is if you could address how this PST hike is going to affect Manitoba's competitiveness, particularly in western Canada, and also, what do you expect to see come Monday when we still haven't heard from

about 200 other Manitobans who feel that they have a right to present here as taxpayers?

Mr. Craig: I think, to address the first part, a good anecdote occurred about a month ago when I was on a Brandon radio station and we were discussing the PST and the impact it will have on Manitoba's economy. And a gentleman phoned in and described how, whenever he goes to Yorkton, Saskatchewan, he sees a whole bunch of Manitoba licence plates in the parking lot. And that's happening right now with just a 2 per cent difference in the tax rate. I mean we can only imagine what's going to happen once it gets up to 3 per cent.

But not only that, it's going to impact businesses in terms of their investment decisions in this province. It's going to hurt a lot of retailers in other parts of the province in terms of the losses that they face in foot traffic to the United States.

And, you know, another good example would be on budget day. I got an email from a medical student at the University of Manitoba, and he basically said, why should I stay here? I mean, we are drifting further and further away in tax competitiveness, not only on the PST but on income taxes and a whole bunch of other taxes. I mean, one of the real estate agents earlier today discussed the land transfer tax, another very punitive measure. I mean, we're drowning in taxes here, and it's hurting the economy.

The second question of yours dealt with the impact, or how people will feel on Monday, and I think one word would be disappointment, extreme disappointment that the tax will be going up before people have had—everyone's had a chance to say their words. I mean, this is supposed to be a consultative process. I mean, if the tax is going up, then what's the point of the hearings? But not only that, a lot of people are really upset that they haven't been given a chance to vote on the measure, as they have that right currently in the law.

Mr. Gerrard: Yes, thank you for your presentation.

One of the earlier presenters said that there had not been an economic impact study of the effect on the economy of increasing the PST from 7 to 8 per cent. I wonder if you're aware of any such study or whether your organization has done any such study.

Mr. Craig: No. It's not something that we have, but, like I said, I mean, all you have to do is talk to Manitobans and you'll hear stories like the one that I heard when I was on the radio station in Brandon.

You know, in doing some research on sales taxes I came across an anecdote from the United States where one state increased their sales tax by a bit and that caused a business to decide to shut down and move just over the border, apparently it was like a hundred metres down the road, to the state with the lower tax rate. So I mean that type of activity happens when your taxes get out of line. I mean, it's no different than an individual deciding to shop around before they do their groceries or buy a new car or any other purchase.

Mr. Chairperson: No further questions? Seeing none, I thank you for your presentation, Mr. Craig.

Now call Mr. Ron Manness, private citizen. Ron Manness. Mr. Ron Manness will be dropped to the bottom of tonight's list.

Call Mr. Don Woodstock, private citizen. Mr. Woodstock, do you have any written materials for the committee sir?

Mr. Don Woodstock (Private Citizen): I have, and I'll forward it to you.

Mr. Chairperson: Okay, you may—the Clerk will distribute them. You may begin.

Mr. Woodstock: Sounds good: Don Woodstock. Say it again. *[interjection]* It's kind of hot in here, so I'm going to take off my jacket. I don't know, for some unknown reason I don't think the government has made some allocation or consideration for us folks back there, so.

* (20:00)

I want to talk to anybody who is listening tonight. And the reason I want to talk to just about anybody who's listening tonight, because I couldn't help but noticing my colleagues on—not my colleagues, but the members of the Legislature on my right, who wasn't fast asleep, they had—did hear it already or tired and whatever. And that's okay. But, you know, it's the kind of brain set. Mindset is one word, but brain set is another that leads us to where we are today.

The NDP government gets the vote no matter what they do, and that's okay. The problem is, how do we now address the 48—nearly 50 per cent of the voting public? And I'd say to them, let the people who want to vote for the NDP vote for the NDP. It's the other 40-odd per cent who has not yet engaged themselves in the political process, that needs to now get involved.

And to Dr. Jon Gerrard, God bless your heart. And to you, McFadyen—sorry—Brian Pallister, sorry—you know, God bless your hearts. But the reality is, is that we have a situation that I believe you need to look more than just trying to get a few points in the polls. I think the voting public is looking to you to stop this.

And if you have nothing in your arsenal to stop it, I am going to remind you of something that happened on the Leg., on the steps of the Leg., that was orchestrated by myself, who is not elected and have nobody behind me but just a chosen few. It was I who stood there and because of my initiative in 2007, got the provincial government, for the first time, to put \$200 million into child care, which they had told me I was crazy to think that they should. And we have the largest daycare built in Southdale because of my initiative on the Leg.

It was my initiative on the Leg. that got this City and this Province to look greener in terms of a-reusable bags. Never knew it would have blossomed into something else and, you know, mushroomed into what it is today.

I suggested to the City of the Winnipeg, in a song, that we change the name from garbage day to recycle day, and they listened to me.

Remember, I am not elected. I got no horse and carry-on buggy behind me, okay. So if I have nobody, horse and carry-on buggy behind me, my question to Dr. Jon Gerrard and Mr. Pallister: What's your problem? No, straight up. What's stopping you from shutting down these governments? Seriously? Like you can't come up with something, orchestrate something? Well maybe I need to take it to Jamaica and spend a week on the beach, and then we talk again. So you're on, okay?

Now, the fact of the matter is, Greg Selinger and my good Mr. Struthers, you have—you were around when Crocus was in full bloom, yes? And you and Greg Selinger said to us it was okay when it wasn't. So that's a lie. We now know that's a lie, okay?

You told us that Brian—that you, McFarlane, would have sold Hydro, is the same thing as if you would also tell me that Dr. Jon Gerrard could sell the Leg. How you expect us to buy it? But here's the problem: the media buys it, and the media puts it out there. Like, come on guys, seriously? I know can't sell the Leg., so put that in the paper and said, yes, I can sell this building. Because if you all sit down and listen to that kind of story, then might as well we say,

you know what? I am going to sell the Leg. tomorrow morning, and I'm going to sell it for \$300 million, which would then solve the tax problem, right? Like, come on guys. Right, is this joke on somebody, or have some sick mentality, I—you know, playing with us because, yes, we get the vote anyway?

Greg Selinger lied to us, and then who is in charge of the ethics commission? Who can guess? Greg Selinger. Yes. Wait a minute, where is the Governor General in all of this? Where is all the highfalutin people with them doctorates and degrees, and educators among us? Where are they? Where are they to rise up and say to the courts and say to the Governor General, no, no, this—at what point do we stop? At what point do we call on the affluent educators among us to say, hey, this is just too much?

And then, to my good NDP friends, you guys are having a wonderful time. It's good that you can pay your bills and don't care about this. But to the lady—I find it strange. The NDP government have far more women in their caucus than the other parties yet still, as a mother, as a caregiver, doesn't this touch you that your children's children is going to be burdened with something that, you know, they'll never be able to deal with? Spend and tax. Spend and tax. And if it does, where is the Mandela strength in you? Where is it? I guess you don't have it, then, because I would see a few of you start saying to Greg Selinger, I love you but I'm not about to sacrifice my children's children.

So I am not going to support you on this and join the independent run. I would dare you. Let me see the back benches of the NDP be independent when it comes to issues like these and others, and see if he don't—changes his mind.

So you know what, I got three minutes left and, you know, I sang to the Prime Minister, Let It Be. I don't know, he listened to me and I also sang to the—you know, to the council and I say, you know what, we got to change, and they listen. So guess what? I got one for you and it's something that we have put together. You have the words there in front of you. So we going to take the last three minutes and we are going to do a little thingamajig in song. Okay, because one good thing about music, when it hits, you feel no pain. Bob Marley says it. Let's go.

Don't raise it no more, / Don't raise it no more, / Don't raise it no more, / No, no, no, no, no, no, no. / Don't raise the PST, / It brings back memories of

days that we once knew. / The days of Mulroney, / Oh, no, don't let it raise. / It fills our hearts with pain. / Please stop it right away. / I remember just what Greg says. / He says—

Floor Comment: We don't raise taxes.

Mr. Woodstock: We know that he lied, / We know that he lied, / We know that he lied, / He lied, / He lied, lied, lied, lied. / Remember his first debate, he promised not to raise taxes. / We voted on it, too. / We never thought he'll act so mean, / But voters he told you he loved you. / He told you he cared, / He said I'll protect Manitobans almost anywhere. / But voters, we know that—

Floor Comment: I don't raise taxes.

Mr. Woodstock: We know that he lied, / We know that he lied, / We know that he lied, / He lied, / He lied, lied, lied, lied, lied.

Mr. Chairperson: One minute.

Mr. Woodstock: Don't hurt us no more, / Don't raise it no more. / Stop it, Premier (Mr. Selinger). / No, no, no, no, no, no. / Don't gouge us no more, / Premier, please, don't gouge us, Greg. / Don't gouge us no more. / No, no, no, no, no, no. / Stop it, Greg.

Floor Comment: We don't raise taxes.

Mr. Woodstock: We know that you lied, / We know that you lied, / We know that you lied.

Mr. Chairperson: Thank you. You're right on time.

Just a couple of cautions. First of all, we're not allowed to use props in committee. Now, you didn't necessarily use any props but the music in a sense should be considered that. Also, you had a couple of other individuals join you and, you know, it could be nice to have those people's names on the record. So just as a caution to you and some advice for other members of the committee.

So I'll open the floor to questions now, and I have Mr. Struthers.

* (20:10)

Mr. Struthers: Thank you, very much, Mr. Woodstock, for coming down here this evening. I can only hope that this weekend in Dauphin, that the acts on the stage at CountryFest are even a percentage as entertaining as you were tonight. So thank you for coming and speaking with us, both the singing and the serious part.

Mr. Chairperson: Thank you, Mr. Struthers.

Mrs. Driedger: Thank you, Mr. Woodstock. That was very interesting, and I'm surprised that the minister would only find it just entertaining because I think he missed your whole message of what you said this evening. That was beyond entertainment; I think you were making some very strong points.

I would also say and remind the Chair that it was one of the NDP MLAs that used to sing in the House when he did his speeches, and I don't recall anybody, the Speaker included, that stopped him from singing his speeches in the Legislature. So you should be quite well allowed to do that here.

But the minister seems to—the Minister of Finance (Mr. Struthers) seems to have missed the point in finding what you said is entertaining. You have a message and, I mean, you have gone to a lot of trouble here to try to draw his attention to something very, very serious that is going to affect a lot of people in this province.

What do you want to say to this government when, on Monday, they're going to raise the PST and basically disregard legislation that's currently in place and disregard a process that is in place for speakers to be heard, for bills to be passed before changes happen? What do you want to say to this government here today about that?

Mr. Chairperson: Before I recognize Mr. Woodstock, just a clarification. I did not raise an issue with Mr. Woodstock's singing. I pointed out the fact that the accompanying music could've—could be considered as a prop, and it was just a caution.

So, Mr. Woodstock, please, to respond.

Mr. Woodstock: Yes, I think it's utterly wrong, but to say it's wrong—and everybody here would say it's wrong—is cliché. The honest truth is the NDP is going to do what the NDP has done best for years. The problem I have with all of this, what are we doing about it? Not we, because the we here—look at the numbers, the numbers in terms of how to get elected and stay elected, and that's your job. You're doing a fine job, NDP, of making sure you stay elected. Good for you. The problem is is when the medium and the general public buys into this nonsense of allowing you to continue like as if we are paralyzed from the waist down. It is wrong. It shouldn't have happened and the government should fear doing something like this, and they should be so nervous about it. Instead, we have the lacklustre response and performance and they don't care.

So it's not their fault; it's our fault. The people on this side and other, it's our fault. To the media and everybody, it's our fault; it's not their fault. Let them do what they want to do. They can do whatever they want to do to stay elected. That's their job. What are we doing about it? What have we done about it? And if people tell me that, oh, this can't happen and that can't happen. Well, if a little fellow from Jamaica can come here, have two children born right here and decide to step out on a limb and said to himself, I am not going to sit idle by anymore. Then I would urge the other members on this side and others and the general community and the media, it's time you guys do something, man. Come on. It's wrong for them to do it on every level. You break the law, you break the law, okay? And for you to go around and pretend like as if everybody can just do what they can, it's a shame. Shame, not on them, but shame on us, you know, to buy this nonsense about Crocus and Hydro and, like, come on.

Mr. Gerrard: Thank you—and for the song and the passion and the, you know, lightening up the evening and also for having a very strong message. I think that we have only a couple of days left 'til July the 1st to get the government to change their mind at the eleventh hour, and your message, and hopefully a lot of others presenting tonight, may contribute to that. But we won't—the chances are small, but until the hour of—strikes and July the 1st hits, it remains a possibility.

Mr. Chairperson: Mr. Woodstock, briefly.

Mr. Woodstock: Briefly. It's something we have to do and I urge others, because like I said, it's up to us, guys. We can do it. Okay?

Mr. Chairperson: Thank you, Mr. Woodstock, for a very entertaining presentation. [*interjection*] My apologies, for a very interesting presentation.

I call Ms. Kathleen Cook, private citizen. Ms. Cook, do you have any written materials for the committee?

Ms. Kathleen Cook (Private Citizen): No, I do not.

Mr. Chairperson: You may proceed.

Ms. Cook: I dearly wish that I was not following Mr. Woodstock. You can go back to sleep, this won't be nearly so compelling.

Good evening, standing committee members and Legislative Assembly staff. My name is Kathleen Cook. I have a university education and I've worked in the non-profit sector. Right now I'm a

stay-at-home mom to 1-year-old twins. My husband is a teacher. We live in St. James in a modest home we purchased last year. I'm a lifelong Manitoban.

And I'm going to speak quickly but clearly because I have a lot to say and only 10 short minutes in which to say it, not, of course, that my opinion really matters. If my opinion mattered, the government would not be proceeding with the PST increase four days from now even though this bill will not even have passed by then. If my opinion mattered, the government would not be repealing the referendum that is presently required by law before such a PST increase could be implemented. But since those things are actually happening and my only chance to voice my opinion is here, I plan to take most of the 10 minutes allotted to me, even though it's clear the government could not care less what Manitobans like me have to say about this.

I want to preface my comments by emphasizing that I'm not antitaxes. Like everyone else here, I use the health-care system, I drive on the roads, I rely on the fact that we have police officers and teachers and Provincial Court judges. I am happy to pay my fair share, but I'm here tonight because what the NDP government has proposed, a PST hike without the required referendum, is hardly fair.

I have to admit I was pretty surprised to hear that the PST was going up, especially since during the last election campaign the Premier (Mr. Selinger) specifically promised it wouldn't. What kind of government doesn't keep its promises, I thought. Turns out it's this one. But that's just part of the reason the current government will never get my vote.

To begin with, I want to give you a sense of how this PST increase is going to impact me personally. I'll pay more for cable, for telephone and for Internet access. I'll pay more for alarm monitoring. I'll pay more for home insurance, over \$60 more than I paid just a couple of years ago, in fact, when our property insurance wasn't even subject to PST. Then there are the big-ticket items. When we heard the PST jump was coming in, my husband and I scraped together the money to purchase our new vehicle before July 1st. I'm glad we did; that saved us over \$300. That's about half of my grocery budget this month.

Why am I breaking down these costs for you? Because when you're on a budget, you have to plan for extra costs. For a family of four on one income, a PST hike hurts. I like to live within my means. That means I don't buy a bunch of things I don't need,

especially when I can't afford it. I don't go into debt for non-essentials. I have to look ahead to see what kinds of expenses I can anticipate incurring and then make difficult decisions about how to spend my limited dollars. I only wish the current government subscribed to the same basic budgeting principles, since it is, in fact, my family's money that's fueling their spending.

I guess to ease the financial burden of this tax hike on my family, I could go back to work and put my babies in daycare, except that finding two licensed infant daycare spots in my community is next to impossible. I should know; I've spent nearly two years on the central child-care wait-list, but that's a topic for another committee.

But this isn't just about me. My family, though not wealthy by any means, is much more fortunate than many Manitobans. The problem is, neither Bill 20 nor the provincial budget helps those people either. Sure, there are tiny increases to the basic personal exemption, tax breaks on a few baby necessities and property tax breaks for seniors, but to me these seem like crumbs from the NDP's table intended to placate some voters and hopefully buy some support. Make no mistake, removing the PST on diapers is not going to buy my vote.

* (20:20)

Between raising vehicle registration fees last year, making my property insurance taxable and hiking the PST, I still come out on the losing end of this equation.

I guess what I'm looking for in a government is one that respects voters and has a longer term strategy for actually improving our province's position so that we do not all end up paying and more each year.

Which brings me to next point, why we need a PST increase at all when we are already one of the highest taxed provinces in Canada.

I received in the mail this week a very informative two-sided flyer. In very small print at the bottom of the page it says that it's been authorized by the NDP caucus, which is a good thing because nowhere else on the advertisement does it indicate who it comes from or who paid for it. Actually, the acronym NDP doesn't appear anywhere else on the ad, nor does the Premier's name or the Minister of Finance's (Mr. Struthers) name. There's nothing, actually, to indicate who is responsible for the PST

increase that the advertisement is trying so hard to defend.

I know that I'm not here to ask the questions tonight, but I have a couple of questions about this ad. For example, the ad states that the PST increase, quote, means we act now to build flood protection and needed infrastructure instead of losing a whole construction season, unquote. Well that's interesting. I don't know how this government does business, but I plan for major purchases well in advance. I would think the capital projects for this year would already be planned and budgeted for. Is the government saying that they didn't plan and budget for this construction season's major capital projects until the budget came down in April? How odd.

The ad also states that the PST rate in Manitoba will be the third lowest in Canada. That seems a little misleading, since actually only three provinces have a higher provincial tax or higher provincial portion of an HST. Saskatchewan and British Columbia have lower provincial sales tax rates, Alberta has no PST at all and at 8 per cent Manitoba will simply be tied with New Brunswick, Newfoundland and Ontario.

Finally, the ad is heavy on explaining flooding as the reason for the PST hike. I don't pretend to understand the infrastructure required to prevent flooding or mitigate the damage, however, I do know, as I have for some time having lived here for 30 years, that Manitoba is prone to flooding. If the government required extra funding to pay for flood proofing measures, did it not see this coming down the pipe before April of this year?

Why would the Premier specifically promise in October 2011, some months after the worst flood we'd had in a few years, that the PST would not go up, only to reverse his position 18 months later using flooding as his excuse? I don't get it.

Admittedly, I'm not an economist. I'm just a mom, but I'm also an informed voter and I simply fail to understand why this tax hike is necessary. When my family and I need to pay for something and we don't have the cash to do it we have to trim back somewhere else. I can think of one small example of something the government could cut: the budget advertisements that ran this spring. I'm not dim. I know the cost of running those ads is a drop in the bucket when it comes to the government's overall budget. However, as a voter, it's infuriating and insulting to see these ridiculous advertisements which informed us of absolutely nothing when the government is at the same time planning to hike our

taxes. If money is so tight, please stop wasting our money on useless advertisements intended to obfuscate the real issues facing our province.

Finally, I want to touch on another clause in Bill 20, one that actually angers me considerably more than the tax increase itself. It's the section of the bill that repeals the requirement for a referendum on a proposed PST increase.

I'm very upset and disappointed the NDP government is rewriting existing legislation which was intended to protect Manitobans to remove the referendum requirement. This says so much about what the government thinks of us as voters. It says that they clearly don't want our input; they think that they know best how to manage our money and they will essentially break the law to impose their agenda on Manitobans.

I wrote to my MLA, the member for St. James (Ms. Crothers), and the Minister of Finance (Mr. Struthers) about this issue back in April. I received a form letter response from both. The response from my MLA talked a lot about what happened in the '90s, which was funny because I didn't ask her what happened 20 years ago when I was a 10-year-old, happily learning my multiplication tables and long division in elementary school. I asked her to explain why her government was hiking the PST and repealing the requirement for a referendum here in 2013. Her response and the response from the Minister of Finance didn't even touch on my concerns about the referendum or the other issues I raised.

I feel incredibly disrespected as a voter and it has never been more clear to me that my voice simply doesn't count with this government.

It bears repeating here that I understand the necessity of taxes and I have no qualms about paying my fair share, but if your government truly requires a tax hike to continue providing essential services, then, please, respect us as voters, as the intelligent, informed and important people who put you in office in the first place. Give us a reasonable explanation for your proposal. Tell us why the Premier (Mr. Selinger) lied to voters during the last election and let us vote on this issue in a referendum as is currently the law. Please don't make us wait until the next election to tell you this is a bad idea. Thank you for your time and attention tonight.

Mr. Chairperson: Thank you, Ms. Cook.

The floor is open for questions.

Mr. Struthers: Thank you, Ms. Cook, for coming in to speak with us. I appreciate your advice.

Mrs. Driedger: Thank you, Ms. Cook, for your presentation tonight. You struck on some issues here and, certainly, are coming across as feeling very passionate about the fact that this government is very disrespectful of voters. And I suspect, come Monday, we're going to hear and see an even greater disrespect when the PST hike goes in no matter what. And I imagine that is going to send out a very, very—much stronger message than what we have seen from them to date.

And I wonder—and you said, if my opinion mattered, and you mentioned that a couple of times, and it appears with this government that the opinions of people don't matter. What do you think—or how do you think people are going to feel, come Monday, when the PST goes up? And there's about 200 people that have taken the time register, to want to come here because there's a process in this province where they could be heard, where taxpayers could be heard and have a voice.

What kind of message is this government, then, just sending out there and reinforcing to Manitobans, when they aren't even going to allow them to then come here and hear them? The Minister of Finance (Mr. Struthers) says, oh, we'll hear them—we'll hear them. But if that PST goes—hike goes up on Monday, he's not going to listen, then, to 200 other people that want to be heard. What message does that send?

Ms. Cook: Well, it makes a mockery of this whole process. And I'm not posturing; I don't think it's a secret where my political sympathies lie. But it's not a political statement to say that that grieves me. It makes me sad, and I studied political science in university and I feel so naïve now because I had such faith and confidence in our political institutions and in our laws.

And I—this is happening. This PST increase is going to be implemented regardless of how many people register or how many people speak against it. But to go ahead with the increase without even listening to those people just sends such a bad message to Manitobans, especially younger Manitobans like myself.

Mrs. Driedger: What do you think, then—you know, the government is saying, well, we need money, so we need to raise the PST. How do you feel, then, when you hear that they're going to take a million dollars of taxpayers' money for a vote tax for their

own political slush fund? How does that make you feel on top of the PST hike?

Floor Comment: Well, that irritates me—

Mr. Chairperson: Ms. Cook.

Ms. Cook: Sorry. That irritates me to no end, more because that's answering to the political grassroots of a party, but a party that's been in power for 10 years or longer has a much bigger duty to the people of Manitoba, and what they're doing in that regard is simply wrong.

Mr. Gerrard: I appreciate your comments about the flood infrastructure, because looking at it very carefully in terms of what's actually been presented to us as legislators in the budget, there doesn't look like there's going to be a lot of flood protection activity infrastructure done this year. So you were pretty smart in terms of your intuition, and we'll wait and see how it develops, but right now there's not a lot of evidence that there's going to be flood infrastructure. So, I just—

Mr. Chairperson: Ms. Cook.

Ms. Cook: Thank you for pointing that out and commenting on that.

Mr. Chairperson: Seeing no further questions, I thank you for your presentation.

I now call Mr. Dwayne Marling, Canadian Restaurant and Foodservices Association. Mr. Marling, do you have any written materials for the committee, sir?

Mr. Dwayne Marling (Canadian Restaurant and Foodservices Association): I do. The Clerk has the materials.

Mr. Chairperson: The Clerk's assistant will distribute them. You may proceed.

Mr. Marling: Ladies and gentlemen, honourable ministers, honourable members, Canadian Restaurant and Foodservices Association appreciates the opportunity to formally provide comments on behalf of Manitoba's restaurant and food services industry, on Bill 20.

Manitoba's restaurant industry is one of the largest sectors of the provincial economy with sales of approximately \$2 billion, representing 3.3 per cent of provincial GDP. The dynamic restaurant industry includes a wide range of businesses, from licensed, full-service restaurants, to quick-service operations,

as well as hotel food service, takeout, institutional feeders, clubs and caterers.

* (20:30)

It's dominated by independent, locally owned companies with a high proportion operated by families. There are more than 2,200 commercial food service establishments which can be found in virtually every community across this province. The industry is one of Manitoba's largest private sector employers, creating and sustaining more than 42,000 direct jobs—6.7 per cent of the provincial workforce.

In addition to providing a wide range of full-time job opportunities, Manitoba's restaurateurs are also a major source of youth and entry-level jobs, employing 21,000 young people between the ages of 15 and 24. This represents 21 per cent of total youth employment in Manitoba and 50 per cent of all jobs in food service.

The generic skills young people acquire in the industry: communication, teamwork, customer service and problem-solving, to name just a few, build a foundation for advancement within the food service industry or provide a springboard to other career paths. The flexible work arrangements offered by the industry appeal to many people, especially students looking to balance personal and school commitments with the need to earn income. Our sector also creates an additional 10,000 indirect jobs in associated and allied industries.

Very simply put, we are a major economic driver in this province, and the consultation that we received on a tax that will impact our members was zero. We were disrespected and we were ignored.

Unfortunately, Manitoba's restaurant industry is not performing up to its potential. There are more than 300 fewer food service establishments in Manitoba today than existed in 2001. And at \$1,514, Manitoba's average annual per capita food service sales are the lowest in the country, 10th out of 10. Ontario averages \$1,849, they're fourth. The Canadian average is \$1,877, Saskatchewan right behind in third place at \$1,878. The BC average spend is \$2,119 and Alberta's, \$2,476 to lead the nation.

I cite these numbers for you because Manitoba's low per capita spending on food service is directly related to its much lower than national average level of disposal income per capita, \$26,201 per year, the third-lowest in the country behind only Prince

Edward Island and Québec. The Canadian average is \$28,819, while our neighbours to the immediate west enjoy the second-highest level of disposable income in the country at \$31,223 per year.

If implemented, the more than 14 per cent increase in Manitoba's retail sales tax from a rate of 7 per cent to one of 8, will represent a significant further erosion of the disposal income of Manitobans based on our experience in other jurisdictions and not just ones that bring in large increases at once like British Columbia, but also jurisdictions like Nova Scotia.

Our senior economist estimates that Manitoba's restaurant sector alone can expect to see decreased revenues of as much as \$16 million annually as a result of a 1 per cent change in rates. In this context, it's also important to remember that for every dollar spent on food service in Manitoba you see an additional \$1.85 in economic activity. You combine those two together, you do a little bit of math, that's over \$42 million lost to the provincial economy from one sector alone.

Keep in mind that every million dollars spent in a restaurant creates 27 jobs. Half the employment in restaurants is youth unemployment—or is our youth, and Manitoba's youth unemployment rate—well, credit where credit is due, is the third lowest in the country—is still over 10 per cent. It should also be noted that this hit on disposable income will disproportionately impact lower income Manitobans.

A further concern to Manitoba restaurateurs from all corners of the province is the inherent inequity in the way in which food is taxed in this province. Manitoba alone in western Canada taxes restaurant meals. In this province, ready-to-eat meals from a grocery store are PST-free, and yet the same items, in the same size, sometimes from the same processor, purchased from a restaurant are taxed. An increase of 8 per cent—to 8 per cent PST from 7 per cent only further restricts the already tight margins of Manitoba's food service operators. It's a tax on a tax on a tax. The wholesalers pay a tax; the—we pay a tax on the items we buy; we then have to charge our customers tax. It compounds itself.

Rather than government focusing on taking a larger piece of the province's economic pie out of the pockets of Manitobans, to mix a metaphor, it should be focusing on increasing the size of that pie. It would seem self-evident that taking money out of an economy in the form of increased taxes is not the way expand an economy. And, indeed, that is exactly

what respected economists have proven when studying the relationships between government spending and economic growth.

I'd like to quote now somebody—because I'm not an economist—I'll quote a couple of economists. Dr. Antony Davies, Ph.D., associate professor of economics at the Palumbo-Donahue School of Business in Duquesne University in Pittsburgh, Pennsylvania: In the best-case scenario, what we see is still no relationship between government spending and economic growth. In the worst-case scenario, we actually see a negative relationship. That is, as the government spends more money, the economy actually contracts.

So let's put the lie to that now.

Further, Dr. Alberto Alesina, Ph.D. and Nathaniel Ropes Professor of Political Economy in the Department of Economics at Harvard University, in conjunction with Dr. Silvia Ardagna, also Ph.D. and executive director of Goldman Sachs in London, UK—summary of their study: Our results suggest that tax cuts are more expansionary than spending increases in the cases of fiscal stimulus. In fact, we uncover several episodes in which spending cuts adopted to reduce deficits have been associated with economic expansions rather than recessions.

Now, to conclude, I could quote from today's Winnipeg Free Press editorial, regarding the arguments made to package this proposed budget tax. You've already read that. No doubt you'll hear it from other speakers as we move along. So I'll just reiterate the comments I first made, immediately following the budget, and again with speaking to concerned Manitobans in large numbers on the steps of this very building not long ago. This tax increase cannot fairly be blamed on new and recent challenges or on crises that thankfully didn't arise but is instead the result of more than a decade-long series of financial and fiscal decisions by government.

We, and numerous other groups, many of whom you've already heard and many of whom you will no doubt hear from in the coming days, have offered to meet with government and find alternative solutions to this tax hike. The Premier (Mr. Selinger) very flatly and clearly rebuffed our offer. We offered to work with government to find solutions. We were told, you come up with solutions on your own. You—you know, we clearly can't with all the resources we have of government, but, you know, you—on your small association budgets, funded by members—you figure out the solutions that we as government

haven't been able to do or—and should've been doing over the last decade.

It's our sincere hope that the government will listen to Manitobans, will change its mind about this increase, will honour its election pledge and will withdraw this proposed 14 per cent hike in Manitoba's retail sales tax. By not doing so, what they do to Manitobans is to further add to their legacy of apathy with Manitoba voters. Thank you.

Mr. Chairperson: Thank you, Mr. Marling.

The floor's open for questions.

Mr. Struthers: Yes, thank you very much, Dwayne, not only for coming in tonight, but I appreciate you coming into my office before the budget and meeting with us and then after the budget. And pass on our regards to Mr. White [*phonetic*], who also attended that meeting as well; I appreciate that.

When we became government in 1999, your members were paying an 8 per cent tax to government. Today, that small business tax is zero per cent. When we became government in 1999, the rate for large corporations was 17 per cent, and we've reduced that over the years to 12 per cent. Budget 2013 also bumped up the threshold for small businesses to \$425,000.

Now, I appreciate your forthrightness in terms of the PST hike. You've been upfront with me when we've had meetings and I appreciate that. But could you give this committee some kind of an understanding of how this—the businesses that you represent have benefited from the moves towards zero per cent on the small business side and a 5 per cent reduction on the corporate side?

* (20:40)

Mr. Marling: Thank you, Mr. Struthers. Seems like not long ago you were having similar discussions at university.

Frankly, while there have been cuts in taxes, what we need to be looking at is not absolute cuts in taxes in Manitoba. We need to look at the competitive tax structure with other jurisdictions. The decisions that companies make when investing their money, whether that's a mom-and-pop shop in Virden, Manitoba, or whether that's a large multinational business based in Toronto, is based on the relative tax structure and the relative expense of doing business in the jurisdictions that they're examining. And, frankly, the response that I get from our members is that the messages coming out of

Manitoba are not positive. Saskatchewan is looking increasingly attractive as a destination for investment.

We need to look at issues like disposable income. We—certainly there have been tax cuts, but we continue to have a payroll tax in this province. Now, a business may or may not be paying it right now. You can call it something else, Mr. Chomiak, that's fine. It's a payroll tax. Companies know it's a payroll tax. Companies that are planning on expanding their business and not remaining small are saying, why should I grow my business because I'm just going to be paying another tax? That's the reality of what I hear. You may or may not like it. It's what businesses are thinking. It's what they're deciding when they're deciding whether or not to build their business, whether to expand their business. When they expand their business they hire more people. They put more people to work. They bring that—both that youth and the general unemployment rate down.

So, scoff, if you will, but you're not going to increase the size of this economy and make it more profitable on the backs of government jobs. The private sector has a significant role to play, and you don't do it by taxing them out of business or encouraging them to go someplace else.

Mrs. Driedger: I'll defer to my colleague from Midland.

Mr. Gerrard: Okay, yes, thank you for your presentation. One of the things that you said is you estimated a \$16,000 decrease in retail sales. Just to—

Floor Comment: Million.

Mr. Gerrard: Sixteen—sorry—\$16 million. Now, that, I presume, is in part because people will eat in Saskatchewan as opposed to Manitoba, in part because people will eat at home and part because people will buy non-taxed food in stores. Is that right?

Mr. Marling: I'm not sure how many are going to travel across the border unless they're in Flin Flon to buy a meal and, to be honest, in Saskatchewan rather than Manitoba. But, absolutely, that \$16-million impact is a result of purchasing less, changing their purchasing behaviours. It's the result of purchasing replacement meals in a grocery store where it's untaxed as opposed to doing it in a restaurant. So there's a variety of levels of that impact. And keep in mind, because I anticipate the response I'm going to get next year when I go for prebudget consultations with Mr. Struthers, he's going to say, it's cheese.

But you said that you were going to—the members were going to lose \$16 million. They can leave it on the table—and it actually went up. Well, what I'm telling you, I'm telling you right now is we have to ignore the opportunity cost. We need to look at—we're going to hear this in a lot of different areas: things still increased. How much more could they have increased if we'd actually increased the size of the economy, whether than—rather than the government taking a bigger slice of the pie?

Mr. Chairperson: Time for questions and answers has expired.

I thank you, Mr. Marling, for your presentation.

I now call Mr. Kevin Lysak, private citizen. Mr. Kevin Lysak. Mr. Lysak's name will be dropped to the bottom of the tonight's list.

I call Mr. Humphry Davy, private citizen. Mr. Davy, do you have any written materials for the committee, sir?

Mr. Humphry Davy (Private Citizen): No, I don't

Mr. Chairperson: Seeing none, you may proceed.

Mr. Davy: Right on.

Hi. I was just wondering how many of you guys tell your kids it's okay to lie. Mr. Struthers, you can answer first. Is lying okay? I tell my kids not to lie. As far as I'm concerned, you and Greg have lied to me for the last two years, numerous occasions. It's unacceptable. How much money do you think I have in my pocket after payday—every payday? Do I look like a loaded individual, self-made millionaire? No, I'm middle class and it's just payday to payday. My wife works three jobs.

Everyone says, well, you know, we're taxed here in Manitoba, like, the second highest this side of Québec. When you have young kids in a family, we're taxed the highest. Once you include daycare it's almost \$900 a month—900. Who can afford that and then have gas, property taxes, school taxes? School taxes, since I've owned my home, have gone up every year, 27 years. Sure, we've gotten a couple of rebates here and there, but that's nothing. So we're going to go over a few of the lists of things that have gone up.

Well, hydro—five years. MPIC registration used to be 99 bucks, now it's \$155. If I cancel my registration on my car, it costs me money. It never used to; does now. Land transfer taxes—through the roof. It's supposed to be for land transfer taxes, now

it's a revenue generator. A year and a half ago—I call him the Greg, but I've been Greg'd enough. Gas went up, I have all my kids in sports, one vehicle doesn't cut it, so I got dinged on two MPIC increases, registration increases, two vehicles that need gasoline, that I was told no increase in gas tax, that'd would be ridiculous. Well, we'll see how ridiculous it is now, right?

Okay, income taxes are the highest, from Québec. Bracket creep takes away every second raise I get from my employer—you guys get it. Is that fair? How many provinces still have bracket creep? Three; of course, we do. It's too good to give up, right? Okay, let's go to the next one. Gas taxes—mentioned it. Transfer—land transfer. How about our new gaming commission or gaming centre? Who gets all the money from that? Mr. Chipman. Sure, it's great the Jets are back, that's awesome, I love it, I'm pumped about it. Me and my neighbours, we were lucky enough to actually go in on two tickets, six of us, but we paid for them. This year I'm not sure I'm going to be able to afford them because I definitely have to make some big decisions this year and I have to cut back in my budget. Why? Because you cannot keep your budget. It's through the roof, and this was—this increase for PST is supposed to be for infrastructure, didn't have time to go to a referendum—lie. Why? You could've mailed out this questionnaire already through MPI, Hydro, liquor commission. Booze in Canada—highest here in Canada. Can't even drown your sorrows in this province.

Now, we give almost 15 million to Mr. Chipman. He was one of 10 teams that made money last year and we're going to continue to give him more. Off of whose back? The Jockey Club, right? Sometimes when I drive by here it smells like I'm driving by Rothesay, and I'm not sure if it was from what you stepped in when you were at the Downs the last time and you ran back here or if it's just what's coming out of your mouth, because, seriously, they always say that governments are like a diaper, right, or underwear; they need to be changed. And right now that baby's bottom is raw. It needs a changing bad. But we have to wait two and a half years, right? So we're going to change legislation right now so that we can raise the PST without putting it to a vote to Manitobans.

* (20:50)

You guys had 12 years to change that in legislation, right, 12 years. And you decided, now

we're going to do it, what we think is more important than what the public thinks, we know better—you know better than me, obviously. You guys all over here know better than me. And you know what? You're probably right. But I don't think you know better than all of these people or all the other Manitobans out there. It's arrogance that you guys think that you are smarter than us.

Two and half years, half of you guys know you're going to be out of a job. And I hope this economy improves so that you guys can find jobs, because I know Mr. Reid—and he's probably going to retire.

In Transcona we don't have an MLA anymore, right? He's the Speaker. So we don't even have a representative to talk to, to vent to. Who am I supposed to talk to? Am I supposed to phone up Theresa here? Or you, Stan? Or Mrs. Melnick? You're not in my riding. At least if I see Mr. Reid at the Hi Neighbour Festival, I go, come on, Mr. Reid, when are we going to balance the books here? I've got three young kids. The deficit—we may as well claim bankruptcy here in Manitoba and start fresh.

The idea of selling the Leg., actually, good idea. What do you think we can get for this place? It's not very productive right now.

Well, let's see. Car insurance. I have been beat up by my car insurance company here in Manitoba for seven years, even been blackmailed by them. And when I phoned Mr. Swan—I took them to court twice and I won in court both times just for wasting my time. Anyway—because my time is actually worth something, and if you give me bad information and waste my time, I think I should be compensated for it.

I tried to contact Mr. Swan, who I've seen running out of the parking lot today with his Bomber jersey on, and it finally occurred to me he must have gotten more tickets from Mrs. McLaren. Since he got Jet tickets from her, I guess maybe I should buy my Jet tickets this year one last time and give them to Mr. Swan so that my insurance company and me will have an equal chance at being treated properly.

Now, the last thing I want to talk about is, we're changing legislation, right? I think there was also legislation if you didn't balance the books with Cabinet ministers taking a pay cut. It was a 40 per cent pay cut? Was that on the increase of being a Cabinet minister? Maybe if someone can tell

me how much that increase is actually worth, the whole package. Forty thousand a year?

So when do you guys get that nice, big, fat raise? Monday? Even before legislation—oh, legislation won't be passed, but like the PST, are you guys going to get your increase same time the PST is supposed to be charged? Or does legislation actually have to pass for that one? Because come Monday, if you start charging the PST, there should be citizen arrests around here, should be able to just haul you downtown, have you charged with fraud. It's sickening. My stomach is aching.

So two vehicles, increase in insurance. Everything has gone up in this province. Oh, we're one of the cheapest places to live. No, we're not. Wages are lower here. Everything costs more. It's colder here; it costs more to heat your home. And our insurance rates are the third highest in the country. I've checked with every province in Canada and I would pay less with my driving record in seven of them. So don't lie to me about home heating, hydro and Autopac. May as well put the sale of peanuts in there as well and subsidize the peanut company and say, well, yes, but you get cheaper peanuts here too, so you have to put them all together.

So it's just lies coming out of your mouth, no solutions for anything. Hallway medicine, it's still here. That's how you got in.

So the last thing I want to talk about is—

Mr. Chairperson: One minute, sir.

Mr. Davy: Pardon?

Mr. Chairperson: One minute.

Mr. Davy: Okay. Either I take my kids out of hockey this winter, or I move them to a school closer to their grandparents' place. She's 70 years old and she's going to have to walk them every morning and pick them up at lunch, cross Regent Avenue. So that's my solution is either take them out of hockey and ringette or change schools because you guys cannot balance anything.

Hundred bucks, I could send you to McDonald's and you guys—three people would go. You guys would have no money. You'd be phoning me. Do you have an extra ten bucks? We overran at the till here.

So which is the solution for me? Ringette and hockey, or the school daycare and have grandma walk down the street with the three kids?

Mr. Chairperson: Order. Time has expired. The floor is open for questions.

Mr. Struthers: Yes, thank you, Mr. Davy. I'm glad you came to speak with us, and I appreciate your advice.

Mrs. Driedger: Thank you, Mr. Davy. That really is a—quite a poignant picture of grandma walking the kids.

Floor Comment: She's a great grandmother so.

Mrs. Driedger: And you are, you know, in a position where you have been put by this government in that you will have to make choices. We have raised this issue with the government, I don't know how many times over the last number of weeks, and we have told them over and over again that people are going to be forced to make choices. And you know what? It probably isn't going to surprise you to know that they've laughed at us. They've belittled us. They have joked. They smirk. They—you know, and here we are speaking up on behalf of Manitoba families because that's our job in opposition, and the NDP make fun of us.

And, you know, I'm really pleased tonight to see so many people come out and to hear such eloquent comments from everybody, because everybody is saying what we have been trying to say. And I'm really maybe a tiny bit optimistic that maybe this NDP government, after tonight, is going to wake up, listen to all of you and not move forward with this PST.

Are you surprised at their reaction to all of this?

Floor Comment: Nope.

Mr. Chairperson: Mr. Lysak. *[interjection]* Pardon me? *[interjection]* Davies?

Floor Comment: Davy.

Mr. Chairperson: Sorry, sir. Mr. Davies, my mistake. Forgive me.

Mr. Davy: No. They have become quite arrogant. That last majority has really made them think they're above the law, and none of them have the integrity of Mr. Walding and voting down this thing. I knew Mr. Walding, and he was a great man. And I'm not sure any of the NDP backbenchers will have the integrity to do the right thing and vote against this next week. But two and a half years left.

Mr. Gerrard: You put it very well in terms of the choices that you and your family are going to have to

make, and just talking with your friends and with others, are you finding that many others are going to have to have similar choices?

Floor Comment: Oh, yeah.

Mr. Chairperson: Mr. Davy.

Mr. Davy: Yes. They are all—a lot of people are going to have these choices because so many people in Manitoba right now are payday to payday. You invest for the future. You have to put your money away for retirement and for your kids' education, and every week it's the wife and I discussing, okay, can you pay this this week? Can you pay that next week? And it's just—it's got to end. There is no more in the wallet.

Thanks.

Mr. Chairperson: Seeing no further questions, I thank you for your presentation, Mr. Davy.

Call Mr. Brian Segal, private citizen. Mr. Segal, do you have any written materials for the committee, sir?

Mr. Brian Segal (Private Citizen): No, I don't. Just my notes.

Mr. Chairperson: You may proceed.

Mr. Segal: I guess, to start. Is this also—are we allowed to speak for the 1 per cent increase? We are? I'm sorry, because I don't think there's anybody here that's going to.

* (21:00)

Mr. Chairperson: Absolutely.

Mr. Segal: Because I don't think that there's anybody here that's going to.

My name is Brian Segal. I'm from East St. Paul, born and raised in Manitoba. I'm a private citizen with no political affiliation of any kind. I'm a husband, father, grandfather, uncle, brother, homeowner, business owner, taxpayer and a voter who exercises his rights, rights that my father went overseas and fought for; some of the people in this building seem to have forgotten that.

Let me state very clearly that I am opposed to any more tax increases or user fees, for that matter, from this provincial government. I feel it's to the point where I'd just like to give them 100 per cent of my paycheque and just give me an allowance so I can afford to eat and live in my home, because that's what it's coming to. I think that's been tried in other

countries and it failed. I think they tore down a wall or something like that.

Why is it that other Manitoba governments have been able to live within this—their 7 per cent PST but it always seems like an NDP government has to increase it because they can't seem to live on the money that they're generating from provincial sales tax? It's a 14.29 per cent increase coming out of my budget for my purchases and that's a heavy—it's almost rate shock—we used to use that with MPI when they tried to raise the insurance prices on our vehicles beyond even what would be considered normal.

I've been told that the gross national product of Manitoba—I believe the NDP has said they're doing very well, this province. This province is doing fabulous; our gross national—our gross product of this province is way up. That would mean also that the taxes they're getting on their percentage is also way up, yet they need another per cent, another 14 per cent increase in sales tax.

When does the we-need-more stop? That's my big question to this committee. I've been struggling to pay my bills for the last three, four years. Times aren't really great right now. The economy of Manitoba, from a private business sector, is suffering. We are having a tough time making a go of it in business. It just seems everywhere you turn there's a higher tax. It's more money to register your truck. Now we're getting hit with this sales tax on anything we buy for our businesses. It's getting pretty tough, so where does this stop? Where do you stop asking for more money?

Is it if the federal government drops their GST to spur the economy to 2 per cent, does that mean next year we get another increase of 3 per cent here? Where does it stop? Oh well, you're used to paying that so we'll just keep taking more.

Right now, the interest rates are the lowest they've ever been in the world, including Manitoba. The Bank of Canada knows that if they were to raise the interest rate by even a half a per cent, it would be catastrophic to some businesses and private people. They're warning people right now that as interest rates go up, make sure that you're in a financial position that you're not going to lose your home. Yet this government, at a whim, goes ahead and well, we need it, it's an emergency, we're going to spend it on, okay, let's see, what's the story today we're going to spend it on. I—well, let's—we'll pick something, we'll work it out.

At first I wondered what drunken sailors do when they lose, no, when they retire, and I'm seeing it right now because they're running this Province and they're spending money like drunken sailors. The money that's going out of here is just absolutely—I wish I had that money to spend on my own personal budget. It would be—make me feel very well.

One of my friends who isn't in the same position, he's very well off, sold his business several years ago and he's out of that tax structure. He's got his money managed in a certain way. I was talking to him. He just got back from Palm Springs and he says, you know, it's amazing, he says, after spending three months there, we realized how much more money it costs to live in Manitoba. Groceries, gas, sales tax, all products are cheaper when they live in Palm Springs. They're living the good life in Palm Springs, cheaper than we are in Manitoba. They've decided that they're going to buy a home in California and they're going to spend anywhere from six to seven months initially there and if things keep going the way this province is going, they're moving there and they don't have to worry because their daughter is moving out of this province, as well, once she gets her medical degree, which she's not getting in Manitoba. She couldn't get into the University of Manitoba. She's taking it in Ireland. They can send her anywhere in the world for her degree, and she'll get it. But she's also going to practise medicine not in Manitoba. Why would she want to come here and get taxed to death?

I quit smoking in 1988, and I'm aware now that there's a lot of smuggling coming in. People are smuggling. We have what we call—I've got a friend who just quit the Winnipeg police and he's now working for the Province. We call him Smokey because he's an excise cop. He—they do the investigations, watching people, Manitobans, buy cigarettes in Kenora, and then they bust them at the border. It's a wonderful, wonderful sting operation. But I'm just wondering, when is it going to start changing to other things? When is the republic of Manitoba going to set up border stops along the Trans-Canada Highway because somebody's—oh, they're smuggling in a fridge. It was bought in Alberta because he saved a few dollars—or a stove, or wood to build a house, drywall, televisions, boats, lawn tractors, jewellery. Where does it stop?

When the gap starts to widen between what you can buy in other parts of Canada and what you can buy here—people are going down to, I believe it's Grand Forks, Menards, and they're bringing home

trailer loads of stuff. They go ahead and they spend—they'll go with three, four people. They'll spend the weekend. They get to save \$2,100 on taxes—pay them to go, the trip, the gas and everything else.

I've heard a lot of people complaining about their kids and worrying about their kids. My kid is—I'm a little older—but my son is going to be 40 next year. And he's pointed out to me that, unfortunately, Manitoba is getting to look like less and less a likely a province that he's going to live in because he's trying to buy a house. And he can't afford that land transfer, which is—costs an extra year of your mortgage. Now, with the taxes going up, it's going to be even more to buy that house and build that house, and he's looking at other places.

He's in the construction trade. Gee, I wonder if he can get a job in Calgary next month. I'd say you probably can. They'd be hiring you like that—also, in Saskatoon. He's got lots of work in Manitoba, but he's saying, I'm so far behind after paying all these taxes, dad, I don't know if I want to live here, and you're the only thing keeping me here. Why don't you move with me to Saskatchewan? I says, hey, I'm settled here. I've got my friends, my family, my business, my house. It's hard for me to move. If I was your age, I don't think I'd blame you.

I've got, also, one other. I've got a stepdaughter. And, this bothers me, I've got a grandson. I love him, and they're thinking of moving to Saskatchewan. I want to see him, I can drive down the street. I don't have to drive to Saskatoon. I feel sorry for parents that have to do that, worse for grandparents. Is that what this Province wants to do, or should I just move with them? I've only been here 60 years of my life, 62 years of my life. Is this what this Province really wants to do?

And the arrogance of this government that can lie to us as taxpayers and say, oh, no, we're not raising the taxes. Don't worry about it. We're not raising them. You lied to us, and any time a government lies to the people, they pay the penalty. Now, I know you think peeper have—people have the memory of sheep; two and a half years from now Manitobans will forget. I think the Conservative Party had that problem once in—federally. What'd they do? They bought a Corvette as the—

Mr. Chairperson: One minute, sir.

Mr. Segal: —thing—as—they bought a Corvette to take the whole caucus around in, I think, after that. It was a two-seater.

Now, I'm not saying—I don't want to see a majority go the other way, either, because I can see it being cocky the other way. We need a balance in this province, and it has to happen.

Other than that, I'm tired of it all, all of the taxes we've got, including—I don't know how many people in the room even know—the Ride for Dad that raised money for prostate cancer. Do you know they have to pay a tax on the rider fee? People that sign up to raise money for prostate cancer which this government should be spending on in the first place, and they tax the riders that are making donations. Never heard of that before in my life.

And I know it's the end of it. I'd just like to say, before I'm done, Mr. Struthers, please save your thank-yous. It's coming out as boring and 'insincere'—insincere. Thank you very much for your time.

Mr. Chairperson: Thank you for your presentation.

The floor is open for questions.

*(21:10)

Mr. Struthers: I'll take your advice on that, but I'm a polite guy who does say thank you when people come to present here, so thank you very much.

Mrs. Bonnie Mitchelson (River East): Thank you very much for your presentation.

I'm quite encouraged by the number of people that have come forward tonight and made presentations just off the cuff, not, you know, sort of written down for them or—people are speaking from the heart and I find that extremely encouraging, and we've heard some stories that have really hit home tonight. So I want to thank you for your presentation.

You were one of the lucky ones that got in on the first night of presentations, before the PST goes up on Monday. And we sort of pride ourselves in the province of Manitoba in having a process where, before legislation is passed, we have a public hearing process, and there are going to be 200-or-so individuals that will be heard after the fact.

And I guess I'd just like you to comment on that process that we're supposed to have, and what you feel about those people that did sign up to make presentation, expecting their voices to be heard, when they won't be heard?

Mr. Segal: I think from a standpoint of those 200 people that aren't—their opinions aren't counting, that's just a drop into the bucket because I don't think Manitobans' opinions are counting here. If we had

3 million people signed up to speak here, against this bill, I don't think this government would make any changes because they really don't care; they're in power, they got elected, they lied to get there, and there's nothing that's going to change it, and they're fully aware of it.

From the standpoint of people—I have a friend that's also going to come forward and speak. And he knows it's—you know, they're not listening. And he has the opportunity of sometimes talking to Mr. Maloway. He's in his jurisdiction, and he won't be voting for him again. It's done, because nobody seems to have the gumption to get up and vote against this government that's doing the wrong thing, causing a lot of 'harmship'—hardship to a lot of people. And this is human lives that they're dealing with. You know, so maybe I can live with an extra thousand dollars in taxes, but I can't live with seeing my family move away. And it's a tough thing.

Mr. Gerrard: Thank you. It's very emotional when your family is talking about leaving. I just wondered whether you've talked to other friends or families who are in the same situation, where there may be members leaving.

Mr. Segal: I haven't been out a lot for the last 60 days, because on April 30th I was declared dead at the St. Boniface Hospital. I was code blue, and I'm recovering from a total cardiac arrest. So I haven't been out.

But I talk to people on the phone, and people are just amazed at the arrogance and the way things are being put through, the breaking of a law. How do you explain to your kids how to obey the law, when you have a government that disobeys? Why should a person even bother paying the sales tax, and just do things on the side—cash under the table? If the government can lie and cheat and steal to bring a bill in, why can't the people cheat and steal and do things, cash under the table? If it's good for one, it's got to be good for the other. I mean, certainly that makes sense.

And I think they're just going spur the underground economy. That's what I've been hearing. The under crown 'economy'—underground economy is going to flourish. At a certain point, it gets to the point where a person says, well, holy smokes, things are tough. I'm getting all these user fees, bills and taxes. I've got to cut somewhere. How about I just pay a tax and you don't give me an invoice for this bill, this service? Now, you think a service provider is going to walk away and say, oh,

no, I have to respect the NDP because they certainly respected me, and I'm going to collect that tax. No, no, I got to make sure that the NDP get their fair share, because they've treated me fairly. Yes, okay. I believe that as much as I believe that Greg Selinger tells the truth.

Hon. Theresa Oswald (Minister of Health): Thank you, Mr. Segal. I think we're getting close to the end of five minutes, but if you'd be willing, I'd like to ask you a question about the prostate cancer and the rider tax, if you wouldn't mind if I talked to you for two minutes at the back.

Floor Comment: Absolutely.

Ms. Oswald: Thank you, Mr. Chair.

Mr. Chairperson: Seeing no further questions, thank you, Mr. Segal, for your presentation.

Committee Substitutions

Mr. Chairperson: Before I call the next citizen up, I have some substitutions to make. Mr. Graydon in—is in for Mr. Pedersen. Mr. Maguire is in for Mr. Briese.

* * *

Mr. Chairperson: Now I'll call Ms. Denise Conan, private citizen. Ms. Conan, do you have any written materials for the committee?

Ms. Denise Conan (Private Citizen): No, just my notes.

Mr. Chairperson: You may proceed.

Ms. Conan: Hey, I'm Denise Conan and I'm here. I'm concerned about the provincial sales tax increase.

Who put you above the law, Mr. Selinger? Since when have we become banana republic that you can run roughshod over the people that elected you? Section 10(1) of the balanced budget, fiscal management and taxpayer protection act, you are clearly violating a standing law. You are to subject it to a referendum, yet you bullhorn your way like a bull in a china shop with no concern for the people who had faith in you. You trample on everything that we the taxpayer hold dear and can hardly afford because of your government and all the feeders at the trough, which seems your only intent.

In 2011 and '12, you drove almost 500 people to Saskatchewan with your taxes. Case in point: My husband's nephew has relocated from Winnipeg to Regina. Although at first he was apprehensive, after a year he was adamant it was his best move

financially. The province of Saskatchewan used to be a have-not province, much like Manitoba, until they got rid of the NDP. My husband is an owner-operator long-distance truck driver and is now strongly suggesting we follow suit and move, if not Saskatchewan, west. Sad part is I'm seriously considering it.

I am a retiree on a fixed income. I'm upset. Okay. And you tell me that it's only a penny. With all your other tax increases, it is not only a penny. It has changed a lifestyle, though modest, has become a challenge to meet, while you and your cohorts have a platinum pension.

You have lied about the need to raise taxes that was for the upcoming flood, which there was no flood, and for infrastructure. Of the \$160 million you want—okay, thank you, though—only roughly \$80 million is designated to infrastructure. So, Mr. Selinger, where is the rest? What are you doing with it?

And not to mention your other lie in your 2011 campaign, and I quote you as saying: We will not be increasing taxes, that's ridiculous and total nonsense. I have to agree with that latter part of statement. It is ridiculous and total nonsense. You have lied time and time again. Yet, legally or illegally, you raise taxes at whim.

You obviously have no regard for this province. Has it not crossed your mind that if people have money to spend, it will grow the economy? Instead, this PST hike will only encourage more across-the-border shopping, hurting Manitoba business owners.

There seems to be no way to hold you accountable for the grief you put us through. Politicians should be held to the same standard of law as the rest of us would be. Though I have a suggestion, that should some court of law hold your government responsible for breaking or violating the law—which you are—that any fines levied should come out of your much beloved voter tax.

The PST increase is illegal, it is unethical, and if you have a moral conscience, you will dismiss it. If you continue with it, it will only prove that the NDP are just a pack of wolves that live for the here and now, not to mention this will be the NDP's downfall come the next election. This is already being reflected in the polls. How can your supporters believe anything you say anymore or trust you? Send us Brad Wall; maybe then we could have a more prosperous province.

And thank you for your time.

Mr. Chairperson: Thank you, Ms. Conan.

Floor is open for questions.

Mr. Struthers: I want to thank you for coming in tonight, Ms. Conan. Thank you for your advice.

* (21:20)

Mrs. Mitchelson: Thanks very much, Ms. Conan, for your remarks. And you were passionate about what you had to say, and I know it came from the heart, and it's very difficult.

We're hearing from many, many people who are on fixed incomes, like yourself and, you know, the increased user fees and taxes that were in last year's budget and also the increase in the PST, now the 1 per cent increase, added together is around \$500 million more in tax revenue that this government is taking in from Manitoba taxpayers, and it's hitting hard on people's pocketbooks. And we are hearing that from many just like you. And so we echo your concerns.

I do hear the minister thanking a lot of people for his advice. Do you have any sense or any hope that he actually is sincere when he thanks you for your advice and that he will heed your advice and, before Monday, send out a notice that the PST will not be increased on July the 1st? Do you have any sense or any hope that that might happen?

Ms. Conan: After their past performance, no. They don't care about what people think or say. They're just going to go ahead and do what they want to do. Luckily, they have two and a half years left, and I—mark my words, trust me, that will be—there will be a change.

Mr. Gerrard: You know, it's sad to hear that you and others are thinking about moving out of the province. In talking with your friends and other people, do—are you running across others who are in the same situation?

Ms. Conan: Definitely. And this is a serious consideration, us leaving. I don't want to leave. I grew up in Manitoba. I have family, all my friends. I really don't want to leave, but things have gotten so bad here and with my husband being an owner-operator, a long-distance truck driver, he's tired of his earnings going—he could be making so much more in Saskatchewan, Alberta. And I don't blame him, and I—if he goes, I have to go. That's pretty much it.

Mr. Chairperson: Seeing no further questions, I thank you for your presentation.

Call Mr. Tom Grieve, private citizen. Mr. Tom Grieve. Mr. Grieve's name will be dropped to the bottom of the list—tonight's list.

Mr. Cecil Dubay, private citizen. Cecil Dubay. His name will be dropped to the bottom of tonight's list.

Mr. Jack Blackburn, private citizen. Mr. Jack Blackburn's name will be dropped to the bottom of the list.

Mr. Chris Boychuk, private citizen. Mr. Boychuk's name will be dropped to the bottom of tonight's list.

Mr. Jared Miller, private citizen. Mr. Miller, do you have any written materials for the committee, sir?

Mr. Jared Miller (Private Citizen): No, Sir.

Mr. Chairperson: You may proceed.

Mr. Miller: Hello, and good evening. I am Jared Miller. I am 18 years old, and I'm going into my second year as a student at the University of Winnipeg. Contrary to how I'm dressed right now, I actually have to work three jobs to actually maintain those tuition fees right now, pay rent and, you know, just make basic ends meet to live my life as I do.

I'm going to make a brief presentation tonight on the effects that the increased PST, as outlined in Budget 2013, will have on the average university student, and specifically how this increase will affect the outcomes of not only my own decision to stay in the province, but that of some of my colleagues who I've talked to as well.

Minister Struthers, actually, in presenting the bill, noted that the increase in tax revenue will be allocated towards a fund—or a fund that was for the flood relief and the betterment of infrastructure in the province. And a specific quote from the presentation is that this change will be offset by a \$250 increase to the basic personal income tax exemption, which benefits all taxpayers, and that we will—that we provide a break to the young families by expanding this list to items exempt from PST.

On this note I must stress that this—sorry—that this, while helpful, is definitely not enough. With minimum wage at about \$10.50 an hour, I barely make ends meet as it is right now. I barely have any additional cash to put away for savings to benefit my

family in the future and, you know, just to buy—just to go out for a drink or to hang out with some friends at some point.

Now, Ministers, I'm not suggesting that an increase in the provincial sales tax is contrary to the greater good. It's obviously not possible to deny that the fact that the floods over the past five years have been detrimental to many people in the province, and that it is in—without a doubt, a massive amount of cash flow has to go towards that allocation. But I am—what I am suggesting is that this increase will take an inevitable toll on the everyday lives of young people such as myself who make low salaries within the province.

While younger families as well will receive the aforementioned subsidy on many items that will aid them in child rearing, I must point out this fact: That we, as the next generation to inherit the reins in the province, we face a bleak future in Manitoba. Well, the PST increase affects my salary as well as that of many others and will make living in the province more difficult as I pay rent with in excess of \$900 a month while trying to save for the future, as I said, and pay this tuition.

In foresight, these issues will, like—we will likely come across an unconsidered issue, and that is that the members of the boomer generation who have yet to retire. And, while I'm still a few ways from entering the bigger workforce myself, many in the—many in my field of interest have yet to retire and may not do so as quickly, as they are now paying more and in order to actually offset their living costs. Sorry about that; I just lost my place here.

And while I find it commendable that the Province has decided not to impose a harmonized sales tax, I still find it laudable that we were not given enough—an option to vote on such a matter. Would it not be practical to offer the population its own voice on such a matter? Yes, it is a travesty that we're facing such issues such as flooding, but I do believe that a solution can be found that would not affect us in the lower bracket so grievously.

In 2012, we saw immigration into the province drop from just under 16,000 to a little over 13,000 and while partially affected by the federal immigration cap, we can easily see that, reported by the Toronto Dominion Bank in 2011, Manitoba was losing more—right around 3,000 people to other Canadian provinces. And while again, this is in stark

contrast to the grossly high numbers at the turn of the millennium, we cannot—we can certainly not risk detracting youth of today from staying in the province.

Being a university student, I am here tonight not only to voice my opinion on the increase of the PST, but also the removal of the school taxes for senior citizens and how this will affect people in my generation. I'd like to broach this briefly. Seniors will be exempt from the education tax [*inaudible*] in their property taxes. By 2015, the boomer generation will begin to retire, making them exempt from this tax and by the time—by this time as well, most of my generation will be in their professional careers. We can see how this will create a burden on those who must actually pay these taxes and pay the salaries and the—sorry—the health-care costs that will definitely be an increase in the next 20 years. How fair is this to my generation? How fair is this to us who are trying to eventually—who are just trying to start our lives, trying to start our families and trying to begin a life of our own? It means that a large number of us will likely be detracted from staying within the province and could possibly move somewhere else within the nation. Education is definitely for a lifetime, and it doesn't just end the second that you retire or the second that you reach a specific age, and keeping our education systems running needs to be a priority for this government.

As of July 1st, the sales tax will increase a full 3 percentage points on—again, as has been mentioned earlier, this will—we will be second only to Québec. Mr. Ministers, in preparing for this presentation, I have been witness to enormous backlash against the government with the approval rating suppose—possibly dropping quite a bit. I have no issue with the government as the—per the government as it is right now aside from this laudable tax increase, but I have been forced over the past couple months to reconsider my own options in the future going forward and pursuing graduate studies. Will I possibly pursue these in Manitoba? It's likely that I will, but I'm not sure if I will stay within the province after I'm done these studies.

* (21:30)

Ministers, I employ you—I implore you to consider the proposed PST increase. Sorry, I—I implore you to reconsider the proposed PST increase. Whether this be the most broad form of taxation and the most fair, I believe it's easy to note

that it may—it's not actually not the most fair for many of us who are in the lower income brackets and many of us who are young people starting our everyday lives who don't have such jobs that can provide such an amount of salary that we'll be able to propel ourselves and to set ourselves up for the future.

We need solutions to be—address to the flooding. And, again, in listening to these presentations tonight I believe that a number of solutions have been proposed that definitely will—that are honestly are quite—they're worth entertaining at least.

I know myself, I don't have a number—I don't have a solution to this myself but I do believe that we, as Manitobans, and we, as Canadians, have a right to have our voices heard and have our opinions considered. And I do believe that over the—over—by overseeing this—or sorry, by superseding this—the initial referendum that should have been—that should have taken place, we are, sort of, pushing these, the opinions and the voices of those Manitobans to the side and in favour of, I mean, in favour of a relatively small minority. Thank you.

Mr. Chairperson: Thank you, Mr. Miller.

Floor is open for questions.

Mr. Struthers: Thank you very much, Mr. Miller. I thought that your—I thought your brief was very fair and thoughtful.

Can I—I appreciate you pointing out the flood problems that we've faced over the years and will face in the future. I thought you were very fair in putting out some of the tax rebates that we did have connected to Budget 2013. So I thank you for doing that.

I'm wondering, you know, to its credit, the federal government introduced in its budget the Building Canada plan. It requires us to put money on the table or not participate. Our determination is that we should participate, we shouldn't leave federal dollars on the table.

What would your advice be to us, in terms of where we would get our share of that money that needs to go towards it?

Mr. Miller: Thank you. I—honestly, I was kind of hoping you wouldn't ask that question.

I believe that a number of the other presenters this evening have presented—or have discussed this

and presented a few options that are worth considering.

I myself, being a university student, I'm hoping to go into law and eventually, actually, this—the career that I'm pursuing, I'm hoping to get into politics at some point.

I don't know—I honestly don't know where we would get these funds. It's such a difficult issue. We—there are a lot of problems, like you say, flooding—I—the increase in the number of people who need more and more dollars donated to—or to health care. It's a very difficult issue and, well, in your—in the budget you had mentioned this as the fairest way to tax the Manitobans.

I'm just—what I'm trying to point out today is the fact that I find that it grossly affects those who are near the bottom of the income bracket and those who are in—near the bottom of the age bracket. Honestly, people who are my age, 18, 19, 20 years old who are just starting out in their lives, it grossly affects us and our ability to live our everyday lives.

So, while I don't know the answer to your question, I just simply would like to—my point to be across. Thank you.

Mr. Larry Maguire (Arthur-Virden): Thank you, Mr. Miller, for your presentation. I really appreciate the fact that you've indicated your age, at 18. This is what Manitoba should be about, the future for our young people your age and you've indicated 18, 19, 20.

There is quite a difference. You've mentioned the basic personal exemption only going up \$250. We're still under 9,000, just under nine when Saskatchewan's just over 15. That difference will pay quite a few student loans in relation to—or quite a few living costs for young people still in university.

You've indicated you may want to go into law; you've got a good seven years ahead of you at least in that area of education and then so there's a lot of dollars to be made differently there.

And I guess I would look at it and say you've got many options. You can—you are at presently at the University of Winnipeg. Are you considering looking at other universities for your law degree or would you consider doing that?

You say you're looking at three jobs at the present time, certainly even at that you could be way

ahead with basic personal exemptions alone, never mind the fact that the PST is quite different in other provinces.

Mr. Miller: Yes, sir, thank you. I—in looking at my years going forward I have about three years left at the University of Winnipeg before I complete my bachelor of arts and hope to go into law.

I have begun more and more looking into going to schools in BC and in Alberta, as these do offer easier costs of living. BC is in itself is not as—is not simply—it's not a cheaper province to live in but, by and large, I would make a higher salary once I graduated with that degree if I choose to stay in that province. I honestly—the effects that I've had in listening to the legislation that's been proposed so far this spring and summer it's honestly registered with me that I will be reconsidering my thoughts on staying within Manitoba and going to the U of M in the next few years. Thank you.

Mrs. Driedger: I thank you, and, Mr. Miller, I do want to thank you a lot for being here. I think it's really, really significant and important that young people's voices are heard. And just a quick question: Do you find that there is starting to be more conversation amongst young people your age in terms of political involvement or paying attention to what's happening around them? Do you find that things are changing that way?

Mr. Miller: I do—in a number of ways, I do. I've seen this, through the uses of social media, that a lot more people are becoming more politically minded. I myself have been a member of a number of political organizations: Forum for Young Canadians, Youth Parliament of Manitoba, a number of organizations such as those. But I find that a lot more people that I—a lot more friends who I would have considered that possibly wouldn't be interested in these activities, possibly wouldn't be concerned with these are posting more statuses or updating their Twitter feeds more often about—with issues regarding to Manitoba and with issues regarding to the politics of Manitoba and the way that they feel that the province is moving.

And I can tell you that a lot of what I've seen is a lot of distaste with the way—with what's happening and—with their futures in the province so far.

Mr. Chairperson: Thank you, Mr. Miller. We're over time, and I thank you for your presentation.

Call Mr. Dwight Hildebrand, private citizen.

Mr. Hildebrand, do you have any written materials for the committee, sir.

Mr. Dwight Hildebrand (Private Citizen): No.

Mr. Chairperson: You may proceed.

Mr. Hildebrand: They say the definition of insanity is doing the same thing over and over again expecting a different outcome.

I'd like to read from the Criminal Code of Canada, 380-1. Everyone who by deceit, falsehood or other fraudulent means, whether or not it is a false pretence within the meaning of this act, defrauds the public or any person whether ascertaining or not of any property, money or valuable security or any service.

This gives one some pause today. We the people have a legal right to a referendum on this tax increase. It was put in place by a government that had to clean up the previous NDP mess. Unfortunately, they did not foresee a rogue government so hungry for money after hitting its borrowing limit it would turn to steal from its citizens the only right they have to defend themselves from a rogue government.

I stand here not with any hope of reversing the NDP way. I do not in any way believe that this will make a difference. I stand here anyway for my children, for my children's children. I want them to know that if one sits idly by this is what you receive. If you do not fight for your rights, they will be taken away. What can you say to your children and your children's children, NDP? Your defining moment was to take their legal right away to a vote. Congratulations on that.

I purchased a truck this year for \$17,500. The bank valued it, \$17,500. The industry valued it, \$17,500. The Black Book value, \$17,500. The NDP government uses a gold book; they valued it at \$21,500. Thus, I paid tax on a used vehicle at the inflated value not represented in the free market.

I have paid the land transfer tax in the last five years four times. That's over \$12,000.

I say we because of the 250 that are going to be speaking in front of you. We are tired of the lies and we are tired of paying and paying and paying.

* (21:40)

The emperor has no clothes. Travel to Saskatchewan; you can see how government works the right way. Travel to Manitoba and you can see

how it works the wrong way. Beer in Québec, for a two-four, \$24; beer in Ontario, for a two-four, \$30; Manitoba, \$48. Okay. The CRFA gentleman was speaking by—was speaking to how people are spending just over a thousand dollars eating out; in every other province it's \$1,800. Well, if you go to a restaurant and you're charged \$5 for a beer and your plate of food now is, for two people, \$50, but your average bill is going to be about \$75 to \$100 for two people going out; whereas in Saskatchewan it's maybe \$50. People are going out because they don't have the dollars to do so.

We are paying you our hard-earned dollars. That has to stop. I wish you guys had a conscience. We have all witnessed the NDP spin machine at work. You wonder what the pain threshold is; well, you see it here. Your future is being written by the 250 who will be showing up. What will the tax increase be next year and the year after? You wonder why you don't realize how angry we are as Manitobans. You think, well, maybe in two and a half years, they'll forget. This gentleman here suffered a long time. His party suffered a long time because the citizens didn't trust them after that. That fails in comparison to what you're doing.

Thank you.

Mr. Chairperson: Thank you for your presentation, Mr. Hildebrand.

The floor is open for questions.

Mrs. Driedger: Thank you very much, Mr. Hildebrand. You certainly have spoken with a lot of emotion and want to thank you for sort of baring your heart to us on this. This is obviously affecting you a great deal. With some of the comments you made, too, I have to ask a question. You used an interesting word in there.

Do you think the NDP government is defrauding Manitobans by what they're doing?

Mr. Hildebrand: By the definition of what fraud is in the Criminal Code of Canada, yes, absolutely.

Mrs. Driedger: What are your fears for your children?

Mr. Hildebrand: Sorry. I have a son who's in the military. He is stationed at CFB Shilo. I am part of two charity organizations that work at CFIB Shilo, so I am there once a month, 12 months a year, and the predominant conversation that these young soldiers have is they don't want to be in Manitoba. They are earning less, they're paying more, they're paying

threshold on their insurance, on their income tax, on everything that they want to do is higher here. They're better off in Saskatchewan, they're better off in Alberta, they're all better off in B.C. You know what? They're better off anywhere but here.

Mrs. Driedger: Why do you think this NDP government is not listening to people, because they've certainly must have been getting some of this message? Why do you think they're going to ram through that PST on Monday without paying attention? The stories tonight have been some of the most eloquent I've ever heard in the Legislature. Why do you think they might not be listening to you folks?

Mr. Hildebrand: Sorry. You and I met three years ago at the Korean Business Association, their Christmas luncheon, and, at that point and time, you had indicated that the PC Party had done some math on the rate of spending of the NDP. And three years ago, you guys had calculated that they were going to need, in the next foreseeable future, a 10 per cent increase on income tax. I truly believe they're broke. I truly believe that they've hit their borrowing limit and they need to raise funds in order to increase their lending. Period. End of story. Done.

Mr. Gerrard: Yes, you spoke about the anger you sense among people that you're talking to and meeting with. I wonder—I'll give you an opportunity to talk a little bit more about that.

Mr. Hildebrand: I'm lucky enough that in my profession I deal with a lot of professionals. I deal with bankers, CEOs, CFOs, right. I deal with mid-level management on a daily basis, and the water cooler talk in our meetings starts with talking about the current situation in the province, the lack of the government listening to business and hampering their growth. Period. End of story. They are fearful, as the PC Party pointed out three years ago, about this potential that we see right now. The overriding sense is doom. Doom, doom, doom. What are you going to do next year? What's going to be the increase? What's going to be the excuse? Because we know you're broke.

Mr. Cliff Graydon (Emerson): Thank you, Mr. Hildebrand, for your presentation tonight. It's truly a very passionate—everyone I've heard tonight so far, and I've just been here a short time, but they've all been very, very passionate with the same theme, that they've been lied to.

When you say that the government is—you feel that the government is broke, and a couple—three

years ago you thought that you had heard that they needed X number of dollars in order to balance the budget. Would you say that they have drained some of our Crown corporations up to this point and that there's nothing left there to drain?

Floor Comment: Absolutely.

Mr. Chairperson: Mr. Hildebrand.

Mr. Hildebrand: Sorry. Absolutely. If you look at Manitoba Hydro, and the millions—it's probably even close to a billion dollars now, that have been drained away. You had a CEO who quit because he felt that the government was reducing the feasibility of Hydro and the profitability and its future. He saw it going in a direction and he wanted to get away from it.

You look at the other corporations and they're just shipping money to the NDP to spend, spend, spend. But there is no more money. Like I said, the emperor has no more clothes.

Mr. Chairperson: Time for questions and answers has expired.

Thank you for your presentation, Mr. Hildebrand.

Call Julie Bubnick, private citizen.

Ms. Bubnick, do you have any written materials for the committee?

Ms. Julie Bubnick (Private Citizen): No, I do not.

Mr. Chairperson: You may proceed.

Ms. Bubnick: Thank you. My name is Julie Bubnick. I am a chartered accountant. I have a home-based tax practice here in Winnipeg. I am a Manitoban by choice twice. The only people—the only family I have in this province are my two children, for now. One of them is about to leave, I think, because I happen to have a 28-year-old daughter who has a Ph.D. in environmental chemistry and there's nothing in this province for someone at that level of education and in that field. My son for now, he's here. He happens to be very fortunate in that he has a very well-paid job, but he's employable anywhere.

One of the things that I see as a tax accountant who has clients across the country is what the tax rates are in other provinces. I am sometimes asked: Can you recalculate my tax return as if I lived in the other provinces so I can see the difference? They don't like what they see. And what can I say? That's just the way it is. That's what it costs to live here.

Anyways, the reason why I decided to come and speak tonight was because I am angry, I'm insulted, and I'm upset. I am angry because on July 1st I am a tax collector for what I consider to be an illegal tax. Exactly one week ago today I got my letter, not even a personalized letter, but this little form letter in the mail from Manitoba Finance advising me that as of July 1st I am now required to charge my clients 8 per cent PST. I'm really upset about that because I now have to explain to them what this is all about.

* (21:50)

And I have apologized to you. I'm the middle person. And I don't like it very much. As a matter of fact, I'm very upset about it, because my own government that is supposed to be looking after my best interest has now directed me to break the law. What am I going to do? I'm in a real quandary. I've got a couple days to think about it. But I have not decided, do I collect that extra 1 per cent and set it aside for when I have to remit? Do I eat it? Do I take it out of my pocket? Do I get—pass it on to these upset clients who, many of whom are going to have—that extra 1 per cent is going to make a big difference to them. I really—I'm struggling with this.

The other reason why I'm upset is the way it's being done, and this is just on top of the couple of little sneaky things that Manitoba Finance did last year. I got this nice letter in the mail saying, oh, you just have to remit your PST once a year now. Sounds good until you figure out that by paying it only once a year it means I now am over the threshold where I no longer get to claim back commission. I was, no, no, put me back to quarterly; this way I get commission.

So not only am I your tax collector, I'm doing it for free, I'm a volunteer. It—you know, it just doesn't sit well at all. Anyway, so I'm upset about that. I'm upset about the fact that my vote has been taken away or will be taken away. My right to a vote on a very important matter under existing legislation—it's an existing law—is being denied to me. That is very, very upsetting.

Last fall I was in Turkey where people were talking about their president who wants to change the law so he can continue being president for another—basically, president for life. People were upset about that, and I'm thinking, okay, we have a government now who's going to take away my right. They say, you don't have a right to vote on this tax increase because we're going to change the law. What are you

going to do next? You change the law that says we have to have an election? Why not? You can do it.

This is a very, very slippery slope. I'm really worried. It's scary. This isn't Cuba. It's not Turkey. It's not China, where I was in the spring, where I heard people talking about other things. I'm really—it has me very, very concerned. And for the first time since I moved here by choice, but the second time, I'm embarrassed and ashamed to admit to people that I'm here by choice. Why are you here? Got no family here. My family, they're in Ontario, they're in BC, they're in Alberta. Why are you in Manitoba? Good question. I used to say, I like it here, there used to be such a thing as a Manitoba advantage. I used to say, it's a great place to raise my kids, which is one reason why, when I found myself a young widow with two preschoolers, thought this would be a great place; come back to Manitoba where I got my education or most of it.

You know, I'm really, really regretting that decision. I—there is no doubt in my mind I would be better off had I not moved here in 1990. There is no doubt in my mind that my children would be better off had we not—had I not moved them here. At the time my son was extremely angry because I picked him up from his—moved him away from his buddy up the street.

And I'm really upset that I regret those decisions because I thought that was—it wasn't just what I wanted to do, I thought it was in the best interests of my children at the time, and it turns out that I was wrong, very wrong. I think this province is in big, big trouble because, to me, the only reason why there was no—like, I don't understand why, on budget day, you didn't say, okay, we need an increase in the PST; we're calling a referendum right now. Why didn't you do that? Prevent all this. Let the discussion come out. Let the people know why this has to happen. I'm not opposed to an increase in the PST

I'm not opposed to an increase in the PST, if we need it. But show me the numbers. Show me what the past increases have done. What have you done with it? Did you spend it well? I want to see some smart spending, some smart decision making, some smart financial management; I'm not seeing it. I haven't seen it for a very long time.

Unfortunately, that happens to be my personal ideology. I vote for whoever can show a semblance of they might provide some good financial management. It means I'm running out of people to vote for these days, across the country—but anyways.

I think the reason why no referendum was called—because you're scared. You're scared. You're running scared. You're afraid of what we're going to find out. You're afraid that the province—that the people of this province are going to find out that things are much worse than these high-paid communication people that you've hired are letting us know about. I can't think of any other reason why.

Why would you take such a drastic step as removing a citizen's right to a vote? And this is a party that has democratic in its name and is very, very quick to accuse somebody else, whether it's another party or another organization, of being undemocratic. And look at what you're doing. It's unbelievable. It's hypocritical in the extreme. I think it's disrespectful, which is why I'm insulted.

Mr. Chairperson: One minute.

Ms. Bubnick: I'm angry. And I don't know what else to say except that I agree with absolutely everything that everybody else has said tonight. That's it.

Mr. Chairperson: Thank you for your presentation.

The floor is open for questions.

Mr. Struthers: Thank you very much, Ms. Bubnick. I want to thank you especially for a couple of things. First of all, for expressing the anger that you did today. I appreciate that. Also, I want to say thanks for indicating that you've received the bulletin that you did—

Floor Comment: One week ago. Well, it's a notice.

Mr. Struthers: —a week ago, which was—that's right, it went out a week ago. It was a bulletin. That's the normal way we, in taxation, let the vendors know about tax decisions. That was the bulletin that was on the website as of budget day.

But I understand your apprehension, but I'm very pleased that you have that bulletin, that can guide you in the decision that you're looking at over the next while. We want to make sure that the vendors are clear of what's expected of them as we move forward. So I want to thank you for mentioning that here tonight.

Floor Comment: May I reply to that?

Mr. Chairperson: Yes you may.

Ms. Bubnick: I'm glad you're happy that I got it, but it's not giving me direction about how to—it's telling me—it's telling me to break the law. And the fact that you're happy about that has me even—me even angrier. You should not be happy about that. You

should be apologizing to me for putting me in that position. I expect, you know, something more, saying, thank you for doing this for the Province, thank you for helping out. But, no, you're going to ding me—you have to do this. I think there should be an apology, not a thank-you.

Mr. Gerrard: Yes, thank you. I feel like you, that this is a very big issue. That your vote and my vote is being taking away in this referendum.

But let me ask you about—it's your daughter who's got a Ph.D. in environmental—where is the—

Floor Comment: Environmental chemistry.

Mr. Gerrard: Yes, where is the problem in her getting, you know—what's happening that's—

Floor Comment: Well, part of the problem, I think, is that she went—

Mr. Chairperson: Order. I have to recognize you, Ms. Bubnick, and I don't know if Mr. Gerrard had finished putting his question yet.

Mr. Gerrard: Yes, I'm just—you know, why is the problem with her getting a job here?

Ms. Bubnick: Because there are no jobs. Who hires Ph.D.s in this province, let alone, somebody in environmental chemistry? And there's nothing. And she's been applying. And I think maybe part of the problem was she—first of all, you can't get that education here. She started off with a master's in forensic science, which isn't available in Manitoba either. So she started that in Ontario and from there she went to Scotland where she wound up in the Ph.D. program. So she's, maybe, out of the loop, she's not—but who in this province, will hire a Ph.D. in chemistry, environmental chemistry? The science field is not supported in this province. It's not supported in this country.

* (22:00)

She's back in Winnipeg now. Her preference is to stay here. But you know what? She's 28. She's got to go where the work takes her. And right now, it's, you know, the interest is in the United States or maybe back in the UK. New Zealand is another option. But there's nothing here except for, you know, she can go back to Tim Hortons, they liked her there, and she's got a part-time coaching job at the Winnipeg Rowing Club but, you know, that's not what she was trained for. The good jobs, they're not in this province.

Mrs. Driedger: Thank you very much, Mrs. Bubnick, for being here. I think you've expressed a lot of the same feelings as everybody else that's here tonight. What would you think, after hearing all of the stories tonight, if the NDP ignore all of these stories and go ahead on Monday and ram through that PST hike?

Mrs. Bubnick: Ignore it at your peril. And—it's going to be ignored. There's an arrogance that is not commendable. There is a patronizing attitude that government knows best and I'm just this dumb taxpayer who's going to roll over and do whatever I'm told to. No, it's not going to make any difference, but I suspect a lot of the other people who are going to speak are people like me who just feel that, you know what, I have to have my say, and—even though it doesn't make any difference.

I would not be able to sleep at night if I did not have my say. And I suspect that a lot of people who come speaking after me will feel the same way. It's not going to make any difference. But in two and a half years, it will. And then, the next government, they're going to have to tread very carefully. We do have long memories when it hits us in the pocketbook like this one does and makes us break the law.

Mr. Chairperson: Time for questions and answers has expired. Thank you for your presentation.

Call Mr. Dave Capar, private citizen. Mr. Capar, do you have any written materials for the committee, sir?

Mr. Dave Capar (Private Citizen): No, I don't.

Mr. Chairperson: You may proceed.

Mr. Capar: My name is Dave Capar, 54 years old, a dad, a worker, been living in the province the whole time. I used to vote for NDP. That man right there, Gary Doer, he was a good friend. But I take a look and I see the people who are now running the NDP—not friends. Liars, cheats, don't hold up to what they're supposed to be doing. Leaning on the taxpayer. Gary, he went and he was with—for the working man. The only thing you want from the working man is our money and taking more of it.

And you don't even think about the kids. You don't even think about your kids and what legacies you're leaving behind for them, giving them the burden. You really think putting on the 1 per cent, it's going to go on and then it's going to drop down later for them? It's not. And there's going to be others

that are going to be coming in and following your suit and saying, hey, we've got to go, we've got to add on more money. And that's what we're going to be leaving for our kids?

I don't even know how some of you as parents or grandparents can even look at your own kids. And you know, you're probably the cause of the bullying in the school, you know, because parents, like myself, the kids, they go and they hear about what their parents and—if you have a child in school, and they go and they say, well, your dad is the one that's putting the 1 per cent on there, and then you started in on their own. You know, we're in—you're not making anything any better. We're adults, so we can handle it a little bit better, we have to deal with this.

Young man over here, 18 years old, he's going to university. He's got to try to make mends, trying to have a career. But you're hindering it. You have no thought for the future. All you have is thought for now. That's what it's all about, the now. But no future. There is no future. Future is always giving more, giving more. Hydro—oh, reduce. Don't use as much. Don't use as much power. We don't use that much power. They go and they take a look, oh, we haven't made our money. So they go and they up it, but now you got the 1 per cent more, so you're going to get more on it, on the PST.

Slow the flow on the water. So we slow the flow on the water. Water goes and looks, oh, we didn't make that amount. We got to up it. You make your money again on the 1 per cent. Gas, same thing. We go and we wear sweaters in the house in winter so we could reduce. Okay, gas company looks, hey, we didn't make that kind of money. Okay, we got to up it. You make your per cent again.

We try to save. You keep on taking. It's not fair. Sure, you got a nice cushy job now and you got a lot of money, and then you're going to have your nice little pension afterwards, but what about us who are working for a living? I mean working. Okay, we work with our hands and we're doing the job. We're the blue collar worker. Okay, we don't sit in the office and we're not schmoosing out with people. There's a big difference.

We're the ones who put you in. You should be held accountable for everything you do, and when we put you in, you work for us. And if you don't do what you say you're going to do for us, then we should be able to take you out, and when you break that contract, that word, that bond, because a man's not worth nothing if he doesn't hold to his word, he

should be doing the honourable thing and stepping down.

And I'm surprised that Greg Selinger isn't here today. Like, really, and everything is on Mr. Struthers. Well, you know, you two are both—I guess you picked the wrong straw, so you're here today. But the way I see things going, the future is very, very bleak, and it's getting worse and worse. And thinking that taking money from our pockets is going to make it better, it's not, and what are we teaching our kids? Teaching them there's no such thing as a true politician. Adults don't tell the truth. They lie. Don't trust.

At least I can tell my kids when they go and they say, dad, you can't do nothing with the government. Well, at least I'm here today along with everybody else and I'm having my say. And I'm not just sitting at home and talking to a bunch of guys and that's what we do is just talk about it, but we're bringing it forward. And there are other people who are going to be coming out and they're going to be bringing it forward. That's all I have to say. Thank you.

Mr. Chairperson: Thank you, Mr. Capar.

The floor is open for questions.

Mr. Struthers: Mr. Capar, I'm glad that you came to the Legislature. I know you waited for quite some time and listened to a lot of presentations. So thank you for coming and giving us your advice.

Mrs. Driedger: Thank you, Mr. Capar, for being here, and you did indicate that the future is very bleak from how you see it, and, you know, the more people that talk tonight, it is, indeed, sounding more and more that way and is broadly felt by a lot of Manitobans who really—I credit everybody for, you know, taking the time and wanting to have a voice here.

How are you going to feel come Monday when this NDP government raises the PST and doesn't listen to the 200 other people that have yet to speak?

Mr. Capar: As I had said earlier, governments, people who are in that parties, they should be held accountable, and as far as for—like everybody else has been saying and I'm sure everybody else that you're going to ask the same question to, they're going to say the same thing. They're going to say it's unlawful. It's against the law.

They lied to what they said that they were not going to do, but they are doing it. In fact, in a way, it's sort of like they're bullying us. Maybe you should

put that in the bill, okay, because you're imposing your will upon us, and you're taking away our rights which is to vote for the referendum. And who gives you the right to be able to do that, because we, the people, are the ones who put you there, so you have to listen to the people, not what you want to do, and that was the whole point of the referendum. So that you'd listen to us and we have a chance to speak.

Mr. Chairperson: Supplemental to Mrs. Driedger.

Mrs. Driedger: Mr. Capar, why do you think they're not going to listen?

Mr. Capar: Pride, arrogance. They feel that they're untouchable and they can do whatever they want to do.

* (22:10)

Mr. Gerrard: Yes, give us a sense about the people who you've been associating with, many of whom I suspect were also supportive of Gary Doer. And, you know, there's been quite a shift in what I see, but, certainly, you know, it's a situation where a lot of people are becoming quite disillusioned, and I just want to give you a chance to kind of say—you've said your piece. What are you hearing from others?

Mr. Capar: Just that right now the way that things are going—NDP government has been in power for way too long and, because of they being a majority government, they feel that they are able to do whatever they want and wreck shot over everybody.

And this is the consensus that we have—or the people that I have been speaking with—and that there has been a great change, so that it kind of went from us to them. And then—and we noticed, too, that with the government, one minute what they try to do, like for an example, this meeting today, I haven't heard nothing on the radio about it, okay. But all they've been doing is talking about the Blue Bombers, okay.

And this is what we see with the NDP government, is that they'll smokescreen it. So they'll take away from here and they'll go and they'll try to get to people over here.

And there are those of us who go and we take a look and we see, and we say: You know what? No, it ain't happening. So and it's not going to be happening because it's going to start getting bigger. And, if you think that in two and half years you're going to have another chance, you're gone, you're out, because enough is enough. We're tired of it.

We're tired of you coming into our pockets and raping us. Done. And we want a future for our kids. And you guys are withholding that future. Not only our kids but your own kids too. You should be ashamed of yourselves.

Mr. Maguire: Thanks, Mr. Capar, for your presentation. You've used the words arrogant and bullying. The last person I didn't get a chance to ask, we ran out of questions, which I think she used the word disrespectful; I've used that in my debates in the House a number of times. Would you feel that that's a word that describes, I think, from what you're saying, that that's a word that would be used to describe this decision as well?

Mr. Capar: Exactly. Respecting is when you care for somebody, okay. In here, they don't care so they disrespect. That's the whole, that's a whole—the whole thing in here. If you respect for some—if you respect then you're going to listen to what the people have to say, and you would have the vote for the referendum instead of trying to impose it and push it. So there is no respect.

Mr. Chairperson: Time for questions and answers has expired.

Mr. Capar, I thank you for your presentation.

And now I'll call Mr. Sig Laser, private citizen.

Mr. Laser, do you have any written materials for the committee, sir?

Mr. Sig Laser (Private Citizen): Staff will be distributing it—yes, I do.

Mr. Chairperson: Chamber branch staff will distribute your materials. You may proceed.

Mr. Laser: Mr. Chairman, committee members, a pleasure to be here tonight.

For Denise and for Brian and for Julie and for Kathleen and for Jared who spoke before, I heard your comments; there was a lot of emotion there. I trust there's some room for some comments from the head as well as from the heart. That said, I also have a certain amount of emotion at play here.

I'm here this evening to speak to, and put on the record, my agreement with the government's allowing the proposed increase of 1 per cent of the provincial sales tax and that it become effective at 8 per cent on July 1st of this year.

I think there's some need to separate out the overheated politic rhetoric and the basic economics of this situation.

One of the main points of contention is whether or not the government had lied in promising no new tax hikes during the last election. From my perspective, a promise unable to be kept is not a lie. And neither is it a broken promise. A broken promise implies some measure of wilful disregard and nonchalance around the original commitment and, even further distant, a lie would imply knowledge of forethought or intended malice.

A promise unable or inadvisable to be kept implies a change in circumstances that makes the original commitment exceedingly difficult, inadvisable or even impossible to keep.

You know, life happens. Floods come. Federal governments come and go, situations change. We adapt and we get on with it.

Another pointed issue and not unimportant question is that of the legislatively mandated need for a referendum around any major tax increase. Do I wish that it could've been handled differently? In the best of all possible worlds, well, yes, perhaps. But, having witnessed the misrepresentation and bad-faith politicking around the proposed increase during question period over these last many weeks, I can't imagine how a formal referendum would have been any different or preferable, and it would cost—it would have cost taxpayers north of an additional \$10 million for the ensuing circus, as well as some missed but important fiscal timelines.

In any event, the legality of presenting legislation that concurrently moves the referendum obligation and also simultaneously implements the sales tax increase is demonstrably legal and within a government's budget-making authority. No, the optics aren't optimum, but to suggest that the proposed tax hike is illegal on that point is specious and panders to the misunderstanding of legislative procedures—yes, blocking Hansard.

And this might be the place to remind Manitobans that this particular opposition leader, in his previous incarnation as a member of the Gary Filmon Cabinet, is on record as saying, about balanced budget legislation and referendum requirements, that they are largely cosmetic and for the most part, ineffectual. Still other commentators have called such legislation window dressing and doomed to failure.

So let's move on to some of the economic specifics of Budget 2013 and the proposed Conservative alternatives. Spent a bit of time looking through the budget document itself and the attached budget papers of this and previous years. Everything is online, and if you happen to be one of those who are convinced by the opposition that the sky is falling, I recommend some reading as a useful exercise.

There's a lot of gnashing of teeth around the overall provincial debt. A quick check, however, reveals that Manitoba's debt-to-GDP ratio for 2012-13 was 27.1 per cent and for 2011-12 was 25.5 per cent. For the current budget year, the ratio is projected to be 28.7 per cent. This compares with the debt-GDP numbers for the final full two years of the Filmon government of 32.7 per cent for '97-98 and 32 per cent in '98-99. Coincidentally, both two-year periods come in the aftermath of significant flood events, in 1997 and 2012. While higher than the debt-to-GDP numbers for provinces to the west, Manitoba's performance is well within range and significantly lower than provinces to our east, which have ratios well above 30. So is the sky falling? I think not.

Another point to consider is that the size of the Manitoba economy has grown significantly. In 1999, it was \$32 billion whereas, today, is at nearly double to almost \$62 billion.

And also on the matter of the debt, it's remarkable how often those critics of the absolute dollar amount are silent about the asset side of the ledger. Well, the net book value of those provincial assets has more than tripled, from \$3.5 billion in 2000 to a remarkable \$11.2 billion today. In some circles, that's called growing the company.

I think there's an element of fiscal fanaticism and magical thinking at play in the never ending and simplistic mantra of tax cuts or tax freezes as the solution for any economic issue. Winnipeggers who have driven on Sam Katz's road lately can put the lie to that. But we are vulnerable to this kind of snake oil, because our self-perception is that of being frugal and no-nonsense shoppers who know the value of the dollar. We need also to keep in mind the other side of that equation, namely, that you get what you pay for. I think Winnipeg drivers can attest to that.

A fair analysis would indicate that the Manitoba government has done not badly in balancing the need for revenue with a competitive tax regime.

A balanced approach has reduced taxes for a total of nearly \$1.4 billion on an annual basis since 1999.

Here are some additional facts around recent and ongoing tax reductions: personal income taxes, \$520 million lower annually now compared to '99; property taxes, \$336 million lower on an annual basis, and these savings are projected to increase by a further \$50 million annually by 2015; business taxes—this is interesting—are \$430 million lower today. In 1999, Manitoba had the highest corporation income tax in the country, but this tax has been reduced from 17 per cent then to 12 per cent in 2012.

* (22:20)

Small business tax: Manitoba remains the only province in the country to have completely eliminated its small business tax, and today some 12,000 businesses with income under \$400,000 annually pay no small business tax. And this budget increases that small business income tax threshold to \$425,000 as of January 1.

So, cumulatively, over the past 13 years, corporate tax cuts have kept a total of nearly \$2.9 billion in the hands of Manitoba's entrepreneurs to invest and engage in profit-making endeavours. Some might say, in fact, that past business and corporate tax cuts have been too aggressive, necessitating the current adjustment of a PST increase at this time. The additional 1 per cent is expected to raise approximately \$277 million annually—this, in the context of the previous annual tax reductions of nearly \$1.4 billion. This would seem to be a reasonable rebalancing of revenues with socially necessary investments.

The additional revenue will also allow for full participation in any available federal infrastructure programming, and it would be folly to not be able to fully participate and to leave money on the table, so to speak.

Manitobans are well aware of the extraordinary flood-related costs we are facing, and the lag time before participatory federal funding becomes available. There are necessary and urgent infrastructure investments that need to be made with respect to flood mitigation and protection. Some have defined infrastructure very narrowly in terms of roads and bridges, the so-called horizontal infrastructure. I believe a broader definition of—is in order to include the vertical infrastructure of facilities for schools, hospitals and recreation, all of which are necessary aspects of efficient, modern

economies and have a reasonable quality of life. In fact, I personally would go further and not hesitate to include social infrastructure, the social programming and investments that are necessary for an acceptable level of social justice and, for that matter, investments which help protect communities from issues such as gang violence, car thefts and recurring arsons. Most of these social programs have the characteristic of being services delivered by people—

Mr. Chairperson: One minute, sir.

Mr. Laser: —to people—one minute? —as do the many other social services necessary for safe and efficient communities. Odd; I was able to do this in 10 minutes at home—controlled environment. In any event, you will have the copy.

So, at this point, it might be useful to compare the alternatives proposed by the opposition Conservatives immediately after Budget 2013 was tabled. Strong echoes of acute, protracted restraint here, I'm afraid. The suggested alternatives include a hiring chill at the civil service for estimated expenditure reductions of 77 hundred million—excuse me, \$77 million; unspecified tendering and procurement changes for an estimated \$35 million reduction, and an additional 1 per cent saving across government of \$120 million. These and other items are offered as potentially yielding savings of \$286 million annually.

The first question that presents—

Mr. Chairperson: Order. I'm sorry, sir. The 10-minute time period for your presentation has expired.

Mr. Laser: That's absolutely fine. You have the copy. Yes, open for questions.

Point of Order

Mr. Chairperson: The time for—on a point of order, Mrs. Mitchelson.

Mrs. Mitchelson: Yes, I'm just wondering if we might make sure that the whole presentation is recorded in Hansard. I think that that's fair, because—

Floor Comment: I think staff would give Hansard a copy.

Mr. Chairperson: Mrs. Mitchel—has suggested that the presentation as written be included in the Hansard record. Is that agreeable? *[Agreed]*

—itself is, who'll be left to do the work, and what will they have left to do the work with. Recall that much of what government does is provide services, and that these services are provided by civil servants, by people. The proposed change to procurement also raises some questions. The tendering process is already significantly automated and changes would not generate savings, but would in fact require additional costs. Or is it the intention to purchase fewer pencils, or paper clips, or computers, or trucks, or ambulances or snow plows, or water bombers?

The charge is often levelled at government that expenditures are out of control. On the contrary this Premier, as Finance Minister, delivered 10 balanced budgets in the last 13 years. The deficits of the last few years are clearly the result of extraordinary flood events and the general economic slow-down resulting from the global financial crash of 2008/9, some of the effects of which are still with us. It is useful to actually look at what the government has already done by way of necessary and unavoidable restraint.

This budget cuts or freezes the expenditures of 11 departments and this is on top of cuts and freezes to 5 departments last year. So the question facing us is what other services, out of the multitude delivered by civil servants, will need to be cut to achieve Mr. Pallister's \$286 Million in austerity targets? And at this point we can also remind ourselves that our provincial employees have previously accepted a 2 year pay freeze.

Not a day of Question Period passes without several Opposition sponsored petitions requesting improved road and bridge infrastructure, enhanced emergency hospital services, new seniors housing facilities and improved child and family services. All of these are valid requests in their own right, but the Opposition members conveniently neglect to tell their constituents and petitioners that, oh yes, by the way we're voting against the budget which might make these expenditures possible. The ambulance-chasing around several high profile and tragic child and family and hospital emergency access situations was indeed difficult to watch.

And unfortunately the Liberal leader got into the act as well, with crocodile tears around Lake Manitoba flooding and Lake Winnipeg water quality issues, and then proceeding to also vote against the budget

and the funding that would make solving these issues more likely.

The Conservative leader is on record as saying that governments don't create jobs, people create jobs. Apart from being a truism, there are also echoes in this of Margaret Thatcher's view that, "there is no such thing as society". Now Mrs. Thatcher meant that no government can do anything except through people and even she knew that society is the sum of its parts; of individuals, families, churches, voluntary organizations, businesses, in other words, the community. And government is one instrumentality that communities put in place to achieve desirable social ends that are beyond what an individual or particular business can achieve for itself. Through the agency of government communities invest in the schools, hospitals, energy generation and the transportation infrastructure we all need for creative and prosperous lives. It's our turn to invest.

Manitoba's level of public investment has normally run at a level of 1/3 public to 2/3 private. Levels of private investment fell in the aftermath of the 2008 global financial collapse and continue to lag. Public spending picked up some of this slack and with added flooding and infrastructure obligations have trended somewhat higher, but the level remains well within historic variation. This flexibility is an economic strength and we should be cautious of comparisons with the oil and gas jurisdictions to the West. According to Statistics Canada, Manitoba's real GDP growth was 2.7% in 2012, 2nd highest among provinces, outpacing Saskatchewan's 2.2% and the national average of 1.8%. Over the last 5 years, Manitoba's average annual GDP growth rate has come in at 2nd best out of all provinces and nearly double the national growth rate.

To return then to the issue of the 1% PST increase and to conclude my comments, I believe that this time-limited increase to enable Manitoba, provincially and municipally, to fully access Federal infrastructure dollars and to maximize leverage of its fiscal capacity is absolutely warranted. In the best of all possible worlds we might all wish that it wasn't necessary, but this is a modest and doable increase. We face a number of infrastructure challenges that cannot be met with an austerity program that would weaken our capacity to adequately invest. We still have the 3rd lowest provincial sales tax rate in Canada at 8%, and unlike some other provinces we don't have an HST, which means that fewer essential items are taxed.

The effects of this modest increase will also to some extent be mitigated in that lower income households pay less sales tax because they spend a larger proportion of their income on basic necessities, which are mostly PST exempt, e.g. there is no PST on groceries, home heating products or children's clothing, footwear and books. PST is also not charged on items like home heating, gasoline, diesel fuel, and smoking cessation products.

In conclusion, I would be considerably more upset if the Manitoba government were to forgo opportunities to invest in the future of the province and hobble necessary infrastructure investments, of whatever kind, horizontal, vertical or social, than I am or would be at a modest PST increase that might cost me in the vicinity of a dollar a day.

Thank you very much,

S. Laser

Mr. Chairperson: Questions.

Mr. Struthers: Yes. I want to thank you, Mr. Laser, for coming here tonight. I appreciate your advice.

Mrs. Driedger: I thank you, Mr. Laser. You've obviously put a lot of work into this and there's a lot of research, obviously, that you've done. So we do appreciate your comments that you have brought forward tonight.

Mr. Chairperson: Mr. Laser? No comment?

Mr. Laser: No, I was just waiting for a question. Is there a question in that, Mrs. Driedger?

Mrs. Driedger: No, there wasn't. It was just an appreciation for your words tonight.

Mr. Laser: Thank you.

Mr. Gerrard: I just—thank you for your presentation. Just know, in terms of the referendum, that the referendum, if it had been called at, or shortly after, the time of the budget, could have been completed by now, in fact, could have been completed a month ago. So that the fiscal timeline is not so critical as some have suggested.

The \$10 million or thereabouts, in terms of the cost—discussing with Elections Manitoba, it might come under—slightly under \$10 million, but it would be about that number. But the—that is in comparison to the amount of money that would be raised with the 1 per cent increase, over the 10 year period, which is about \$3 billion.

And I just wondered whether, even though there is an expense of doing a referendum, whether the cost of \$10 billion to sample people and get people's input around Manitoba, would be worth that, given that we're talking about a \$3-billion tax expenditure depending on which way you look at it?

Mr. Laser: Well in answer to that, you know, a bit of a tangent, perhaps, I would say that the opportunity of timing a referendum and the timing of completing these hearings, was put in significant jeopardy by the shameful antics in the House over the last many weeks.

And, you know, if in part answer to my question, I could read the last paragraph on page 8: And unfortunately, the Liberal leader got into the act as well with crocodile tears around Lake Manitoba flooding and Lake Winnipeg quality issues, and then proceeded to also vote against the budget, and the funding that would make solving these issues more likely.

So in terms of costs, yes, opportunity costs everywhere, Mr. Gerrard.

Mr. Maguire: Yes, thanks for your presentation as well, Mr. Laser.

I guess I'm wondering, there's a number of issues here, personal income tax being lower, and, of course, it's still the highest west of Québec, in personal income taxes. There's a question, I guess, around whether you think the PST increase will be reduced in 10 years' time as the government has indicated, given that these taxes haven't been decreased before, in this type of an area.

And when you're speaking of the situation today, in GDP versus some years ago, I wonder if you took into consideration that there's a 10 per cent lower interest rate today than there was at that time?

Mr. Laser: Actually, no, I did not take into account the lower interest rate, though I think government, as with businesses, has an opportunity with those lower rates to make investments at a lower cost than would otherwise be possible. And governments would be foolish, as would businesses, to not take advantage of that to increase their IT capacity, their staffing education, their research, et cetera.

You know, I was wondering—my friends, you know, from the Retail Council and the restaurant association, you know, the PST in Ontario is 8 per cent then plus the HST component. In Québec it's 9.5 plus the HST component. And I wonder if

their members do worse business in Ontario and Québec than they do in Manitoba. I enjoy going out in Toronto and Montréal. I don't think they do worse in those jurisdictions with slightly higher PST levels.

Mr. Chairperson: Mr. Gerrard, briefly.

Mr. Gerrard: You know, I think that your comment, although perhaps fair in one context—certainly I have spent a lot of time with people in Lake St. Martin—and, you know, it's not really fair to call them crocodile tears.

It was my perspective that, in fact, getting people home, and quickly, would have been more cost effective than paying a lot of money for hotels that people have had to stay in and, et cetera. But I just, you know, share that with you and, you know—but I appreciate your general comments and your perspective.

Mr. Laser: Yes, and to that point on Lake St. Martin and other flooding, I do wonder why parties of all stripes in this House have absolved the federal government from their—for their absolutely shameless abdication of constitutional obligations with respect to First Nations. It's been something that—to watch, is equivalent, from my perspective, to that what happens in Third World countries. It's absolutely shameless. And yet, you know, they've been marginally let off the hook.

* (22:30)

Mr. Chairperson: Time for the—question and answer period has expired. Thank you, Mr. Laser, for your presentation.

Now—and I now call Charter Kidzugane, private citizen.

Mr. Kidzugane, do you have any written materials for the committee, sir?

Mr. Charter Kidzugane (Private Citizen): No, thank you.

Mr. Chairperson: Am I pronouncing your surname correctly?

Mr. Kidzugane: Yes, you got it right.

Mr. Chairperson: Thank you. You may proceed.

Mr. Kidzugane: Thank you, very much, Mr. Chairman. It's a little bit late at night, but I thought I would just give you a few of my thoughts.

I'm a first generation immigrant, and when I came to this country, I came to this country because

of what I thought I knew: friendly Manitoba. I'm beginning to question whether friendly Manitoba is only friendly Manitoba depending on the party which is in power.

I am in health business, and there are a lot of problems. I am aware of how the NDP came to power, and any one of you—maybe fortunately you don't—when you're sick or any member of your family is sick, you don't go and line up in Victoria hospital or Health Sciences, but if you are a common man or a common person like myself, and you have to go and line up there for about seven hours before you see a doctor, you would understand that the health system in this country, in this province, is no better than when you guys came to power. In fact, it was better when you guys came to power than what it is.

There is always a tendency of political parties, when they have a majority, you find that the power goes into their heads and they don't think about the people who voted for them. Unfortunately, I see that that is what is happening with NDP. And, secondly, when the political powers have been in power for quite some time—and you have been there, I think, 10 years, almost? You have already forgotten where you came from. You are almost distinct. And now you feel you don't care about anybody else; you can do whatever you want.

I give you a history, the reason why I came to this country. I lived in a country where we had one political party. So I've seen it all. And I was a member of a group of us who got education abroad, and we decided we wanted to have democracy in the country. And we fought, and the government had the power, and some of us were thrown in, no trial, and when we came out, we decided to get out of the country.

It will be a shame for this province, for a political party to throw away the constitution of this province and start riding on its majority and doing things the way they will feel they can do it, regardless of the people. If you want to see the demise of your party, it is coming, and you are creating it, I can tell you that. This Province, as a businessperson, has removed all the incentives that any business can possibly have, especially small business. I cannot believe that, as a Manitoban who is in business, if my company's payroll is over \$1.7 million, you come and tell me, hey, you're making too much money, we have to share this

money. So I have to pay payroll tax. That's crazy. Why do you think I'm in business?

It is the most absurd thing I've ever heard in my life, and I have really travelled a lot of countries.

Why should you discourage a business from making money, so you have to—right now, I think it's 1.25, so you have to maintain a level of 1.25; that's crazy. So you don't encourage me to employ more people and make more money. I, ultimately, will pay my taxes. I think—I don't know about majority of you in the party, but you may have to take business 101. I do understand there is sometimes necessity for a government to raise taxes and, as a citizen of this province and country, I will pay the taxes. There is one problem. If you promise me that you're going to do this, your money is going to do that, and the money—I cannot see what that money has done. You are working on a history, a record of history which is very deceptive, and that is why you're having problems right now. It has been deception—deception—deception.

I had just moved into this country when there was the Crocus investment thing. I think the Premier was the minister of Finance, if I can remember—things that happen, when the Premier was the minister of Finance, even in a banana republic, somebody would have gone to jail. You lied and a lot of Manitobans lost money. I lost a lot of money, but I see you guys are still walking on the street.

When WRHA was created, it was supposed to be a body that would supervise various health fields. Manitoba had some issues—health issues. You know what has happened? You have gone in, started employing your buddies. Right now WRHA has more chiefs than the Indians, that they can rule over. People retire and then become a consultant to WRHA, so they're getting a pension and then they're getting fees for consulting. If that is not criminal, then I don't know what criminal is.

You want to get an idea where you can start cutting? That is one area you can start cutting, and there's a lot of savings you can make. There's a lot of savings, because right now WRHA is out of hand, is out of control. I don't think the left hand knows what the right hand is doing. You have heard cases where people die in the emergency in the health science and what happens?

Increasing PST by 1 per cent has a multiple—a multiplied effect. Like, we were told in the restaurant industry, 1 per cent will create about \$16-million

downfall. There are better ways of generating revenue than creating taxes. The last presenter said Manitoba's economy is booming; it is doing so well that, in fact, we should be paying taxes. Maybe I live in a different Manitoba. I don't live in that kind of Manitoba, where he lives, because no government that is doing so well would tax—would increase taxes, because taxes—a government increases taxes in order to create revenue to be able to do certain things, to offer certain services. So, if we are doing so well, why don't we take the revenue from the general fund and do all these things we are doing—we want to do, than taxing the Manitobans? I think we—

* (22:40)

Mr. Chairperson: Thirty seconds, sir.

Mr. Kidzugane: We may be living in different worlds.

I'll take any questions—but I am mesmerized, and I hope that you guys who are still sitting here, you'll think twice.

Mr. Chairperson: Thank you for your presentation.

The floor is open for questions.

Mr. Struthers: Thank you very much, Mr. Kidzugane. I know you sat for a long time and waited and listened to a lot of presentations. I appreciate your patience, and I also appreciate the advice that you've given us. So, thank you.

Mr. Gerrard: Thank you for coming and presenting, and thank you for coming here and contributing to Manitoba. Perhaps you could tell us a little bit about your business and why you see such big impact of the PST and the changes under this government.

Mr. Kidzugane: Thank you. My business, we provide professional health nursing in various institutions, in hospitals, in—even WRHA. What actually happens in private care, what actually happens is, if they increase the PST, I have to charge—by the way, in Manitoba, I am told I have to charge GST and PST and whatever, I'm still fighting it—and I have to charge the person whom I'm offering the services to.

Majority of Manitobans who are retired, they are on fixed income—1 per cent increase means a lot. Somebody has to calculate, do I buy my medication or pay for these services? That's where you are putting these people. And I know, I can see a lot of ours are almost heading there. We are almost—few

years, to be looking for such services. So, what you're doing now may come to haunt you.

Mrs. Driedger: Thank you, Mr. Kidzugane, for being here and staying this long and giving us your views. You know, having come from a country where you saw democracy at risk and democracy not being adhered to, and then you come to Canada—I guess this must surprise you quite a bit to see what's happening here right now in Manitoba, where we have a current law on the books that says you have to have a referendum before you raise taxes. How does that make you feel? You know, you've escaped one, probably dictatorship, and now you're in a province where dictatorship seems to be the government of the day.

Mr. Kidzugane: It actually makes me feel so sad. I was with a friend of mine—he's a medical doctor—we used to work together, and he went to Alberta. And all along, he's told me, why don't you come to Alberta. When I was coming to Winnipeg, I did not know anything about Winnipeg. And I had read about the chinooks and the weather and—changing in Alberta, and I thought, no, I'm not going there—little did I know I was going to the worst place—but I can take the weather.

What I feel very, very seriously about is to see a reputation of a government breaking all the rules, just because they have the majority, and throwing the constitution, everything, out through the window and say, we have the majority; we don't care; this is what you're going to do. Because that's what actually that's what other countries are doing, or were doing.

There was a wave of political awareness in Africa, in the early—in the late '90s—no, early '90s. And I don't expect that to be here. In fact, I think you are very lucky that we are very civilized here. We can just come and talk to you. If you have the ears, you hear. If you don't? But in other countries, actually, you would have a mob of people coming and occupying your offices. And maybe that is what you need. Then you'll really understand. You know, we are doing—we are breaking the law. You are not allowed to break the law. You should be demonstrating that you uphold the law. That's why you were voted in power. Unfortunately, you are doing it.

Remember what Bush Sr. said? Read my lips. That may come to haunt you one day. Just wait two—in two years, you will say the same thing.

Mr. Chairperson: Seeing no further questions.

Thank you for your presentation, Mr. Kidzugane.

Mr. Kidzugane: Thank you very much.

Mr. Chairperson: Call Mr. Jim Carr, the Business Council of Manitoba. Mr. Jim Carr.

Okay. That completes our first reading of the list. I will now do a second calling for the following.

Mr. Dustin Thorsten. Dustin Thorsten. Mr. Thorsten's name will be dropped to the bottom of the global list.

Mr. Rey Laferriere. Rey Laferriere. His name will be dropped to the bottom of the global list.

Mr. John Hower. Mr. Hower's name will be dropped to the bottom of the global list.

Mr. Ron Manness. Mr. Manness's name will be dropped to the bottom of the global list.

Kevin Lysak. Mr. Lysak's name will be dropped to the bottom of the global list.

Tom Grieve. Mr. Grieve's name will be dropped to the bottom of the list.

Mr. Cecil Dubay. Mr. Dubay's name will be dropped to the bottom of the global list.

Mr. Jack Blackburn. Mr. Blackburn's name will be dropped to the bottom of the global list.

Mr. Chris Boychuk. Mr. Boychuk's name will be dropped to the bottom of the global list.

Mr. Jim Carr. Mr. Carr's name will be dropped to the bottom of the global list.

That concludes our list of presenters for tonight.

The hour being 10:48, what is the will of the committee?

Some Honourable Members: Committee rise.

Mr. Chairperson: Before we rise, it would be appreciated if members would leave behind the copies of the bill so that they may be collected and reused at the next meeting.

Committee rise.

COMMITTEE ROSE AT: 10:48 p.m.

**WRITTEN SUBMISSIONS PRESENTED
BUT NOT READ**

Re: Bill 20

Dear Sir/Madam,

I am writing to express my utmost concern with Bill 20. I am completely disgusted by the Greg Selinger and his attempts to raise taxes without the consent of the people and undermine the democratic process. It is unconstitutional to take away our right to a referendum, our right as a Canadian to vote and oppose new questionable legislation. He is in opposition not only with the democratic process, and the law, but also with the Canadian people whom were polled on the tax increase. A tax increase at this time will only further prevent businesses and people from wanting to be in Manitoba. I firmly oppose Bill 20, and would be willing to take a public stand in the media if necessary and rally others to do the same.

Ryan Sturgeon

* * *

Re: Bill 20

Submitted by:

Clarence & Linda Lefko, Sandy Hook, MB

Richard & Lorraine Lucyshen, Sandy Hook, MB

Peter & Carol Kennedy, Winnipeg Beach, MB

Harry Robinson, Gimli, MB

Rick & Carol Sarahs, Gimli, MB

Paul & Margaret Stanicky, Sandy Hook, MB

Jeff & Marielle Wharton, Winnipeg Beach, MB

Committee Presentation – Budget 2013

Good evening, Madam/Mr. chair; committee members, ladies & gentlemen.

My name is Jeff Wharton and I have been asked by a number of concerned residents of the Gimli and surrounding areas to bring forward some of their very serious concerns with respect to the direction and record of this Government.

It is very apparent that the NDP Government has failed Manitobans in a host of areas with its recent announcement of the 2013 Budget and the record tax and user fee increases introduced in 2012. Couple that with out of control Government spending and a growing bloated bureaucracy, and you have a recipe for economic disaster with guaranteed failure for our children and grandchildren.

Today I present you 3 main concerns in a report card format and will also provide a grade in each area under review.

REPORT CARD 1: Budget 2013

- **PST, rising from 7 – 8%** or \$227 million in new taxes!

Q: How does raising the PST in a fragile global economy help out Manitobans?

If anything you should allow us to keep more of our hard earned tax dollars, so we can spend it where we see fit, while in turn stimulating the economy.

- **Balanced Budget Legislation (Referendum) –** The Government is clearly breaking the law by not allowing Manitobans to vote on a major tax increase. What example and precedent does this set when elected Government ministers break and then subsequently change the law to benefit their own needs.

Where is the democracy as referred to in the New Democratic Party's name!

- **Competitive Tax Rates**

I would also like to point out the obvious growing tax gap with our neighbours to our immediate west, in Saskatchewan.

Let's compare provincial taxes of a two income family of four earning \$75,000/ year:

Manitoba

Income Tax	\$4198.00
PST	\$1416.00
Gas Tax	\$420.00
TOTAL	\$6034.00

Saskatchewan

Income Tax	\$1950.00
PST	\$574.00
Gas Tax	\$450.00
TOTAL	\$2974.00

The difference is Saskatchewan families have an extra \$3,060.00 per year in spending power to help stimulate and sustain their growing economy.

Let's be clear!

High taxes and Big Government seems to be the preferred choice of the NDP when it comes to raising

provincial revenues and spending our hard earned tax dollars.

BUDGET 2013 – TAX PAYER GRADE "F"

REPORT CARD 2: Record Taxes and User Fee Increases 2012: Broken Promise!

- In the 2011 Election Campaign the NDP promised not to raise taxes.
- In 2012 they hit Manitobans with \$184 million dollars in new taxes and user fees.

Taxes and fees added and increased in 2012 include:

- PST on land transfer;
- PST on insurance premiums (which include property and casualty trip cancellation, land titles, liability, baggage, goods in transit, mortgage, credit and credit protection insurance, legal expenses, identity theft, executor);
- PST on hairstyling and associate services totaling \$50.00 or more;
- PST on pedicure, manicure and skin care services;
- Added 2.5cents per litre on gasoline and diesel fuel;
- The corporation capital tax increased from 3% to 4%
- \$35.00 increase in vehicle registration.

Manitoba Hydro rates

- 8% increase in Hydro rate in the last 14 months
- 3.5% per year increases for the next 10 years to build dams and Bipole 3, so this government can further subsidize exported power at bargain basement prices.
- Another example of poor fiscal management that will not lead to a strong Manitoba Provincial economy going forward.

TAXES AND USER FEE INCREASES 2012 - TAX PAYER GRADE "F":

REPORT CARD 3: Out of Control Government Spending:

- Over the last decade plus, the NDP have enjoyed record levels of Federal Transfer payments, growing from 2.9 billion dollars in 2000 to 4.3 billion dollars in 2012.
- Population growth in the same period – grew provincially by less than 1%.
- While federal transfers increased by over 150%
- And this government still can't balance the books while enjoying record low interest rates along with a stable and diverse Manitoba economy.

Interlake MLA Tom Nevakshonoff was quoted, in a local paper, saying:

"when it comes to generating revenue, Governments have 3 options: cutting spending, running deficits or raising taxes"

It is my personal observation that his Government is well on their way to running deficits and raising taxes, however cutting spending has yet to be addressed by this same Government.

Selkirk MLA Greg Dewar was recently quoted:

"the NDP has lowered taxes by around 1 billion dollars a year since they have been in Government"

Mr. Dewar, why are Manitobans paying the highest taxes west of Quebec, if this is truly the case?

And finally, a statement in a local mailer from Gimli MLA Peter Bjornson states:

"Manitobans economy, though not immune to global economic downturn, has performed at or above the national average for the past 6 years"

I ask, if this statement is a true fact, why did this Government raise taxes by over \$400 million dollars over the last 2 years?

Folks, every year spending has exceeded projections. This Government is not even trying to live within its means.

This means that future generations will have to pay for the Selinger Government's inability to control its spending.

**OUT OF CONTROL GOVERNMENT
SPENDING: TAX PAYER GRADE "F"**

Madam/Mr. Chair, committee members, ladies and gentlemen, in closing I would like to thank the committee for their time today and wish to leave you with my final comments:

This government (both Politicians and Spin Doctors) have been and continue to set bad examples for Manitobans and especially our youth by:

- a) Visibly demonstrating a lack of respect for our Provincial Laws which leads to a lack of respect of our laws by citizens as evidenced by our high crime rates;
- b) Encouraging individuals and businesses to actively look for alternatives (both legal and illegal)

to save hard earned \$'s to meet basic living expenses and essential business costs; and,

c) Losing trust and confidence in greedy government bureaucrats and Politicians by spending their money on nonessential services and inefficiencies within the bureaucracy.

Enough is enough!

It is time to focus on strong fiscally responsible management and move away from reckless wasteful spending of our hard earned tax dollars!

We don't want to be the "Greece" of Canada!

It is also time to regain trust and confidence in government and our bureaucracy by ensuring that they are committed to providing high quality and unbiased services to Manitobans.

Thank you.

Jeff Wharton

The Legislative Assembly of Manitoba Debates and Proceedings
are also available on the Internet at the following address:

<http://www.gov.mb.ca/legislature/hansard/index.html>