

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

Chairperson
Ms. Melanie Wight
Constituency of Burrows

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MANITOBA LEGISLATIVE ASSEMBLY
Fortieth Legislature

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

Saturday, July 6, 2013

TIME – 10 a.m.

LOCATION – Winnipeg, Manitoba

CHAIRPERSON – Ms. Melanie Wight (Burrows)

VICE-CHAIRPERSON – Mr. James Allum (Fort Garry-Riverview); Mr. Matt Wiebe (Concordia) at 4:06 p.m.

ATTENDANCE – 11 QUORUM – 6

Members of the Committee present:

Hon. Mr. Chomiak, Hon. Ms. Oswald, Hon. Mr. Struthers

Messrs. Allum, Eichler, Ewasko, Gaudreau, Saran, Schuler, Mrs. Stefanson, Ms. Wight

Substitutions:

Mr. Graydon for Mrs. Stefanson at 1:49 p.m.

Mr. Smook for Mr. Schuler at 1:49 p.m.

Mrs. Driedger for Mr. Ewasko at 1:49 p.m.

Mrs. Mitchelson for Mr. Eichler at 3:08 p.m.

Mr. Dewar for Hon. Mr. Chomiak at 3:36 p.m.

Hon. Ms. Howard for Hon. Ms. Oswald at 3:36 p.m.

Mr. Wiebe for Mr. Saran at 3:51 p.m.

Hon. Ms. Melnick for Mr. Gaudreau at 3:51 p.m.

Hon. Mr. Robinson for Mr. Allum at 4:05 p.m.

APPEARING:

Hon. Jon Gerrard, MLA for River Heights

Mr. Cliff Graydon, MLA for Emerson

PUBLIC PRESENTERS:

Ms. Becky Cianflone, Altona and District Chamber of Commerce

Mr. Garth Steek, private citizen

Mr. Chris Dsovza, private citizen

Mr. Derek Rolstone, private citizen

Mr. Joe Whiten, private citizen

Mr. Romel Dhalla, private citizen

Mr. Allan Ciekiewicz, private citizen

Mr. Feraz Ahamed, private citizen

Ms. Elizabeth Carlyle, private citizen

Ms. Angela Brown, private citizen

Mr. Kevin Shumilak, private citizen

Mr. Tim McAllister, private citizen

Mr. Dan Lanyon, private citizen

Ms. Selena Bieber, private citizen

Mr. John Ryan, private citizen

Mr. Anthony Augustine, Manitoba Federation of Non-Profit Organizations

Ms. Muriel Koscielny, private citizen

Mr. Doug Chorney, Keystone Agricultural Producers

Mr. Bill Heather, private citizen

Mr. Keith Fulford, private citizen

Ms. Elda Enns, private citizen

Ms. Dorothy Wise, private citizen

Mr. David Angus, Winnipeg Chamber of Commerce

Mr. Ken Kornel, private citizen

WRITTEN SUBMISSIONS:

Clayton Rumley, private citizen

Rebekah Swistun-Craig, private citizen

MATTERS UNDER CONSIDERATION:

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

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Madam Chairperson: All right. Good morning, everyone. Thank you so much for coming to the Standing Committee on Social and Economic Development. Please come to order. I'm going to do my best to speak loud enough for you to all hear me, so hopefully that'll be OK. You seem very far away to me, but I—so I hope you can hear.

The meeting's been called to consider Bill 20, The Manitoba Building and Renewal Funding and Fiscal Management Act. As per agreement of the House, dated June 20th, we have 58 people scheduled to speak on Bill 20 today, and you have the list of those presenters before you and it is also posted at the entrance of the room.

Members may notice that because of the unique nature of how these meetings have been organized, we have four distinct groups of presenters today. I'd like to take a brief moment to explain these distinctions. Presenters who confirm their attendance are those with whom we have been able to verify their attendance for this meeting. Presenters called twice at previous meetings will be called a third time

today and then dropped from the list. Presenters who did not confirm their attendance are those with whom we have not been able to verify their attendance for this meeting. Presenters who registered after June 20th, 2013, and confirmed their attendance do not fall under the terms of the June 20th agreement, meaning that the committee will only call their names twice before dropping them from the list. Fortunately, there will not be a test on this.

On the topic of determining the order of public presentations, I will note that we do have out-of-town presenters in attendance. I don't know if they're marked on your sheet, but they did get marked—one got marked on ours with an asterisk on the list. And, with this consideration in mind, I propose that for each group we call the out-of-town presenters in that group first. Is that agreed as an appropriate order of calling presenters? *[Agreed]*

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

Okay. 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, please speak with our staff. As well, I would like to inform presenters that in accordance with our rules, a time limit of 10 minutes has been allotted for presentations, with another five minutes allowed for questions from committee members. At nine minutes, I will try to remember to sort of just put up my finger and let you know that there's one minute left for you to kind of wind it up. So, if you could just take a peek at me when you feel like you're getting close to that time, I'll let you know.

Also, in accordance with the rules agreed to in the House for the meetings—hearings from presenters on Bill 20, if a presenter of the first, third or fourth group is not in attendance when their name is called, they will be dropped to the bottom of the list. If the presenter is not in attendance when their name is called a second time, they will be removed from the presenters' list.

A written submission on Bill 20 from Mr. Clayton Rumley has been received and distributed to committee members. Does the committee agree to have this document appear in the Hansard transcript of this meeting? *[Agreed]*

* (10:10)

Now 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 first have to say the person's name so that Hansard will know who's speaking at that moment. That's the signal for them to turn the mics on and off, so that's why we're doing that.

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

I would like to inform the members of the committee that one presenter, Becky Cianflone, is not checked as an out-of-town on the list, but she is an out-of-town presenter. Also, Anthony Augustine was by mistake left out from the list. There is leave of the committee to add him at the end of the first group of presenters? *[Agreed]*

Also, if I do pronounce your name wrong, please, please correct me because we will use your name a number of times throughout it, so don't feel shy.

And I will now call on Becky Cianflone. Do you have any written materials for distribution to the committee?

Ms. Becky Cianflone (Altona and District Chamber of Commerce): I do not.

Madam Chairperson: Okay. Thank you. Please go ahead.

Ms. Cianflone: My name is Becky Cianflone, and I'm here as executive director of the Altona and District Chamber of Commerce representing the interests of our 170 chamber members—170 businesses ranging from small home-based craftspeople to large manufacturers exporting product throughout North America. One hundred and seventy businesses owned, operated and managed by honest, hard-working, law-abiding citizens who want to make a difference and see our communities, region and province prosper.

Bill 20 proposes increasing the PST in the province from 7 per cent to 8 per cent, resulting in a revenue increase to the provincial government of \$277 million annually. The most troubling part of the government's decision to increase the PST is the fact that they are also changing the current balanced budget legislation which had stipulated that a referendum of Manitobans be held before increasing the PST.

At the Manitoba Chambers of Commerce 82nd annual general meeting held May 3rd to 5th, 2013, at the Elkhorn Resort and Conference Centre, a resolution was passed unanimously by the chambers in regards to the government's recent decision to increase the PST. The resolution passed by members is as follows: That the Premier of Manitoba respect the Province's current balanced budget legislation and the right for the people of Manitoba to have a voice in the decision on whether or not to increase the PST by 1 per cent by holding a public and binding referendum in which all citizens can either approve or disapprove of this increased tax.

In addition, chamber members also raised concerns with how this proposed tax increase will make our already uncompetitive tax framework even more unattractive. With our proximity to the US, Altona businesses already have to battle the effects of cross-border shopping. Our businesses are feeling abandoned—nay, rather attacked—by the provincial government's efforts to seemingly put them out of business. When you add the increased PST along with our higher personal income tax rates, higher corporate income tax rate, and we remain one of the only provinces in Canada that continues to have a payroll tax, it clearly shows that 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. Here's why: The provincial sales tax applies not only to items bought at the register but also to the cost of doing business. That includes capital goods, machinery, equipment and new technologies, materials, energy and other goods or services that our Altona and area entrepreneurs purchase and use to produce what they sell to customers.

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.

A higher PST rate will further increase the cost of doing business, leaving entrepreneurs with less money to operate, expand, innovate, hire people and pay higher wages.

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 comparable 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 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 PST raises a number of other questions. How will the \$277 million received as a result of the increase be invested? What is the plan to provide a solution for the significant municipal infrastructure deficit? How will challenges for the business community, surrounding an already uncompetitive tax framework be addressed? What is the potential impact of the proposed increase on consumers and businesses?

The reality is the government has yet to articulate and answer to any of these questions. In fact, these answers should have been provided to Manitobans before the legislation was ever introduced.

The chamber stands firm in its opposition to the Province's decision to increase the PST. The blatant disregard for proper process around changing the legislation is unacceptable. We believe in holding broad discussion around the issue of the tax increase and are calling on the government to abide by the law and take it to a referendum. The Province must not only let citizens have their say but also take a step back to provide some answers.

The chambers believes that a referendum provides many benefits, as it provides clarity of purpose, transparency of investments, greater accountability in the reporting of results and shows respect for the hard-working taxpayers of Manitoba.

If your government truly believes that increasing the PST is in the best interest of Manitoba and will create a strong, competitive economy, then you

should be prepared, willing and enthusiastic to engage Manitobans and take this proposal to the people.

Thank you.

Madam Chairperson: Thank you very much for presenting. We'll move to questions of the committee.

Hon. Stan Struthers (Minister of Finance): Thank you very much, Ms. Cianflone, and thanks for coming to speak with us here today. I want to start by acknowledging the good work that chambers locally do. I'm sure yours is no different than mine in my hometown of Dauphin. They're a very positive contributor to our local economy, and I appreciate the work that you do.

The—we are targeting infrastructure with this \$277-million revenue item. The 1 cent on the dollar is going directly into infrastructure. If we don't do that, what would your advice be as to where we would get the money to build that infrastructure that I think is pretty necessary for businesses in your chamber in order to be successful?

Ms. Cianflone: Well, I believe that there needs to be broad-based consultation, so I think we need to engage all of the stakeholders that are involved—you know, construction industry, you know, rural Manitobans, farmers, all of those who are involved. There is no doubt that there's an infrastructure problem; we all know that. But we believe that with stakeholder engagement and consultation we can talk about what the—where the deficits are, where the issues lie, and we can also talk about the revenue model to, you know, to come up with the money to deal with those issues.

Mrs. Heather Stefanson (Tuxedo): Thank you very much, Ms. Cianflone, for your presentation today, and one of the things that you touched on is—I think it's that ripple-down effect that this will have on consumers as well. And you talked about the increase in the PST and the costs on things like in machinery, equipment, technology and how that will have a ripple-down effect to consumers. So it's not just a 1 per cent increase; it's going to be a lot more than that to consumers.

* (10:20)

But I think the other thing is you touched on the fact that the NDP is not going to, you know, abide by the existing laws, which is to go to the people in the

way of a referendum. Why do you think that is and what do you think that they're afraid of?

Ms. Cianflone: Well, speaking on behalf of my chamber, I think there is a sense that there's been a lot of wasteful spending on the part of this government, and I think that there's a lot of internal mechanisms that can be used to cut back on spending and to redirect money into the infrastructure process. As I mentioned previously, I think that it needs to be broad-based consultation talking about the deficits in infrastructure and talking about the revenue model. You know, Manitobans across the province have great ideas for how these things can be funded, how we can address these issues.

Hon. Jon Gerrard (River Heights): I think what you pointed out is important in terms of the PST being on inputs for businesses, so, in fact, you have got a multiplier effect and that it's much larger than 1 per cent.

You know, you mentioned that we have a 26 per cent, approximately, tax on business investment; 8 per cent of that 26 per cent, I presume, is the PST. Do you know what the other components are?

Ms. Cianflone: Sorry. Unfortunately, I don't have that data in front of me.

Hon. Theresa Oswald (Minister of Health): Thank you, Ms. Cianflone, for coming and for the work that you do to represent your community. It's a fabulous community. I've had a chance to work with a number of people from there, and they're lovely.

You made mention in your presentation about cross-border shopping, and I wondered, or I assume, of course, that your chambers of commerce have tracked a little bit what has happened in business as a result of the federal Conservative government's decision to change that personal exemption on duty going across the border. I may stand to be corrected; I don't remember a bunch of consultation on that. It kind of came out of the blue.

I wonder two things: (1) if your chamber is tracking any measurable effect as a result of that increased amount that people are allowed to spend in 48 hours and beyond in the US, and second, if you had an opportunity to speak at a standing committee on that subject or to submit written materials to any committee on that, and I wondered about your perspective and the perspective of the chamber on that front.

Ms. Cianflone: The Canadian Chamber has certainly come out, you know, with some recommendations around that legislation that came out federally. We don't—I don't have specific numbers on it, but I know that the Canadian Chamber is looking very closely at those numbers. I can also say that the Altona Chamber partnered with a number of border chambers across the country in coming out with press releases against that legislation. And we've also repeatedly called on the federal government to look at the federal tariff rates on imports for our retailers.

So there's a number of initiatives—that's just one example. But we're certainly very involved in what's happening federally, as well.

Madam Chairperson: Thank you very much. And our time for questions has expired. And thanks for coming out.

Ms. Cianflone: Thank you.

Madam Chairperson: We will now return to the top of our list and call on Mr. Garth Steek.

Do you have any materials with you, Mr. Steek?

Mr. Garth Steek (Private Citizen): Madam Chair, I'm ADHD. I have trouble reading and writing, so you'll have to suffer with me verbally here today.

Madam Chairperson: I'm sure that will be very good. Please proceed.

Mr. Steek: Thank you. Madam Chair, elected members of the Legislature. I'm an average citizen. I'm not a particularly bright guy, not exceptionally well-educated, but when the ubiquitous hand of government starts to crush my shoulder, I wake up.

Let me be very clear, direct and unambiguous. You have every right to increase this tax and bring it on. You do not have a right to abrogate process. You do not have a right not to realize a referendum here—profoundly wrong.

I'm a guy who's grandfather—both grandfathers—fought in the First World War. My dad fought in the Second World War. They fought for democracy, the right to retain the opportunity to vote. You're unilaterally taking that away. It's profoundly wrong.

Let me tell you an interesting little story. I have two sons, 28 and 32. Three years ago, they bought a small business here. They wanted to be entrepreneurs. They'd be here today, but they can't because they work seven days a week, 10 hours a day. I'm not going to give you the usual jazz that if this goes through they're leaving the province; that's

not the case. But here's what's happened. Since this came to the fore, six, seven weeks ago, they operate a very small operation, but it has a broad appeal across this entire city; people of every social and economic stripe come there.

So the boys, like most people in their latter 20s and early 30s, have no interest in politics; however, it's the only topic of conversation. So here's the really interesting thing that's happened.

During the span of that month, over a thousand people have come through, and they just asked two simple questions. Do you support the tax increase? Big surprise. Eighty-two per cent, no. Would you re-elect this government? Big surprise. Seventy-two per cent, no.

But here's the surprise: The surprise is that somehow this government, which was formerly the government of Doer and more latterly of Selinger, has managed to give us a galvanizing issue.

There's a lot of highly intelligent people around this table. This mistake is profound. I'm not going to speak to the tax implications and the effect on business, but I will tell you, is you have no idea of the true sentiment of this community. A thousand people came through, and here's the other surprise: These are young guys. They've got their names and they've got their email addresses. Five hundred people want to work in the election. I guess you could be pleased about that.

Many of you around this table probably went to the University of Winnipeg. The motto at the University of Winnipeg is *Lux et Veritas Floreant*, and the translation is straightforward: Light and truth flourishes.

You've heard this repetitively, I'm sure, already: This move not to have a referendum is condescending, it's arrogant, it's petty, it's vexatious, it's mean spirited. You've heard it all, so let's put that aside. What I don't fathom—I heard Mr. Struthers referred to as the honourable minister. What is honourable about what's happening here? I would argue: nothing.

I hear that we can't have a referendum because it's cost prohibitive. It's a 15- or 16-billion-dollar budget. Have the courage of your convictions to go to the population. If you win it, wonderful—we accept it. If you lose it, it's the democratic process. But have the courage of your convictions to do that. You won't, and what a sham we have here today. First hot day in June—or July, and so we're sitting

around a conference table and we've already got a 1 per cent tax increase through. What are we doing here?

You know, I was away for the last couple of weeks in Boston. Went through the John Kennedy school of administration and the library. I'm old enough to remember when Kennedy came into power that Robert Frost delivered the speech. Many of you sitting around this table will remember the Robert Frost poem, *The Road Not Taken*, and Frost, at that event, simply said: you know, two roads diverged in the woods, and I, I took the road less taken. And that has made the difference.

I believe that the road taken by this government was the easy road. In fact, you know, just a bunch of clowns out there, nobody's going to notice, ram it through, and we're two years out from an election. I think you're profoundly wrong. I didn't believe there was an issue that could galvanize the public like this. I have never been involved in a federal election. I've never been involved in a provincial election. But you've galvanized me, my family and a wide range of associates.

*(10:30)

I'm 63. I want to go to the lake today. I don't know how many summers I've got out there. I came in to speak to this because, as I said to my sons, if you don't stand for something, you stand for nothing.

I don't know anybody around this table, really. I would have made this same presentation were Dr. Gerrard's party in power or Mr. Pallister's party in power. This is not about the NDP, but this is about an abrogation of responsibility in process. It's unforgivable.

I won't tell you I'm disillusioned. I'm not—I'm not. As I said, at 63, you've galvanized me and a myriad of people throughout the city and this province. What has happened here is shameful. You can give me all the excuses in the world. You could have had a referendum and, you know what, what's the price of democracy? It's priceless.

And let me to ask you one last question: Were you sitting in the opposition bench when this was happening, what would your reaction be? Startling.

I will tell you, in conclusion, that you should be pleased my sons didn't come. They sent the second-stringer. They're far more articulate, far more intelligent than I am. These young people and the people of every stripe that are coming through their

little business are not going to back off. It's not a threat by any means. I can't tell you you're going to lose the next election, but I can promise you this: you have galvanized people in this province to work like never before. I will be disappointed if there are no questions.

Thank you, Madam Chair.

Madam Chairperson: Thank you, Mr. Steek, for coming to present. And questions from the committee? Honourable Mr. Struthers.

Mr. Struthers: Thank you very much, Garth, for coming in and speaking with us today. I want to assure you that was not the presentation of a second-stringer. You were very clear, and you were very concise, and I appreciate the advice that you've given us.

Mrs. Stefanson: Thank you very much, Mr. Steek, for your very impassioned presentation this morning and from a very personal perspective, and thank you for sharing that with us.

My question for you is, why do you think that the NDP has not called and did not call a referendum on this? What do you think that they're afraid of?

Mr. Steek: Madam Chair, I've never taken a poll, and, as I've said to you at the outset, I'm not that bright a guy, but I have a little bit of intuition. I'm not sure I'd want to be quarterbacking this event. However, I think that had there had been some outward consultation at the outset, without just slamming this down our throats, you might have been able to win it. I dare say, you must have conversations around the caucus that would be pretty fascinating. You know, when you see the chaos in the Senate over spending, you see the messes with the two mayors in Montréal and Toronto—people want open, transparent, accountable government. We don't expect you to be flawless; none of us is. But we do expect integrity. And I go back to this thing. It's about honour—doing the honourable thing. Why do we call you the honourable, if you're not going to be honourable?

Mr. Gerrard: Yes, Garth, thank you for coming, and I've got a lot of respect for you and for the work you did as a city councillor.

And what I think is happening is that there is some people who are seeing the referendum as not a real vote, because it's not a provincial election or a municipal or a federal election. But, to my mind, it is just an important part—just as important part of our

democracy as the other votes. Yes, and that there's really a profound feeling out there that this should never, ever have been taken away. It is—

Madam Chairperson: Mr. Steek.

Mr. Steek: Mr. Gerrard, the fascinating thing about this is it's ensconced in legislation. If it wasn't important, why the blazes would it be there? Why the blazes would you be running over it if it didn't matter?

I go back to this thing. Regardless of whether you're in opposition or when you're in government and you go home at night and talk to your wife and kids and—say, if I was on the other side of the floor, what would my response be? Get some honest response from your constituents.

You know what, a lot of you think you're shoo-ins in the next election. That means from every stripe and party. It's like city council. Everybody thinks they're going to be re-elected. Guess what? Some people aren't going to be re-elected over this; maybe the government, I don't know that. But I will tell you this, regardless of anybody's political stripe, if you came out and you said: We made a mistake. We made a mistake. And you know what? We're not going ahead with this until we have a referendum. You know what the people of Manitoba would say? Yeah, you had to eat a little bit of crow, but damn, you've got some integrity and honour. That's all it's about, not about being flawless.

And one last thing I'd just like to put on the record, Madam Chair, I'm disappointed nobody asked me where we could have found the savings. God, we're running \$600-million deficits every year. You ever think about holding the line on hiring? You ever think about a rollback? You ever think about the people in the Leg. taking a leadership role and saying: Hey, we'll roll back 5 per cent to show you how serious we are. I don't know, I don't think any of it's rocket science.

Madam Chair: Thank you, Mr. Steek.

Mr. Ron Schuler (St. Paul): Thank you very much for coming in this morning, Garth, and I have a feeling the reason why the boys didn't come in this morning is because they're running the business right now. And, as a former retailer from The Forks, I did have opportunity to call you, I think, twice and complain about something that was going on, and I always appreciated the fact that you responded. And you know what this gig is all about.

You know what, I just want to pick up on one thing of many that I think were just incredibly hard-hitting and poignant, and that is, what would the NDP doing right now about the PST if it was the Conservatives bringing in and imposing it like what they're doing, imposing it on the poor?

And we've heard it over and over again; there's no litmus test when you go to the cash register and you say, you know, I'm struggling, I'm under the poverty line and I can barely make ends meet. And then the individual at the cash register says, oh, absolutely right, you don't have to pay PST because you're just—you're struggling.

It is an incredibly hard tax for those who are struggling because you have to buy things, or maybe you don't insure your apartment, maybe you don't insure your house because of the added PST, maybe you don't buy the necessities you want that now PST has been applied to. I appreciate that comment very much, what if the tables were turned. And I can tell you it would be quite a show here today if the tables had been turned. I actually really appreciate that.

Floor comment: I think it's going to be an incredible—

Madam Chairperson: Mr. Steek.

Mr. Steek: —show for the next two years. And I think there's a certain irony that the party with strong social conscience is lambasting those that can least afford this 1 per cent. I mean, you know what, I'll struggle through the 1 per cent one way or the other, trust me. But a lot of your constituents are going to have trouble. And you're going to have to look yourselves in the mirror come the election and explain to them why you did it. And don't give me the stuff about the \$277 million into infrastructure. There are other avenues of money, we all know that, like maybe getting the expenditures under control.

If my boys ran the business, Madam Chair, and I ran a business running huge deficits every year, guess what, you could have 10 per cent PST, but I couldn't collect it because we wouldn't be there. Thank you very much.

Madam Chairperson: Thank you, Mr. Steek. The time for questions has expired and thank you for coming.

I'm just going to let folks in the audience know, because I forgot to mention this at the beginning, just to remind everybody who are observing the committee meeting, that we—in the committee you

can't applaud or comment from the audience, so you have to kind of clap inside. Okay?

And I would also like to inform the members of the committee that one presenter of the last group, Doug Chorney, is also an out-of-town presenter.

A written submission on Bill 20 by Rebekah Swistun-Craig has just been received, and staff is distributing that to the committee members.

Does the committee agree to have this document appear in the Hansard's transcript of this meeting? *[Agreed]* Thank you so much.

All right, we will return to our list, and our next presenter is Lynda Berard. Is Lynda here? If not, she will drop to the bottom of the list, and our next presenter is Mr. David Meunier. No? All right.

* (10:40)

And our next presenter is Mr. Bill Franck. Oh, I'm sorry. And both of those two people who are not here will be dropped to the bottom of the list.

Chrissy Hamilton. And she will also be dropped to the bottom of the list.

Chris Dsovbor–Dsovbolza.

Mr. Chris Dsovza (Private Citizen): Dsovza.

Madam Chairperson: Dsovbullla.

Mr. Dsovza: It sounds like tequila.

Madam Chairperson: Oh, thank you for your–thank you. Really appreciate the help, because–

Mr. Dsovza: No problem.

Madam Chairperson: Do you have any materials to distribute?

Mr. Dsovza: No, I don't, Madam Speaker.

Madam Chairperson: Okay, great. Please go ahead and present.

Mr. Dsovza: Thank you, Madam Speaker, for allowing me. As you know, my name is Chris Dsovza. I live in the north end, and I was one of the people that voted for Mr. Selinger. It disappoints me to be here today, because I want to take you back to the Magnus centre, which is now the River Point Centre. It's still not open eight years later.

I come from Pakistan, okay. My family worked–my dad worked very hard to bring us here for democracy. I saw Bhutto get hanged. I saw people killed. I saw people burnt. But, when I first came to Canada, friendly Manitoba, it was, wow.

So why do protests–why are we having a surge of protest? Well, it's ignited by dissatisfaction with social systems. When people believe that local government and the economy they serve, they may needs–there is little desire to protest if their needs are met. There's no desire–very little. People work within the existing order and the law. However, when people feel that the systems are corrupt and unjust and are rigid, often an event will trigger a movement to change the unjust to just. And this is what I see. I am having flashbacks of the riots that I saw first-hand. We see it in Egypt. We saw it in Greece. There is words out there that this is what's happening to Manitoba. It is not about the money. It is about more than the money. There's over 12,000 men and women that gave their lives for this country, so we could have freedoms and democracy. What is that price today?–1 per cent.

In 2006–or '05, I'm not sure which–it was around there the University of Winnipeg had put out a report that there is 135,000 people at risk for homelessness; there's 7,600 hidden homelessness; 1,915 short-term crisis sheltered; and 350 living on the streets. In my addictions, I was one of those people. I am currently one of those 135,000 people. I just had to pull out my RRSPs because it is hard. Between the City, the Province–one's taking from one pocket, and one's taking from the other pocket. I recognize we need all these things, but we need to find that balance. Saskatchewan has run 10 years consecutive balanced budgets. I'm not here to blame; I'm just here to point out the facts.

And then to add insult to injuries, I work in the–with people with poverty, addictions, crime, to do my best as a citizen, okay. It's my duty. That's what I took an oath for when I became a citizen of Canada. I do my best. I know all about addictions and I see a lot of similarities. I'm sorry to say that, and that's troubling for me. We've increased the VLTs, more than 10,000 VLTs. There's brand new machines in the lounges. The casinos have–you've spent millions and millions on renovations. You've opened liquor kiosks. That's the world I see. On the streets I hear that people are now going to start bootlegging and–oh, booster, sorry, and, if you don't know what that means, that's shoplifting, because they have to survive. It's like we're being forced to do things we don't want to do.

And, as it was said earlier, you know what? We all make mistakes. But we can correct them when they're wrong. You have the opportunity. It says on your website that we face challenges and we have

opportunities. I don't normally beg, but I'm begging you: Use this opportunity to make a wrong right.

The stats on the VLTs are alarming. At \$1.25, in one week a person spends \$189; in a month, they spend \$819; in a year, they spend \$9,828. Who do you think goes to those machines on a majority's base? The waiting lists—I have said this for years—in chemical withdrawal unit, if you're high on crack, you do not get treatment. You have to go to Main Street Project. If you've been to Main Street Project, you will know that the human—the Humane Society has got much better facilities.

The fact that the River Point Centre is opening in 2014 is what I've been told. We had WRHA build a brand new facility on Main Street. Really? You have 135,000 people waiting, and I don't know what the exact numbers are now, but they are not going down, they are going up. Addictions is going up, crime is going up, poverty is going up. We all have to work together. I don't care what stripe it is, if it's orange, blue, red or green. We all got to come together. That's another thing that's there. Let's work together. This is not about them or you. It's about the people, the people that are dying.

So far, I've gone to over 36 funerals from suicides, homicides. These are personal people that I knew because the waiting list—there's even a waiting list to get into jail. There's a waiting list to get into treatment. There's six beds for VLTs. A friend of mine that I was working with, he had to wait and while he was waiting he got beat up really bad because he couldn't stop. So when I say there's similarities, just stop and look what you're doing. Stop and listen to what the people are saying, because if it doesn't stop, I don't know. I just don't know. Thank you.

Madam Chairperson: Thank you very much for presenting.

Questions from the committee?

Mr. Struthers: Well, thank you very much for coming and presenting to us today.

First of all, I think we all hear your point in terms of more co-operation within this building, and I do want to say, to the credit of the Conservatives and the Liberals and us, there are very much times when we do work together in this building. You don't see it here in this committee because we actually disagree on the issue that's before us, but we do—there are times when we do come together and work together. So I do want to assure you of that.

I do—I paid particular attention to the—your narrative about the poor and the working poor in Manitoba. Our government has taken on a number of items that I think will give some support to people living in poverty. Every year we've increased the minimum wage to help the working poor. We have increased the basic personal exemption. We did bump up RentAid in this most recent budget. We've provided some exemptions for baby supplies and safety clothes and those sorts of things. Now, you can always argue degree over that and suggest that maybe we should go further.

Is there any—in your view, is there anything else we can do that should be—we should be doing to help people who live in poverty in Manitoba?

* (10:50)

Mr. Dsovza: Well, we had the opportunity of taking a tour in Point Douglas many years ago—something you don't want to hear, but you're going to hear it. The non-profits that you funnel money to, there's a problem there—a huge problem. I don't want to name the organizations out of respect, but I encourage you to start looking at the books because it's not reaching the people. Okay?

There is over \$20 million spent in Point Douglas. What do we have to show for it? We have a new facility that was open where there was \$8 million spent, but there's very few people working. We don't have jobs. What do our—what do we have? We have a pawn shop; we have bars; we have non-profits; and we have money marts to choose from.

We don't have the same as St. James and I lived in St. James for many, many years. At 16, I got a job and went to school. Okay? Those luxuries are not there. We have way too many non-profits. The social enterprise that's open there—I'm sorry, but if you ask the residents that live there, it's a joke, because the people that don't work, live there, don't have a job. The people that don't live there have a job and it's the high-paying jobs. It's not that we can't do the jobs. We're not being allowed to be given that opportunity and it's very disheartening.

So I heard the same comments from my MLA when I wanted to voice my concerns, and he told me exactly what you said—or actually not him, but it was his staff member. He didn't even reply to my email. But yet, too, when it came for voting, he came to my door three times, and he promised and he said, I will work with you. Words are words. And when I work

with people who are in addictions, I just don't—it's about talk less; do more. It's about don't tell me; show me. Because that's how we form belief. That's how we form trust. That's how we form faith. And I get it. Trust is gotten and we lose some, little by little.

But I appeal to all of you on this side—there's 37 of you—and I commend the Honourable Jennifer Howard for acknowledging it's going to hurt and affect us. So, I put that challenge out to every one of you, and for the people that have come from other countries, remember what we had to live through and know what we came to and that is being taken away.

Madam Chairperson: Mr. Ewasko, very briefly.

Mr. Wayne Ewasko (Lac du Bonnet): Thank you, Mr. Dsovza, for coming and sharing your story. You mention the people in this region with the boosting and so with that, crime is going to go up as well. And we talked—you talked about the waiting lists not only for treatment but also for our jails.

Can you comment on some of the work that you're doing—and I guess, obviously, briefly. What's the message you're giving to those people, because I'm sure it's the same message that I'm giving to my two boys? Is that—you know what? The government is going above the law, around the law. This is still no reason to go out and break the law yourselves, even if it's as little as the bike helmet laws now, right? So these are the messages that we have to bring to our kids and then, hopefully in the future, our grandkids. What message are you taking to your—to the people that you work with?

Mr. Dsovza: In life, we always have hope, and it's the hope that I try, but sometimes I have to put money out of my pocket to make that hope look real. Because if they don't have the tangibles, I can't stop them. I don't encourage them, but I reinforce in them not to break the law. But when you are at the breaking point—in fact, my journey, as I said—I didn't want to really live in Point Douglas, but that's where I attempted suicide on the bridge back in 2000 and I didn't have to do that since then. But I almost feel hopeless again, helpless, and I have to tell them the truth. I don't have all the answers and I can only pray. And that's what we do, is we pray.

Madam Chairperson: Thank you so much and thank you for coming down and for the work you're doing. We're quite a bit past—the question period has expired so just to apologize to MLAs on both sides, we do have five minutes for questions so sometimes

I can't get to everyone. And thank you again, so much, for coming.

Our next presenter is Ms. McGauley. Tatiana McGauley? No? Okay. We will move—she will drop to the bottom of the list and we will move on to Derek Rolstone.

Do you have any materials to present?

Mr. Derek Rolstone (Private Citizen): I do not.

Madam Chairperson: Okay, thank you. Please go ahead.

Mr. Rolstone: Thank you to the committee. Thank you to the staff for fitting me in. I was out of the country. I'm a private citizen. I'm a resident of River Heights, Dr. Gerrard's constituency. This is the first time I've spoken to a committee like this. I'm not an eloquent speaker so I apologize in advance and I will try to keep my language as parliamentary as possible.

I'm sad that I had to come here today to speak to this group. I moved back to Manitoba four years ago with my young family and things just kind of seem to be getting worse. And this is really, for me, the kind of straw that broke the camel's back. This seems like ramming this through is unethical, illegal, undemocratic and unaccountable.

So, full disclosure, I worked as a chief of staff in the BC government of Premier Gordon Campbell. We did things a little differently there and I wanted to talk about them for a minute. We actually passed legislation before enacting the budget there. It just seems it's a little bit different here and I'm not clear why. This government has been around for 14 years. It seems to be tired. Maybe that was the best idea they had, was to raise taxes, and I would think with all the people that they've added to the payroll that someone would, you know, with all the yes-men and sycophants and lackeys that work for the government, I would think that someone would have the courage to put up their hand and say, no, this is a bad idea. But I guess no one has or if they have, they've been muffled.

This government seems to have not a revenue problem but a spending problem. This whole PST raise was poorly communicated, poorly framed. The minister talked about it being dedicated to infrastructure. If that was the case, then do that, but it doesn't seem like it is. And, usually, at least in my experience, when you wanted to bring something out like this, you'd get some validators, you'd get some people to come out in favour of it and it seems like

the best group that's come forward to talk in favour of this is the Canadian Centre for Policy Alternatives. And I'm a bit surprised that that's the best you can do. I mean, God bless them, they're consistent. I know that when the Canadian Centre for Policy Alternatives comes out with a statement, I know—I don't even have to think too much about it; I know I'll just think the opposite. It's like that old Seinfeld episode where George Costanza just does the opposite and then he's successful. That's what this group is like, so I'm surprised they're in favour of it.

I mean, it's a regressive tax; it hurts low-income earners. You guys have heard this; I don't need to talk about it again. But it just seems like, you know, from what I see in the media, it's just amateur hour.

You know, the recession is over, right? We don't need to run deficits, although I'm happy that the new Finance Minister understands, I think, the difference between deficit and debt, unlike the last Finance Minister. We don't need to have some kind of Keynesian economics of priming the pump. We've got some good things going on here in this province and, news flash, there was no flood this year. So, I know the last few deficits have been blamed on the flood and maybe, I hate to say it, I think maybe there's people in the government that kind of hoped there was a flood this year, so that they would have something to blame the PST increase on. That seems to be the playbook—blame everything on the flood.

So, if you'll indulge me just for a minute, I want to just change gears slightly and talk about the land transfer tax. I didn't know about this tax when I moved here four years ago. I showed up at my lawyer's office, I thought I owed him \$800; I owed him \$6,700. This was brought in, in 1987, by the NDP government as a revenue-neutral item, so you can't blame this one on Gary Filmon.

* (11:00)

I know that's the strategy, but you can't on this one. The rates have not been indexed since 1987. In 1987 the average price of a house was \$80,000. I don't know if people have noticed in this committee, but prices have gone up a bit. A \$300,000 house now is a land transfer tax of \$3,750. In Alberta it's \$115; in Saskatchewan it's \$900. This is another example of the government putting Manitobans at a disadvantage. If I moved here right now into the house I live in, it would be \$9,200, almost \$10,000 of land transfer tax, and for what? It just goes into the black hole of government.

This government continues to penalize people for investing in the community. At best, they're delaying people's mortgage until the time it takes for them to pay off their whole mortgage, at best. At worst, they're standing in the way of home ownership, especially for first-time homeowners. Do a Google search. Look up Manitoba land transfer tax and tax grab. There's 73,000 entries.

I work as a human resource director. We're just in the process of transferring, not an executive, but a manager, a maintenance manager, to Ontario, to Mississauga. He had some concerns about the cost of housing. We looked at the difference in taxes. I mean, the Manitoba government thinks you're rich if you make over \$67,000 a year. They think you're rich if you live in a house that's worth over \$200,000, which lots of people do. So we did, we ran the numbers. His taxes are \$12,000 less in Ontario. You don't need a calculator to figure out that that's a thousand dollars a month less in taxes. That goes a long way to paying off a mortgage.

I—maybe this government doesn't care about being re-elected. They have misread the public mood. Most people at this table would remember when the last NDP government fell in 1988. And what were the reasons for that? MTS scandal and Autopac. This is a hundred times worse than that, and people here will recall that the NDP was taken to the woodshed for the next four elections. And maybe if not for some shenanigans in the Interlake, it would have been even longer.

Councillor Steek said that he can't tell if you'll win or lose the next election. I'll say it: you're going to lose. You'll win in Burrows; you'll win in Thompson, but not in Kirkfield, not in Southdale, not in Fort Rouge.

You know, since I moved here the taxes keep going up, and it doesn't matter if it's federal or municipal. And I know a school division isn't exactly related to this, but mine just went up 7 per cent—7 per cent. The school division has secret meetings. I don't mind the deputy—or, sorry—I don't mind the secretary-treasurer making over a hundred thousand dollars for Winnipeg School Division No. 1, but I'm not sure why the assistant deputy secretary-treasurer needs to make over a hundred thousand dollars. So if you're looking for places to cut, that might be one.

In closing, I just feel that we need to call a referendum as required by law, and I just don't understand why we couldn't have followed the legislative process on this issue.

Madam Chairperson: Thank you, Mr. Rolstone, for making your presentation. Questions?

Mr. Struthers: Thank you very much, Mr. Rolstone, for coming in and speaking with us. I was concerned with one of the statements that you did make, and that was about, kind of writing off the flood that you say did not occur this year. I remember being in the—Conservation Minister at the time that the BC government was dealing with the pine beetle infestation. And I remember Gordon Campbell making a lot of sense, talking about the things they could do to prevent that because they knew it was going to come at them down the road. It was too bad Calgary didn't do that and prevent, maybe, what happened to them recently. It's too bad Minot and Fargo didn't do that. We have a long history in this province of understanding that there's going to be more floods, that we're at the wrong end of a great big watershed that drains our way every year. We can't have people left unprotected. We need to invest money into flood preparation. I hope you understand that.

The question is: Where do we get the money? And I'm going to assume that you think that we should prepare for the next flood, even though there wasn't much of one this year. Where—what's your advice to me on where we get the billions of dollars that's necessary to do that?

Mr. Rolstone: That's a good question. I appreciate it. And I worked as the chief of staff in the minister—for the minister of forests, so I know a little bit about the pine beetle. What did we do in BC? We cut costs, right? We pulled ourselves up by our bootstraps. We didn't—we had hiring freezes. We didn't increase pay. We didn't increase the number of government people on the payroll by 3,500. We didn't have—you know, BC Hydro doesn't have a 170 people working in the PR and HR departments, so if you're looking for places to cut, start there, right? This is not a revenue problem, it's a spending problem. We spend too much money, okay? Just like my wife spends too much on her VISA sometimes, right? We spend too much money and we can't continue to do that.

Mr. Schuler: Thank you very much for coming today, Derek. I'm sure there's other things you would've liked to do, perhaps, like cut the grass or something else at home.

I want to touch on something the previous speaker said, and you've touched on it too. The previous speaker actually stood in front of us and he said, I'm begging, basically, the party of social

justice to not put a tax on the people that it's going to hurt the most. And I think we all appreciate that, you know, those that are earning \$100,000 or even—you mentioned the very wealthy people in Manitoba, those earning \$67,000. I mean, those it impacts differently. But the poor who are struggling, those who evidently the party of social justice is supposed to represent, that those are going to be affected even more dramatically with this PST increase. And you touched on it. Can you just expand a little bit on that?

Mr. Rolstone: I mean, I just—you know, a sales tax is a regressive tax. I know that they—you know, we already pay 46 per cent, you know, income tax on that over \$67,000, as you correctly mentioned. I guess that's not an area where taxes can increase. So they just slap a 1 per cent on to—you know, it hurts everyone equally. I mean, I think this government—you know, maybe this government isn't out of touch with the people, maybe they're completely in touch with the people, because I think after 14 years they're tired of governing and I think the people are tired of them governing too. So maybe they are aligned, and there's two more years, so.

Mr. Gerrard: Yes. Thank you very much for your presentation.

You have a fairly unique point of view having been in BC and worked very close with Gordon Campbell and now being here.

In BC there's been, I think, two referendums; one constitutional and one on the HST. Maybe you can give us your perspective on why it's important to have a referendum?

Mr. Rolstone: I thought combining the PST and the GST is actually a good idea. I think that's actually the right way to go. Lots of businesses are in favour of it, and I thought the BC Liberal government did the right thing in bringing it forward. But, God bless them, they actually listened to the people and they went forward and had a referendum and they lost, and guess what? They still got re-elected. So they took their lumps—I think Councillor Steek was saying earlier—and moved forward. So, absolutely we should have a referendum. Let the people decide. It's already in the legislation. I mean, I just don't understand why the current government thinks that they can just consistently and continually break the law and not face any ramifications of that.

Madam Chairperson: Thank you very much for coming to present.

Mr. Rolstone: Oh, thank you. I appreciate it.

Madam Chairperson: Our next presenter is Mary Godwin, private citizen. Is Mary here? If not, Mary Godwin will go to the—drop to the bottom of the list.

Our next presenter, Joe Whiten, private citizen. Do you have any materials, sir?

Mr. Joe Whiten (Private Citizen): No.

Madam Chairperson: All right. Please go ahead and present.

Mr. Whiten: Okay. I'm just a—I'm a private citizen. I am sort of in business for myself because I'm a commission salesperson. This is where the PST hurts me because the product I sell is a high-end product. Everybody needs it. These windows that keep you warm in here, everybody needs them. I sell windows. This PST really hurts because people say, wow, I got to pay 8 per cent now—I got to pay 8 per cent now, we're going to have to put that on next year's budget.

Well, Mr. Struthers, I don't get it. I mean, I sent you an email after the last budget when you increased taxes a gazillion times on everything that we weren't taxed on before and asked you—well, I asked Mr.—Premier Selinger, but he said don't bother me with that, send it to Stan Struthers. So I did, and I got a form letter from you telling me exactly how it was going to help me. You didn't answer any of the questions I sent to you. You probably didn't even see the email. All you did is send some form letter saying this is the—doesn't—none of those things help me. Now, you're hitting me with another tax and you say it's going to help me.

* (11:10)

Up to a year and a half ago—I'm a single parent, raising two kids. Up to a year and a half ago, I struggled to pay my rent every month. I had hydro to pay. I had phone bill to pay, I—all those things. I had my kids in school, I had—trying to give them an education and also trying to give them some activities, sports. My son was in hockey. My daughter was in dance. All those things cost me money. I have no pension because of that. That's where my money went.

We are the highest taxed province, in Manitoba, and you sit there and you get millions and millions of dollars, more than any other province in Canada, except for maybe Québec, in transfer payments. We don't have a big population here, but you seem to be able to spend millions and—I remember during the election. No, we're not going to raise taxes, but we're

going to give you a million dollars, we're going to give you a million dollars, we're going to give you a hundred million dollars. When do you think that that money was going to run out? You have no solution for it.

You have an education in—you have a degree in education. Mr. Selinger has a degree in economics, which blows me away, because basic economics is, keep the taxes low, keep the people working; more people work, you pay more taxes. That's how the economy is supposed to work. That's how you—that, I mean, my budget, I've got to stay on a budget. This month I only have so much money for food, so much money for this, so I can't do like you do and say, hey, Manitoba Hydro, here, 'hoff' over another hundred million dollars. We're poor. You've got to learn how to stop the bleeding. Somewhere along the line, somebody's got to say, whoa.

And now, you're breaking the law. First it was the Jockey Club. You took all their money away. Why? Because—I don't know if you're—Bon Jon—Jon Bon Jovi went on a tour. You know what their tour was called? Because We Can. That's the way you guys feel because you have a huge majority: Because We Can. That's why we're doing it. I think the Jockey Club's taking you to court. Aren't you going to court against them, Mr. Struthers? That feels good, doesn't it. You had to give them back their money, too, didn't you? Yes, you did. I read it.

So you know what? Why don't you stop taking it from us? Why don't you cut your staff? Why don't you cut back 5 per cent? Lower—you have the high—we have the—you have more Cabinet ministers than you've ever had. Why? Because We Can. Stop this Because We Can. Think about the people. I don't know what you're going to do in two years. You're definitely not going to be in power.

And when people send you an email and ask you questions, do you ever get a chance to read them or is it they just go to your secretary? Because I know that that was just a form letter, because I had somebody else send you an email, too, and they got the same letter I got. None of my questions were answered, so I sent you another email. I never got a reply. Is that the way you treat people? But when you want to get elected, like the other presenter said, you come knocking at my door, saying we need your help. Well, BS. We need your help. We need you to rescind this. Quit breaking the frigging law.

I went through a yellow light the other day and I got a ticket because they told me I'm breaking the

law. I have to pay for that now. Do you have to pay for breaking the law? No. No, we'll just change it. I mean, I just don't understand how you can sit there, and, I mean, Mr. Selinger doesn't even have the—to come to these meetings. He's somewhere else. Yes, well, he should be here. This is where—this is important to Manitobans. And I'm just—I'm at my wits' end because I don't know where to turn right now. I'd like to build a deck onto my house. But I've got to pay 8 per cent PST on that. That's going to cost me another two, three hundred dollars if I put a big deck on. But I can't afford that. Not only—not just the taxes, I can't afford to build the deck. So I can't go to my cottage because I don't have a cottage.

So I think you've got to think about the lower class people that live in this province and say, you know, maybe this isn't a good idea. Maybe if we lower some of our taxes, we can get more people in the workforce and then we can get more—then you get more taxes. Isn't that a novel idea? That's pretty much all I've got to say.

Madam Chairperson: Thank you very much for coming to present.

Questions from the committee?

Mr. Struthers: Yes, thanks for coming in, Mr. Whiten. I want you to know that when I read your email I wanted to get across the point that the money that we're raising, the \$277 million, would be going towards infrastructure. When we talk to businesses, I think they understand that we can't let our infrastructure crumble. We have to keep investing in that so that we can build a stronger economy and put more people to work so—in your words, and I agree with you—then you have more people being productive and contributing and paying their taxes. So I want to know if you see a role for infrastructure and building infrastructure in Manitoba and how we would go about paying for that. I do want to say, too, your good windows not just keep places hot; they keep places cool and I appreciate that today too.

Mr. Whiten: Well, if—I mean, if you cut back on some of your spending. Don't give a hundred million dollars to everybody that squawks at you. You built a new hospital addition to the Grace Hospital which cost you millions of dollars. Nobody at the Grace Hospital knows what that's going to be used for. It's money that's there. You built a huge facility for midwives to deliver births. How many births is it built for and how many have used it? I mean, those are wastes of dollars that could be spent somewhere else. You have the staff in the Manitoba

government—it's bigger than it's ever been. You've got more people working for the Manitoba government than anywhere else. I'm sorry; cut some of the staff. Unfortunately, they won't get jobs paying the kind of money you pay them, but maybe you've got to cut back there a little bit.

I mean, in my business, where I work, the company that I work for, I mean, like I said, I'm a commission salesperson, so I've got to survive on what I make. If the business isn't there, we have to cut staff. We're at the lowest point—overall the company has the lowest number of employees we've ever had. Business is picking up, but now we get hit with a slowdown because people don't want to pay the taxes. I had a whole bunch of people come in before July 1st to pay their bill so they don't have to pay the tax. I mean, it's just—it's criminal, which is exactly what it is. If you learn how to budget, I mean, don't you live under a budget for yourself, you and your family? What happens when you go over the budget? Somebody has to stop, right?

Think about that. That's what your government's got to do. Stop spending on every little thing that you think it's needed. Make sure it's needed, and explain why—get explanations why it—I don't know why you need that big, big hospital there you built for home birth—for midwives. It's supposed to hold so many births. How many births have you had in that hospital? Do you know that? Can you answer that, Mr. Struthers? Did you hear the question? I know your eyes have just sort of glazed over. How many births have there been in that hospital? You don't know, do you. Okay, you've quit listening to me.

So, to cut back. Use a budget. Follow it. Live by it. Then we can all—then you don't have to raise the taxes. Might even lower our—we get the lowest—on our income tax—we get the lowest deduction in Canada. We move over one province and you get \$14,000. Here we get what, eight, nine? Something like that? I mean, it's ludicrous. They should be in the same boat we're in. Apparently, Mr. Doer told us that our hydro was Alberta's gas. Hmm, I don't think so. Not when Hydro's swimming in a world of debt and you guys just keep taking money from it.

I'm done. Sorry.

Madam Chairperson: Thank you. Dr. Gerrard, just briefly, please.

Mr. Gerrard: Thank you for coming here and presenting and talking with such passion and conviction.

Madam Chairperson: Sorry. Mr. Whiten, I just couldn't hear Dr. Gerrard. I'm sorry. Did you ask a question? I'm sorry; it wasn't picking up too well. Go ahead, Mr. Whiten.

Mr. Whiten: Is that it? Well, Mr. Struthers, thanks for not listening to the last half of my—

Madam Chairperson: I apologize. I couldn't hear Dr. Gerrard there, so, but thank you so much for coming.

And our next presenter is Romel Dhalla. And do you have any written materials, Mr. Dhalla?

Mr. Romel Dhalla (Private Citizen): I do.

Madam Chairperson: And the staff will help distribute those. And if you would like to begin when you're ready. There is water for the presenters there, just so that folks know.

Mr. Dhalla: I could use some coffee, that's for sure.

Just before I begin, a lot of friends around the table. I'm glad many of you were able to attend my wedding. It's been two weeks of exhaustive celebration, so I'm, like, completely deliriously tired right now. Hopefully my presentation makes some sense.

* (11:20)

Good morning, Honourable Minister, Madam Chair, and distinguished committee members. I'm grateful for having an opportunity to voice my opinions on Bill 20 and I applaud each and every one of you for your commitment to the process. In the best interests of everyone's time, I intend to be brief and to the point. Please also note that these views are mine alone and are not representative of any other interest, corporate or otherwise.

I urge this committee to recommend the defeat of Bill 20. While the spirit of the bill to improve Manitoba's infrastructure is well intended, the means by which it aims to achieve its objectives are, in my humble opinion, misguided. I think it is fair to say that politicians are allowed to change their minds to reflect what they think is the best course of action when circumstances also change. The problem, however, is that too often these changes are more suited to strengthening future electoral political outcomes rather than genuinely addressing the needs of the public. This affects all political stripes, and so it is important to respectfully remind our political officials that government works for the people and not the other way around.

Based on my own personal ideological perspective, and with all due respect to those that carry a different ideological view, collective government-based solutions to fixing problems is typically followed by a larger, less-effective, more expensive government and mountainous debt. A by-product of this approach is the lack of incentive and opportunity to engage entrepreneurial and private sector solutions to solving the public's concerns, thus creating real economic benefit, tax revenues and sustainable public services.

I think it is fair to say that since coming to power, the government's approach to carrying out its duties to the public have resulted in significant expansion of government and historic debt levels, particularly when taking into consideration growth in Crown corporate debt and equalization payments. Thus, it's important to recognize that the government has room to reasonably cut back on some services, work a little harder at controlling costs, including costs of employee and salary—employee salary and benefits, improving the corporate governance of the many institutions and boards under its auspices via the election of directors with credibility and suitable skill rather than through political patronage, and to spin off operations that make more sense being controlled by the private sector, like liquor sales, casinos, energy distribution, health care and football. Doing all these things, which in tandem are no easy task, may eliminate the need to increase taxes while providing the government with the means to address the province's infrastructure deficit.

Bill 20 also espouses some of—some highly undesirable and truly unfair principles by breaking long-standing rules to suit ideological and highly speculative economic views that will undoubtedly leave Manitoba further behind competitively as a place to invest, live, work and play, and leave every Manitoban with even more debt. If the government truly believes it is doing the right thing, then it should put Bill 20 before the public and let us decide as we are supposed to. I believe in the public's ability to inform itself and to vote for what it feels the government must do for them, and so should you.

Thank you very much for your time and consideration of my remarks.

Madam Chairperson: Thank you very much for making a presentation.

Mr. Struthers: Yes, thank you very much, Mr. Dhalla, and I'll begin by congratulating you on your wedding—approaching 15 years myself, I highly

recommend it, and I'll be taking that Hansard and sending it to my wife, Michelle.

I want to say that I thought your presentation was thoughtful, to the point. I was particularly interested in the line where you talked about the spirit of the bill to improve Manitoba's infrastructure. I think there were other parts of your presentation may be more accurate than that to some of the members opposite, but the—I would be very interested to know, different people have come to us with their ideas of what that infrastructure should be. We've said, clearly, schools and hospitals and highways and roads and daycares. What's your advice to this government in terms of what that critical infrastructure is?

Mr. Dhalla: I don't have advice for the government on that aspect. I think that's not anywhere close to my expertise. I have a general view that I've decided to share with you, but when it comes to the specific details, we hire you to hammer those things out.

In this case, I think that, as I mentioned, the general direction to achieve the aims of your government where this bill is concerned, are misguided. And I hope I've offered some solutions as to maybe correcting some of that.

Mr. Gerrard: Thank you for coming here and taking time out on a Saturday, and congratulations also on your recent wedding.

Want to—you've got a lot of experience doing business in Manitoba, and quite successfully. And just give us a—you know, a general perspective of the people that you talk to and what their perception is going to be of the impact of increasing the PST?

Mr. Dhalla: I'll give you a quick summary. And I'm involved with a lot of different organizations, Crown corporations, as well. And the view is that the entrepreneurial spirit of Manitoba has been killed. There is very little in terms of venture capital private investment available to grease the wheels of innovation and creative entrepreneurial output.

And, you know, Crocus was a mistake for reasons I mentioned before—a horribly designed corporate governance structure that was designed on political patronage, and this practice has to end. It's horrible that we allow such massive institutions to be run by people who are genuinely incompetent when it comes to understanding the sophisticated nature of those organizations. And I hope your government is going to take some steps in that direction.

But also, you know, just my read of the people I do business with personally—you know, no one's seeing any great boon. Of course, economic times are troubled around the world and I do have to give the government credit for not leading us into a further black hole. You avoided that, so kudos.

But, generally speaking, I think the problem that we have in Manitoba is that we've really killed off the potential for Manitobans to succeed at the ground level, at the seed capital stage, because there's no money here and nobody wants to put money into Manitoba.

Sorry for taking so long.

Mrs. Stefanson: Thank you very much, Mr. Dhalla, for being here. And again, congratulations on your wedding as well.

I did just want to ask you—it was a very, very good presentation today. I want to take this time to thank you for taking time out of your schedule, for being here on a Saturday in a summer.

And my question for you is—you sort of touched on this, that you would like to either see—and I'll just—I just want you to confirm this—you'd like to either see this bill voted down or not to—or the bill to be pulled, or that the Province goes to the people in the way of referendum. Is that correct? And do you want to expand on that?

Mr. Dhalla: I think from an ethical point of view, changing the rules out of—I would say it's more out of convenience—to impact, I guess, the attacks at a certain time that it might be needed, according to your calculations. I mean, I understand that. I don't agree with it though.

I think that there—that you have moral imperative to follow the rules. The rules have been set in place and they should not be changed, they should be followed.

Madam Chairperson: Thank you so much. Our time for questions has expired. Thank you very much for presenting.

I did want to just mention to the committee, one other person, Muriel Koscielny, was scheduled to present last night but she could not come. Is there leave of the committee to add her at the end of the first group of presenters? *[Agreed]*

And our next presenter is Allan Ciekiew—I've got to get better at this—Ciekiewicz. Names are my worse thing, I apologize—Ciekiewicz. And do you have—you

have materials? Thank you so much. And whenever you're ready, Mr. Ciekiewicz.

Mr. Allan Ciekiewicz (Private Citizen): Oh, I don't have to wait for them to distribute the material?

* (11:30)

Madam Chairperson: And just while we're waiting, I'll just let folks know, the presenters, that several chairpersons in this Assembly have ruled that it's not our normal practice to allow presenters to ask questions to the members of the committee. This has happened on both sides of the House, and so I know that it's not because either side doesn't have the answer. It's just because to do that we would need more time, I guess. Thank you so much.

If you would like to go ahead.

Mr. Ciekiewicz: Okay, thank you, Madam Chair.

Good morning, Madam Chair. I'm sorry, I have Mr. Chairman on there; I couldn't find out who was going to be the Chairperson today, and so good morning to you and to all those in attendance.

In order to justify my comments related to the matter before us, I will make use of some of my personal, actual, direct or indirect personal experiences with some of the current ministers of the NDP government. My straightforward, blunt presentation is one of respect for government, and in no way is meant to be disrespectful to any individual. And I've got three, here. I've been involved with a lot of things, and I've picked out three that I could write quickly.

Premier Selinger: On September 18th, 2011, Premier Selinger was quoted in a newspaper that if he, the government, was re-elected, that he would eliminate the school tax for seniors, a move that the NDP government projected a saving of \$35 million a year. It was a straightforward, simple statement with no conditions such as senior income levels, no time schedules attached. I wrote on May 3rd, 2012 later, to Premier Selinger and asked him: When it came time for me, a senior, to pay my taxes, do I just ignore the portion set aside for school taxes or pay the school tax and get a refund from the government? Mr. Selinger's response focused on past and future amounts that have increased and will increase the Education Property Tax Credit, but did not correspond to his simple promise to eliminate school taxes for seniors if he was elected.

Subsequent to Mr. Selinger's letter, I received another letter from the assistant director of Taxation

Analysis and a phone call from a special assistant to the Finance Minister. Neither of those responses responded directly to my expectation of Mr. Selinger.

Also, if the promise was to yield a government saving of \$35 million a year, why wouldn't it be implemented immediately after Mr. Selinger was re-elected, as the promise apparently implies a win-win situation for all seniors and the government? However, the promise appears to have been nothing more than a ruse. In fact, it appears Premier Selinger bought votes based on an empty promise.

The second one I have involvement with is Finance Minister Struthers, but it goes back a few years. A few years ago, when Mr. Struthers was a minister of Manitoba Conservation, I made a February 25th, 2009, request of Minister Struthers to allow me, if I so desired, to be given my right to make a late appeal to an operating licence for the Selkirk 'therminay'—thermal generating station. The late appeal request, if I so desired to appeal, was precipitated by the deliberate actions of the director of Licensing for Manitoba Conservation, who avoided sending me a timely announcement that the licence was issued in April of 2008.

Minister Struthers's response to me was, there was no licence issued, and therefore the appeal process didn't exist. I'm not sure why or what Mr. Struthers was thinking when he made that statement, but it was false and it still is false. Due to this false statement, I submitted a complaint to the Ombudsman department, a department that was given false information by Manitoba Conservation regarding the particulars of that matter, information that should have been verified but wasn't.

This led me to submit a September 14th, 2012, complaint against the Ombudsman department to Honourable Daryl Reid, Speaker of the Manitoba Legislature—Legislative Assembly. In a January 14th, 2013, addition to that September letter to Mr. Reid, I requested of Mr. Reid that the Legislative Assembly Management Commission review the matter, as it appeared The Ombudsman Act had been violated in two instances. After five months, I have not received a response from Speaker Reid.

If Mr. Struthers had taken the time, unless the action was deliberate or due to incompetence of his staff, to obtain accurate information, the solution to my request of Mr. Struthers could have been addressed in a couple of weeks and no one else

would have had to be involved. Can we trust Mr. Struthers?

Three involves Energy Minister Chomiak and Manitoba Hydro, actually. Minister Chomiak's verbal outburst, rant, during the first week in June 2013 regarding a comment made by an individual related to Manitoba Hydro's future plans that could put Manitoba in financial ruin, left much to be desired. Mr. Chomiak's comment that we will run out of power by 2022 was nothing more than a scare tactic. Hopefully, Minister Chomiak is cognizant of the fact that Manitoba Hydro's existence, first and foremost, is for Manitobans and not to ensure exports to USA.

Manitoba Hydro's 20-year program, projections, targets leave much to be desired, and that is probably more scary than Minister Chomiak's rant. Hydro's recent incessant television commercials, coupled with a section of Hydro's—of the Winnipeg Free Press section—of a section of the Winnipeg Free Press and Manitoba Hydro's monthly energy matters pamphlet should leave a bad taste in the mouth of every Manitoban.

It is strange how Manitoba Hydro always mentions the virtues of export revenues to help reduce our rates. But when I write a letter to CEO Thomson of Manitoba Hydro asking him a simple question, asking, how much more our rates would be without export revenues, the response to that question and all the others that I asked Mr. Thomson was: the questions are of a technical nature. It's not on paper, but give me a break here.

The government's declaration that a needs-for-and-alternative-to hearing review will be held, but stipulates that Bipole III cannot be part of such a review, should make any prudent and cautious person ask, why hold such an incomplete review? Can Minister Chomiak be trusted to make Manitoba Hydro decisions that are in the best interest of Manitobans?

So that's a little bit of all my experiences over the past, I guess, 12 years. And conclusion for this, the answer to the questions: Can we trust the above-mentioned men to do the right thing, is a definite no. Obviously, I'm opposed to the government's actions that violate section 10, part 1 of the balanced budget act. And then there are all the unacceptable increases in taxes that were not supposed to happen. Even though, all along it has been my expectation to be given my right to take part in a referendum to voice my objection to the 1 per cent increase in the provincial sales tax, I probably

always knew, based on my experiences related to the unacceptable behaviour of just the above-mentioned ministers, that my right would be taken from me. That is a shame or maybe it's a sham.

This government cannot be trusted, and by violating the law they have perpetrated an injustice against all Manitobans, whether or not any Manitobans agree with their actions related to Bill 20. Therefore, and since the government can do as it pleases with respect to a Manitoba statute, and if I or someone else had the authority, and not to be facetious, I would do as I please too. The balanced budget act, I would do as I please to the balanced budget act. That being, immediately add section 10.1 part 1 to the act which states as follows: If the government in power does not comply with section 10.1 of the balanced budget act, then all the ministers of the government are to be fired immediately and not allowed to take part in the next election, and such an addition should be retroactive to June 28th, 2013.

Copies of my letters and responses to my letters that were mentioned in this presentation are available if necessary for the perusal of the members of the standing committee hearing. Thank you for the opportunity to make this presentation. There's more, but my 10 minutes, I think, has just expired.

Madam Chairperson: Thank you very much for coming down to present.

Mr. Struthers: Thank you very much, Mr. Cherkowski—Mr.—you'd think a guy from Dauphin would get that name right—Ciekiewicz. Thanks for coming and advising us today and making your presentation. I do want to just briefly address your first point in terms of the—our commitment to eliminate the school tax for seniors. As part of Budget 2013 we did outline the—our actions on that over the next couple of years. It'll be fully phased in, in budget year 2015, partially in 2014, and this year we're taking to make sure that we put the mechanics in place to make sure seniors like yourself, who have built this province and have paid a lot of taxes over the years, will get the benefit of that.

* (11:40)

Is there—the—everything we do, though, needs to be paid for. We haven't tied that to the hike in the PST, but if we don't raise the PST to pay for infrastructure, we won't be able to afford to do other things that government has committed to. Are you okay—I get your point, in terms of the legalities and all of that. Are you okay with money being raised to

go to infrastructure so that we can afford things like seniors' tax credits and other benefits for Manitobans? *[interjection]*

Madam Chairperson: Mr. Ciekiewicz.

Mr. Ciekiewicz: I'm sorry.

Not in the manner that you people are doing it. Like, my main purpose for coming here is you people took my right. I want it back, I want to vote and then you can decide where you can get the money. Whether it's going to be this side or whether it's going to be this side, it doesn't matter to me. I just want my right back.

Madam Chairperson: Thank you.

Mr. Schuler: Yes, thank you very much and great to see you at committee. We've corresponded quite a bit over the years on all kinds of different issues.

I understand you're a retired teacher now, is that correct? And do you—you probably would have went into schools and talked about democracy; that's one of the things you probably would've talked to the students about, try to educate young minds on what's good for a country. And would you say that the way that the—this government has conducted itself in putting forward a budget and then changing the rules by which they can then get the PST by taking away a referendum, would you say that this would be an example of honesty and integrity? Is this the way that a political party should be handling democracy?

Mr. Ciekiewicz: Terrible example. Wow. I'd hate to be a teacher and say, hey, we're going to do this tomorrow, and then come to class the next day and say, too bad, we got a flat tire, we're not doing this. I'm going to leave my car. But we're just not going to do it, no matter what you say, I can't do it.

Just doesn't make sense what they've done, to me.

Mr. Gerrard: Thank you for coming and talking here and presenting your point of view so well, you know. I mean, I think we're hearing time and time again from people like yourself that there is something just fundamentally wrong with not having the right to vote and this being taken away from us.

Mr. Schuler: I want to go back again. We're trying to teach a generation of young people to get engaged in the process, and if there's one thing that we learnt from the last election, where we had an incredibly low voter turnout amongst young people—in fact, the Premier, Premier Selinger, said that he was going to

address it. Do you think that what the NDP has done, in stripping away the referendum, the right for people to vote on this, even though it's in law, the way they've conducted themselves, do you think this is one of the ways that Premier Selinger thought he would, perhaps, drive up youth participation rates in the next election? *[interjection]*

Madam Chairperson: Mr. Ciekiewicz.

Mr. Ciekiewicz: Sorry, again.

Definitely not, sir. No. It's probably to turn off people, I would think, more than anything else; just get thoroughly put off.

Mr. Struthers: I'm very glad that Mr. Schuler has opened the door to go back and talk about education.

I appreciate your work as a teacher, a retired teacher. Recently, Mr. Pallister, Brian Pallister, has come out and has said that they would cut \$550 million across the board out of the provincial government. That's a 1 per cent decrease in every department, including Education. We, this year, increased by about \$27 million, 2.3 per cent, the amount of money going into public schools in Manitoba. What Mr. Pallister is proposing would be tens of millions of dollars of cuts in education. It would harken back to the days of the '90s when Mr. Pallister was part of the Gary Filmon Cabinet that reduced funding to education every year, laid off nearly 700 teachers, who are, as Mr. Schuler has pointed out, shape and mould young minds.

Mr. Ciekiewicz, should we go back to the days of those kinds of deep cuts to education that Mr. Pallister has put a news release out saying he would do?

Mr. Ciekiewicz: I remembered this time. I don't mean to be disrespectful here, but you just—you usurp, I think, why I'm here. You just want them to get up on a platform and say what you think isn't right by the other side of the House, or with—by the Conservatives or whatever. I can't answer that. To write up something like this for me takes a real long time because I do all my own research. I go all over and I research stuff. So for me to answer that, I would have to have everything in front of me and then I would have to write something about it. So, I'm sorry, sir, I can't respond to that. Even if those ND—even if the Conservatives have—had asked me that, like, I could not answer that. You know, I'm just not capable of doing it at this point in time, sorry.

Madam Chairperson: Thank you, Mr. Ciekiewicz for coming out today. Greatly appreciated.

I'm just going to explain to both sides again. I know it's a little bit difficult with the questions—we have five minutes for questions, so I do just take them in order. I try to get to everyone, sometimes I can't, on both sides. People on both sides have been left out, so we're doing everything we can to make sure it's fair.

Thank you so much for coming, again, today. And we're on Mr. Feraz Ahamed. Good. Can't get through all the people there. And do you have materials—yes—to present?

Mr. Feraz Ahamed (Private Citizen): Yes, I do.

Madam Chairperson: Thank you so much, that—

Floor Comment: Is it okay if I sit down?

Madam Chairperson: Pardon me?

Mr. Ahamed: Is it okay if I sit down?

Madam Chairperson: Oh, yes, you can sit down. If we—can he not? He's just—it's just because of the microphone, so he's going to affect the mic for you, okay? It's just so the mic will work for you. They'll just get that fixed up. Is that okay?

I may have been wrong. I have been before, so—but please, you're seated and if you want to go ahead, that would be great. Thank you so much.

Mr. Ahamed: I appreciate that. Thank you very much.

Greetings, everyone. Thanks for the opportunity to speak at this committee on The Manitoba Building and Renewal Funding and Fiscal Management Act. My name is Feraz Ahamed and I have lived in Manitoba for the past 31 years. I'm here as a community member and do not hold membership or allegiance to any political party. The Manitoba Building and Renewal Funding and Fiscal Management Act increased the PST cost to taxpayers by 1 per cent on the first of July, 2013, and awarded a potential \$278-million revenue increase to the NDP government.

My contention is this act and the past actions of the Manitoba government puts the future of Manitoba and Manitobans at risk, and that the provincial government should not be given a single additional cent. There is enough money to achieve what is required for Manitobans, with some resources left over. We just need proper fiscal

management of our resources. The Balanced Budget, Fiscal Management and Taxpayer Accountability Act exists for a reason. The act belongs to Manitobans and it is Manitoba's public fiscal firewall, and that firewall has been breached by this government. The balanced budget—breached; fiscal management—breached; taxpayers accountability—breached. Under the current leadership, this Manitoba government is drowning in incompetence and putting the rest of 'mani'—and pulling the rest of Manitobans down with them.

The Conservative and Liberal parties of Manitoba also hold some responsibility because they are on the taxpayers funded payroll and the lack of alternative and leadership is also part of the reason why we are sitting here today.

Government service issues and challenges: the quality of government-run services has degraded to a point where some services exist to serve itself more than to fulfill the purpose for which they exist. Those entrusted to manage our resources for the greater good have lost oversight and sense of purpose for why they exist, and they are using the resources for their own good. Some members of our community, especially the business community, have greater and privileged access to services and are given large tax breaks or tax exemptions at the expense of other members of our community who could least afford to pay taxes.

* (11:50)

I have an example here where I sent a letter to Manitoba Public Insurance asking them for the plates for company's acronyms. This I did in February of 2011. Manitoba Public Insurance said I have reviewed your proposal with my director and, regrettably, Manitoba insurance is unable to participate or provide funding for your event-fundraising idea. Basically, I was going to use it to raise funds for before—fundraising for places like harvest and various non-profit organizations in Manitoba. Basically, seven months later, they were doing exactly the same thing they wouldn't do for me and for my fundraising idea for the Jets, then the Bombers and then for—but I see that they were doing it for the firefighters, which is honourable.

But I think saying that you're not able to do it for on the one hand for me and then doing it for people—well I guess if my name was Mark Chipman or maybe Sam Katz or something, maybe I may—might have got it done. But it's not, so it wasn't done.

I have some areas of concern. Basically that was my concern, was access to public services and also where some people are giving privileges beyond ordinary citizens.

I have some areas of concern, our social welfare system, we have had enough published lately about that and I don't want to say anything more.

Infrastructure and transportation, with such bad roads, can't—Canadians do not drive to Manitoba, they drive through Manitoba.

Education, school board sent—spent significant money to feed themselves while some students go hungry in the classroom. I think you guys should look into how much they're actually spending on feeding themselves. How can students read or think logically on an empty stomach? A lot of intellectual potential and opportunity is being wasted in our schools and we need to refocus on the reason why the education system exists, not on that it exists.

I did some volunteer work with some students. This is after-school volunteer work. There are some kids who come in there with the supersize Big Gulp, that's their sustenance for the day. And I'm going to guarantee you, this is no joke, okay? You guys need to look into that.

Education, Manitoba spends more per student than all provinces except Alberta. We have better student-teacher ratios and higher paid teachers than half of all provinces. Despite the high allocation of resource allocation or PISA, results have been in decline and is ranked near the bottom of Canada's provinces. Our education system and school boards are pulling our children down to the lowest common intellectual denominator. You guys should release the PISA results, by the way, so we, like, we could see what's going and we can actually make decisions on our own whether we need to educate our students in Manitoba or send them to other provinces like you guys could afford.

Health care, lack of fiscal and service quality controls make health-care funding a cash cow for many people who provide health-care services, especially some doctors and nurses. Our recent health—one recent healthy senior taxpayer, this is a guy who is 60, over 60 years old, he's worked for all his life, never had an issue, never asked the government for anything. He was healthy until a few weeks ago. He is unable to walk and he's in significant, yet to be diagnosed, pain at home. He refuses to go to the emergency ward because he

describes it as torture. Now this is a guy when he really needs our help, he is not able to get our help and he describes this lot as torture.

I could go on here about all the areas concern, but I would need 10 days, not 10 minutes. How am I doing for time?

Madam Chairperson: You have about three and half minutes, three minutes and 10 seconds, I think.

Mr. Ahamed: Okay, well I have a lot here to do, but I guess I'll keep going as far as I could.

Challenges going forward in the next 15 to 20 years—moving forward beyond the next election cycle the demographic picture is somewhat bleak. Our Manitoba First Nation population is the largest in Canada, our senior population in Canada is set to double the current amount by 2030 to reach 23 per cent of our population, combined, our First Nations and senior community members would be about 50 per cent of Manitoba population by the year 2030. They pay least or no taxes, and that will put a significant strain on other taxpayers and on our services, especially social housing and social welfare services, health-care services, child and family services and our judicial and penal systems.

Manitoba debt: Federal government debt per Manitoban is \$32,000. Provincial government debt per Manitoban is \$30,000. Average consumer debt is \$26,000. This is an amount the Bank of Canada says is the biggest domestic risk to Canada. So, basically, each Manitoban owes about \$62,000 in public debt. With an additional \$22 billion in hydro debt, that takes us over \$80,000 per person in Manitoba. And remember that the Bank of Canada and federal minister says that \$26,000 is the biggest domestic risk to Canada, and our governments are taking us into debt multiple times that amount. Those amounts do not include other debt obligations on unfunded liabilities, so the amounts per Manitoban could be much larger. We have reached the point of backward potential. The fact that provincial government exists in its current form is a liability. The government has lost its sense of purpose and any money spent going forward is for self-benefit with absolutely no benefit to the public.

To put things in perspective, in 2011, Portugal's debt was \$24,000 per person; Spain, 27; France 37; Greece, 40; Italy, 42; Manitobans, 62. Our debt is higher than all of those European countries that are currently experience social—experiencing social and economic challenges. With this stand—would this

Standing Committee on Social and Economic Development allow similar consequences for Manitoba?

We have a human rights facility at The Forks and we have a human wrong facility as this Legislative Building. Let's change that wrong into right.

Okay, so that's the negative stuff.

On the plus side, we have the potential to turn things around with positive and strategic changes, going forward. A quote from Louis Armstrong: It ain't the world that's so bad, but what we are doing to it. If we truly put aside our selfishness, what a wonderful world.

So I have some suggestions here. I'll just go by point form—point by point form. I wouldn't describe the details of it.

First, Manitoba is sunny for most of the year. We have the most friendly and generous people in all of Canada and possibly the world. Get rid of Spirited Energy, please. We need to get rid of that brand and replace it with what we truly represent. Sunny, friendly and generous Manitoba.

Second suggestion: Get rid of the school boards, the regional health authorities and especially, the Winnipeg Regional Health Authority. Those overgrown and cash-cow bureaucracies have overstayed and outlived their welcome.

Madam Chairperson: Thank you, Mr. Ahamed. You did a great job of getting so much in there, and we'll just go to questions now.

Mr. Struthers: Yes, I noticed the rest of your presentation has to do with suggestions and ways to improve, so I want to ask the committee if they would be okay with including the rest of your submission as—so it can be included in Hansard for all of us to be able to read, coming out of this session.

Madam Chairperson: We have the leave of the committee? *[Agreed]*

Greetings Everyone,

Thanks for the opportunity to speak to your committee on The Manitoba Building and Renewal Funding and Fiscal Management Act.

My name is Feraz Ahamed and I have lived in Manitoba for the past 31 years. I am here as a

community member, and do not hold membership or allegiance to any political party.

The Manitoba Building and Renewal Funding and Fiscal Management Act increased the PST cost to tax payers by 1% on 01 July 2013, and awarded a potential \$278 million revenue increase to the NDP Government.

My contention is this act, and the past actions of the Manitoba Government, puts the future of Manitoba and Manitobans at risk, and that the Provincial Government should not be given a single additional cent.

The Balanced Budget, Fiscal Management and Taxpayer Accountability Act exist for a reason.

The act belongs to Manitobans, and it is Manitoba's Public Fiscal Firewall, and that firewall has been breached by this Manitoba Government.

1. The Balanced Budget – breached

2. Fiscal Management – breached

3. Taxpayer Accountability – breached

Under the current leadership, this Manitoba Government is drowning in incompetence and pulling the rest of Manitobans down with them.

The Conservative and Liberal parties of Manitoba also hold some responsibility because they are on the Tax Payer funded payroll, and their lack of alternative and leadership is also part of the reason we are all here today.

Government Services – Issues/Challenges

The quality of Government run services has degraded to the point where some services exist to serve itself, more than to fulfill the purpose for which they exist.

Those entrusted to manage our resources for the greater good, have lost oversight and a sense of purpose for why they exist, and are using the resources for their own good.

Some members of our community, especially the Business community, have greater and privilege access to services, and are given large tax breaks or tax exemptions at the expense of other members of our community who could least afford to pay taxes.

These are some areas of concern

Social Welfare System – enough has been published, no need to say more.

Infrastructure and Transportation – With such bad roads, Canadians do not drive to Manitoba, they drive through Manitoba.

Education – School Boards – spend significant money to feed themselves while some students go hungry in the classroom. How can students read or think logically on an empty stomach? A lot of intellect, potential, and opportunity is being wasted in our schools, and we need to refocus on the reason WHY our education system exist, not on THAT it exist.

Education – Manitoba spends more per student than all Provinces except Alberta, We have better student-teacher ratio and higher paid teachers than 1/2 of all provinces. Despite that high resource allocation, our PISA (... a Global Programme for International Student Assessment) results have been in decline and is ranked near the bottom of Canada's provinces. Our Educational system and School Boards are pulling our children down to the lowest common intellectual denominator.

Health Care – Lack of fiscal and service quality controls makes Health Care funding a Cash Cow for many people who provide health care services, especially some Doctors and Nurses. One recently healthy Senior tax payer (...healthy until a few weeks ago), is unable to walk, is in significant yet to be diagnosed pain at home, and refused to go to what he describes as "torture" in the emergency ward.

I could go on here about other areas of concern, but will need 10 days, not 10 minutes.

Challenges Going Forward in Next 15-20 Years

Moving forward beyond the next election cycle, the demographic picture is somewhat bleak. Our Manitoba's First Nations population is the largest in Canada (...currently about 17% and growing), and our Senior population in Canada is set to almost double the current amount by 2030 to reach 23% of our population.

Combined, our First Nations and Senior community members would be about 50% of Manitoba's population by 2030. They pay least or no taxes, and that would put a strain on other tax payers and on our services.

e.g.

Social Housing and Social Welfare Services

Health Care Services

Child and Family Services

Judicial and Penal Systems

Manitoba's Debt

Federal Government debt per Manitoban ... is about \$32,000

Provincial Government debt per Manitoban ... is \$30,000

Average consumer debt is \$26,000, an amount The Bank of Canada says is the 'biggest domestic risk' to Canada.

So each Manitoban owes about \$62,000 in public debt, with an additional 22Billion in Hydro's debt, it would take us over \$80,000 per person in Manitoba. Remember The Bank of Canada and Federal Finance Minister says \$26,000 is the 'biggest domestic risk' to Canada, and the same Governments are taking us into debt by multiples of that amount.

Those amounts do not include other debt obligations and unfunded liabilities, so the amounts per Manitoban could be much larger.

We have reached the point of backward potential. The fact that the Provincial Government exist in its current form is a liability.

The Government has lost its sense of purpose, and any money spent going forward is for self benefit, with absolutely no benefit to the public.

To put things in perspective, in 2011, Portugal's debt was \$24,000 per person, Spain \$27,000, France \$37,000, Greece \$40,000 and Italy \$42,000.

Our debt is higher than all of those European Countries that are currently experiencing Social and Economic challenges.

Would this standing committee on Social And Economic Development allow similar consequences for Manitobans?

We have a Human Right facility at the forks, and a Human wrong facility at this legislative building.

Let's change that wrong into rights.

On the Plus Side

We have the potential to turn things around with positive and strategic changes going forward.

A quote from Louis Armstrong ... "it aint the world that's so bad but what we are doing to it. If we truly put aside our selfishness what a wonderful world."

Here are some suggestions

1. First suggestion, Manitoba is sunny for most of the year, and we have the most friendly and generous people in all of Canada and possibly all of the World.

Get rid of the "Spirited Energy" brand and replace it with what we truly represent ... "Sunny, Friendly and Generous Manitoba"

2. Second suggestion, get rid of the School Boards and The Regional Health Authorities, especially the Winnipeg Regional Health Authority.

These overgrown and expensive Cash Cow bureaucracies have overstayed and outlived their welcome.

With the savings, we can afford to remove the household education tax from all Manitoba households, not just for those with owners over 65 years old.

Business education tax should remain, but Businesses along with Parents, Community Members, Educators, and Politicians, should also have a representative seat at the table, for input into the content and administration of our education programs.

3. Third suggestion, we live in an interactive world. We need to change schools into stimulating places, where classrooms are magnets for creative and eager minds, where teachers are changed from orators, controllers, and babysitters – to – facilitators, monitors, and coaches.

4. Fourth suggestion, Manitoba Hydro – no need to build costly Dams, we have working Solar cars and Solar planes, how about Solar electric power?

Another quote"Manitoba has an abundance of Solar energy. One per cent of this energy would be equal to almost 200 times the annual output of all the hydroelectric dams in our province."

Source: Manitoba Hydro

http://www.hydro.mb.ca/your_home/Solar_water_heating/

So why not consider a hybrid Hydro/Solar solution? Manitoba Hydro will provide both the existing Hydro Electric power, and new Farmed and Residential Solar power installations.

Manitoba Hydro will facilitate the setup, maintenance, and administration cost, and customers will purchase the power from Manitoba Hydro (same as existing Hydro Electric service).

Solar benefits outweigh costs, and most costs are offset by direct or indirect benefit.

Benefits:

No transportation cost, or similar costs associated with setup and operations of a Hydro Dam (Remote Infrastructure, Transportation, Property owners, stakeholders, First Nations, Environmentalists, etc).

No environmental tear/wear or ecological impact and Bi-pole dilemma.

Perpetual and free energy in Sunny Manitoba, no worries about water levels, lack of rain, or drought. Clouds, maybe, but we have Hydro Electricity power as backup.

Dual Solar/Hydro power source is beneficial for mitigating negative effects of disasters, interruptions, and power outages.

Improving technology – Cost of Solar implementations has been reducing over time, and reliability and efficiency increasing over time.

Savings from economies of scale from high volume purchase (if Manitoba Hydro assumes setup, maintenance, and administration cost).

Clean and renewable source of energy, and no greenhouse gas emissions.

Innovation and Job creation (for setup, maintenance, and administration) ... German Solar industry employs over 65,000 people.

Excess Solar power can be stored locally, or distributed back to the grid for the general public usage.

Flexible – Ideal for urban or rural applications, without expensive transportation cost.

Solar electricity cost will be less than the additional cost to build the Dams. In Germany, the cost increase was about 12 Euros per month for an average household. However, that cost would be offset by putting excess Solar power back on the Electricity grid.

Biggest Benefit ... Incremental Savings vs Incremental Cost.

For every dollar Hydro borrows to build a Dam, the loan interest cost increases. Also, the entire \$22 billion must be spent before a unit of electricity can be generated.

For every dollar Hydro borrows to build a Solar installation, the loan interest cost increases.

However, each installation is built in increment of about \$15,000, and will result in immediate returns to Hydro in fees and excess energy returned to the grid. This will significantly offset and reduce loan interest cost for each \$15,000 investment.

Cost:

Large Solar setup cost (this will be mitigated if done by Hydro – may be less than setup of Hydro Dam and transmission lines, and negotiations with stakeholders). However, given environmental awareness, the increased demand from propensity to adopt Solar applications and expected economies of scale means less cost for all.

Depreciation/Replacement cost – Solar panels and Inverters depreciate over time (may last 15-25 years), but most panels and some components have 25 year warranties.

Need Sunlight to generate power, but that can be mitigated by storing excess power during the day for reuse at night or on cloudy days, or use Hydro generated electric power when Solar electric power generation is low.

Components occupy large space with relatively low efficiency per square ft, but that can be mitigated by integrating the components into existing surfaces (e.g. Solar panel roof/windows).

Not maintenance free, but provides jobs for cleaning and maintenance, and that is good for the economy.

5. Fifth suggestion, cleanup lakes and waterways and destroy/burn high algae concentrations.

When algae dies, the decomposition process removes oxygen from the lake. It creates dead zones that are inhabitable for fish and other species that require oxygen to live.

6. Sixth suggestion, we need to streamline our Health Care System.

a) Services for healthy people – e.g. annual checkups. These patients are healthy, and are not mixed in waiting rooms with unhealthy people, and do not need a regular Doctor. In highly populated areas, we build mega centres where services are only provided to healthy people for annual diagnostics and checkups. Somewhat like a manufacturing assembly line strategy.

b) Services for patients with emergencies and undiagnosed health issues. These will be fast tracked because treatable issues may become serious or fatal with longer elapsed wait times.

c) Services for patients with diagnosed short term health issues.

d) Services for patients with diagnosed long term acute health issues.

e) Services for patients with normal Life issues e.g. Pregnancy, Births.

7. Seventh suggestion, in general, cut back on current and future Government Employee perks, we can no longer afford luxurious compensations. Any benefit granted going forward must be matched by benefit to tax payers (e.g. higher productivity or removal of another benefit).

e.g. Remove Hydro nine-day work cycle, we tax payers can no longer afford to pay for such luxuries.

8. Eight and last suggestion, Fair Taxation. Anyone submitting an expense to Government must pay all tax portions (if any) of that expense. Government should not be the recipient and payee of a tax expense, because that means no tax is actually paid. That cost is actually borne by people and entities that do pay taxes, and is an unfair burden on them. This may also reduce expense claim abuses.

e.g. If a Premier of Manitoba or a President of Red River College submits a \$1.13 expense for a package of chewing gum, and tax is \$0.13, they can only claim the non-tax \$1.0 portion of the expense. e.g. Politicians and Government Employees should pay the 8% tax portion of any publicly funded Insurance Benefits.

I trust that as stewards of our limited resources, that this committee, other Politicians, and The Manitoba Government will work on reducing the expense side, and strive for a more positive environment for all Manitobans, and be an example and model for all Canadian leaders, and possibly all leaders of our world.

Finally, to Manitoba Conservatives and Liberals ... do not be complacent and assume we will vote for you. With hard work, you have an opportunity here to deliver for Manitobans, don't waste it!

Mr. Struthers: Okay, and I want to thank you, Mr. Ahamed, for coming and speaking with us here today. I enjoyed listening to your presentation. I noted that you understand that we need to invest in our infrastructure to grow our economy, and I appreciate that.

I particularly was struck by what you had to say about health care. The example that you gave and, I think, the importance that you put on an accessible health-care system and, you know, the role that the government has to make sure that that stays there, I want to point out that Brian Pallister has publicly stated that his—if he was to become Premier, he would institute a different framework. It would be a two-tier system of health care, a private, for-profit health care. What would your advice be to us about adopting a two-tier system of health care, based on the amount of money that you make for profit and private?

Mr. Ahamed: Well, like I said, I've documented it here. I think there's enough money to go around. There's no need to do something like that. I think what we need to do is look at how—what we spend, how we spend and how we structure things. And there's ways in which you—we could focus on where we need the resources most and streamline the services so that there's no duplication of effort.

So I'll give you an example: I have to go to the doctor. In the past, I would go to one visit. Currently, sometimes it's three or four visits, and they restrict me sometimes to five minutes. That's unrealistic. The framework in which we do our health care today is not economically viable. There's a lot of waste; there's a lot of overhead; and there's a lack of actually providing service to people when—if and when they need it.

* (12:00)

And I have some suggestions here that I already documented in point six, and if you want to have a look at that, maybe if you guys want to meet with me at a later date to discuss whatever else I have here, I'd be willing to meet with you guys to discuss it and maybe present some other ideas that I have.

But I'm sorry that I didn't have enough time. I guess I—I'm a little bit nervous, so—and it took me longer than I actually should have.

Madam Chairperson: Thank you. You didn't appear nervous at all.

Ms. Oswald: Madam Chair, I was just going to request that it go into Hansard as Mr. Struthers said, so that's all good.

Madam Chairperson: Thank you.

Mr. Gerrard: Thank you very much. You've clearly put a lot of effort and a lot of thought and have some creative ideas here for the committee.

Perhaps you could tell us a little bit more about your—the business you're involved with, the profession and the implications for the changes here.

Mr. Ahamed: I'm not into business. I just—I work for a company. I'm just an IT guy, actually, probably supported a lot of you guys in my past life or my past history—work life, that is. But I'm—my concern is about community issues. I do a lot of volunteer work, and I see things happening in all communities that, through my volunteer work, that there is definitely a need for more services in all communities. There's a lack of commitment by—we're spending a lot of money in services, but when you look at what is delivered after spending all that money, there's significant—a disparity in terms of how much we are spending versus how much we are actually achieving on the ground.

So I think we need to do things like spend less on telling us what we have to do and more on actually doing stuff. We need less conductors and more communications—less communications people and spin doctors spreading false and deceptive words. What we need is actually boots on the ground that's actually doing it. For example, we don't need people telling us we need infrastructure upgrades. We need less people to tell us that we need infrastructure upgrades and more people actually doing the infrastructure upgrades. It's just—there's a disparity here and something needs to be done about that. We need less administrative work—workers, and more people actually on the ground doing the work.

Madam Chairperson: Thank you so much for coming, and our time for questions has expired.

And I do need to apologize to the committee. I should have asked leave before I allowed Mr. Ahamed to sit down at the table, so I apologize to you here for that.

Our next speaker is Ms. Elizabeth Carlyle. And do you have materials to present?

Ms. Elizabeth Carlyle (Private Citizen): No, I provided one copy of my notes for the Chair; otherwise, I'll just give you my notes.

Madam Chairperson: Thank you; thank you. So, as soon as you're ready, you can go ahead and start.

Ms. Carlyle: All right. Good morning. I'm here as a private citizen to speak in support of Bill 20, and I'll focus in particular on the 1 per cent increment in the PST.

So, over the past decade and a bit, Manitoba's implemented a somewhat mixed bag of tax measures, both to generate revenues and in the form of forgone revenues or tax credits. Some measures have resulted in greater revenues for important programs and services and have distributed taxation equitably; some have not. Now we're here to consider the implications of a modest upward adjustment to the PST.

Madam Chairperson: I'm sorry. Can you just stop for a sec? I think we forgot to get your mic in right. He's just going to fix your mic for you, so we can get every word recorded. Thank you.

Ms. Carlyle: Sure. Thank you.

Madam Chairperson: Could you say something just to test it?

Ms. Carlyle: Sure. Is that loud enough? Does that work?

Madam Chairperson: Yes. I'm sorry about that. Please go ahead.

Ms. Carlyle: Sure. I was just saying that Manitoba's implemented a somewhat mixed bag of tax measures. Some of them have distributed taxation equitably and raised revenues, some have not. We're here now to consider this modest upward adjustment in the PST.

I think it goes without saying that this type of government decision is tough and bound to draw ire from a vocal, but often small set of interests, so context is important.

Manitoba has a lot of things going for it, and we've heard about some of those things. And I—but I think we have to face up to the fact that sources of revenue in Manitoba are limited. I mean, objectively, we do have to make some tough decisions with the infrastructure needs that we have. And I think that the PST increase is a reasonable way to go when you balance all the factors.

The federal government has retrenched so much over the past few decades that it's hard to remember what they now fund. They seem to have cut more than they actually fund, and it leaves Manitoba in a bad position.

It also has been the case that previous provincial governments have made massive cuts both to revenues and to programs, and I think that that has to

be factored in. When you have a half-billion dollar of built up lack of resources, it's bound to have an impact on the current government.

The current government has wisely invested in hydro power, roads, floodways, schools, hospitals, healthy living, child care, housing, socioeconomic equity and poverty reduction, social services and plenty more. More could be done and that's where the PST increase comes in. And it's not about just spending blindly, but it's about providing services and infrastructure that people need and have to get somehow. And I'll talk about that a bit more later.

Given revenue limitations, the annual \$200 million-plus that people estimate will be raised by a 1 per cent PST increase, could go some distance to increasing program funding, by making resources available for that, as opposed to for the infrastructure, but also reducing that huge infrastructure deficit in Winnipeg and other municipalities, as well as moving us towards greener energy.

It really is a matter of government project priorities. A lot of the things I'm saying here today have been said by other presenters. And I think it's really a matter of priorities and where we think the decisions need to be made. And I'm here again to support the PST increase, but I think that we should all be honest about the fact that this really is an issue of principles and priorities. And we—I think that that's going to be clear in my presentation.

I'm one of two income earners, I have three children and I don't relish the idea of paying more taxes to be honest but I want to pay my fair share and, more to the point, I want to live in a province that has a plan for infrastructure, for vulnerable people, for public services and for all the things that me and my family need and, I know, me and my neighbours need. And I know that someone has to pay for these things. I like the idea of sharing the costs, and I don't want to have to organize that myself. That's why we have government. And I think that the government should be able to do its job.

I think that the criticisms of this PST increase have been inflated and made into a bit of an emotional argument. And I'm here to say that, yes, it's an emotional issue for me, too. I value the things that this PST increase will help pay for. But I want to keep it to really what the priorities are, and what my priorities are as a person living in Manitoba. I don't want to live in place where user fees reign. And maybe I can get by but my neighbours might not.

My family just experienced a horrible arson fire in our backyard, just last weekend. And we were lucky that no one was hurt. If they had been, I know they would have had a hospital to go to—wouldn't have had to pay cash at the desk, and I'm happy for that. I—we had many willing and compassionate neighbours, and they were there to help, but so were a lot of perfect strangers. And those strangers were firefighters and inspectors, police, hydro workers and others who were on the scene so quickly, and did their jobs so efficiently and so effectively. And you know, they were using our publicly built infrastructure to save my house, and my kids, and my family. And I have private home insurance, but I would not have been able to personally pay the costs of all those other people who came to help on the scene.

And, you know, I experienced, through the insurance company, some of the cleanup from this arson fire. And the private company that came to do some of the cleanup, the workers came with no safety equipment, no barriers against the substances they were dealing with, melted plastic, melted metal, creosote, et cetera. And I know that that's sometimes where we end up in the private sector, because there's a profit motive. And so I think that's why it's so important, if we do have to have these services for the public sector, to be taking care of them, because then we have a built in set of protections.

And if you want to talk about democracy, that's where a lot of democratic decisions and processes lie, is in the provision of public services, and the public control of those things. And so that for me is a real priority.

And I, for sure, mentioned to the private contractor, you can't send those workers back here without protective gear. They were wearing nothing, not even gloves. It was just ridiculous. But, I mean, that's the kind of choices we have to make and the kind of emphasis I wanted to put on the issues.

And the youth who was affected by FASD, who set the fire, he needs all the supports he can get, and I know he will get them in Manitoba. He might not in other provinces. He might be given a bus ticket to the edge of town in another province, but here he gets the supports he needs. And I'm hoping that he would get the attention he needs after this obvious cry for help.

*(12:10)

So think of the generalized crisis, like a flood or a forest fire. Obviously, we need public resources to marshal and cope with those things and move forward. My little incident in my backyard marshalled public resources, but if you do that on a broader scale you can see the magnitude of what we're dealing with. And comparing that to a 1 per cent increase, and it's—to me, the balance is on the side of, yes, let's do this, we need to make sure we have our future secured.

Thinking about my kids, the more I realize that they have teachers, custodial staff, bus drivers, support staff at their school who are just wonderful. Coincidentally, last school year there was a fire at my kids' school, and, again, the kind of resources that are marshalled and the way that people do such a good job of helping those kids. So the school's not just there to teach.

And I heard some other speakers talk about the—you know, the quality of our education. My kids are getting an amazing education that I could never afford to provide them privately. I just wouldn't be able to. And it's—and the focus has changed over the years. I learned that my kids are learning a different way of doing long division than I did, and there are lots of good reasons for that. They're learning to use abstract thinking in a different way that has evolved over the last 30, 40 years, and I appreciate that. And so I think that our education system here is top notch, and I wouldn't trade it for anything.

So these are only a few examples of why we need an important and adequate tax base. All this might seem obvious, but I think it really is that simple given that I'm not hearing the critics of the PST increase articulate alternatives for provincial revenue generation. And I'm hearing mixed messages. I'm hearing some people say we don't need all this stuff, I know—but a lot of other people are saying, actually, we do need all this stuff. But there is no suggestions to how to pay for it. The idea of cutting or cutting back, I think that that's been tried. It didn't work; it actually raised costs in the end because you add inefficiencies and you add a lot of chaos, and I think that if we have well-run public services, nothing can beat that for some of the core things that we need. Doesn't work for everything, but it works for a lot of things, like some of the things that I have mentioned.

Now, looking at some support—my support for the PST adjustment, I just wanted to spend a little

bit of time on concerns. I don't have a lot of patience for criticisms that revolve around the idea of low taxes at all costs. All that really does is widen socio-economic inequalities, compromise public services and create a lot of chaos. I think we've seen that in a lot of other countries who are harder hit by some of the economic crises, partly because of the sort of laissez-faire approach to having protections in the economy, protections for how essential public services work, et cetera.

I see the low-tax argument as either ill-informed or short-sighted. In fact, critics should be reminded that if you look at the entire set of taxes, household expenses and out-of-pocket expenses for Manitoba households, Manitoba comes out as affordable, if you look at all the calculations. Again, you can focus on taxes, but then you're forgetting that a low-tax environment, you're having to pay for the same things that taxes would've paid for, just through your own pocket.

And so, you know, we can't fool ourselves into thinking that Manitoba's such an awful place for taxes; it's not. And people wouldn't stay here if it—you know, if it were. It's a smallish province with a small population. We have some challenges related to that. We have, you know, growing populations in some areas that are lowest income populations, and that's a challenge. We have an aging population. We have all kinds of challenges. And I think the infrastructure challenge is just one of those, and so I'm pleased that there's such a focus on it and I hope that the government will continue to focus on all those other challenges that I've been mentioning.

And so, I think that stability and democratic structures and public services are paramount, and I think that the PST increase is one of those cases of trying to be pragmatic within existing realities in order to prevent worse options from being implemented.

I stated at the outset that I'm here in support of Bill 47, but I wouldn't feel right about leaving this audience without emphasizing a point that Lynne Fernandez and the late Errol Black make in their brief on the pressing need for increased tax revenues. They state in that brief that changes to the Province's cost-of-living tax credit could accommodate protection from sales tax increases for lower income Manitobans.

And I think their overall message here is that we need this PST increase, but also we need to

acknowledge that, yes, general sales tax increases do disproportionately affect those living on lower incomes because they spend more of their income on consumer goods and services. That's just a reality. They don't have a lot of money tucked away in savings accounts and investments. And so, we have progressive taxation in Manitoba.

And the one thing I want to say, in conclusion, is that I really urge Manitoba to focus on having the most progressive taxation measures in Canada so that those who can afford to pay higher income tax rates do and those who can least afford to pay income taxes are given a break, and I encourage the Province in that direction.

I also wanted to just mention briefly that some of the exemptions and credits for things like new rental housing are important to help smooth out some of the bumps of implementing any new tax, and I just want to say that I don't agree that the tax is ideal, but I do think that it's necessary. In the balance of options and priorities, it's reasonable and, I think, highly warranted. Thank you.

Madam Chairperson: Thank you so much for coming down to present. Committee questions?

Mr. Struthers: Thank you very much, Ms. Carlyle, for coming and speaking with us. You've clearly done your homework. You've covered the waterfront in terms of the services that are essential that the provincial government provides. I was especially interested in your anecdote about the arson fire of your neighbour and how it was good to know that there was a hospital there for your neighbour without having to dig into his wallet to use. And you've heard what we've said about Mr. Pallister and the Conservative position on a two-tier, for-profit, private health-care system.

But I was also interested—you tied that into family services, which I think is very wise on your part. Mr. Pallister and the Conservatives have said they're going to cut \$550 million indiscriminately across the board, hitting every single department, including family services which would be a 1 per cent reduction to that department. We figure that would mean about 130 to 135 social workers that would be impacted negatively if that came to be.

What kind of impact would that have on the people who—well, you mentioned the FASD young person who needs the support, instead of being out

there lighting fires, needs support to help to stop that and to be a productive member of society.

Ms. Carlyle: I think that it's pretty clear that there would be a negative impact on people who need those kinds of supports, and other speakers have mentioned that Manitoba has, we do have the need for these kinds of supports. We are a province with modest means overall and we've had some real creative and well thought out moves towards having some economic stability for Manitoba. But let's face it, we do need to work at it, and it's not an easy place, as other people have said, to attract investment, et cetera, and there are lots of reasons for that and the PST is not one of them. I mean, I just want to make that clear.

So I think that we do have to invest in people and in social services, and if we don't, it costs way more to deal with it later. It just does, you know, and there's no way around it. It's about planning for the future and making sure that we're being rational about how the Province spends the money, and I think that this is a rational decision that the Province is making.

Madam Chairperson: Thank you.

Mr. Gerrard: Thank you for your presentation and your thoughtfulness. Perhaps you could tell us a little bit about yourself and where you work and how you see first-hand the impact. *[interjection]*

Madam Chairperson: Sorry, Ms. Carlyle.

Ms. Carlyle: I said I have a growing family, a young family, and I live in the West End. I love my neighbourhood and it's a great place to live. I work at the—for a labour union, and I'm working right now with workers at the Health Sciences Centre, and so, yes, I see every day the value that public services bring. And I don't think that people should be cynical about that.

I haven't always worked for a labour union, and I have had these strong opinions on issues before coming to that position. It's—but it is working for the labour union that I do work for, it's a great way to see the difference. Like the—my members would never go to a work site without the right gear on. You know, the union wouldn't allow it and their employer would know they couldn't get away with that.

And so I think that it's important to not to be cynical about my comments. I think everybody here

comes with their perspective, and I think that, you know, it's—the comments I made stand on their own, regardless of, you know, of—

Madam Chairperson: Thank you.

Mr. Ewasko: Yes, I thank you, Ms. Carlyle, for your presentation. The one thing that—in regards to being sitting in these committee hearings for the last few days and listening to the various presenters, I find it quite comical that our Minister of Finance (Mr. Struthers) now chooses the time to ask the presenters questions in regards to what their thoughts would be to how to spend some of the money, and I do hear the minister doing a little bit of grandstanding. And I saw yourself shaking your head when he was talking about the untruths that he was putting on the record in regards to some of the things that our side would possibly do a little bit differently.

In 2011 for the election, we had heard quite clearly that they were going to balance the budget by 2014, '15 without raising taxes. So, on one hand, we're expected to believe them back then, yet, today, how are we to believe what this minister is saying today. I'd like to hear your words on that as well.

*(12:20)

Ms. Carlyle: Thank you. You know, I rely more on track record than promises. And I'd like to—I hope—I sense that part of this whole debate is electioneering and I'd like to leave the electioneering out of this and focus on what Manitoba really needs.

And I think it's been clear for—you know, I went to university in the mid-'90s and in one of my courses we had somebody from the City come in and talk about the infrastructure deficit; that was almost 20 years ago. And he said that one piece of sewer pipe in Winnipeg gets replaced every 800 years. I mean, that was almost 20 years ago, so you can imagine what the—I don't even want to know what the replacement rate is now. And I think that it's high time the government dealt with it.

And so again, track record is more important to me than promises. And I think we can all, you know, analyze politics and see what's happening here. But I'm really adamant that we have to stick to the issues at hand.

Madam Chairperson: Thank you so much, Ms. Carlyle. I'm afraid that question time has expired.

I do apologize to those who don't get on the list. Thank you again for coming.

Our next presenter is Angela Brown. You have some things to disperse? Thank you. Our staff will help you.

Ms. Angela Brown (Private Citizen): In paragraph 3, it should be 39 per cent instead of 61 per cent. Pardon me, a seniors moment. And pardon the big streak, it seems to be a feature of the faxes from high latitudes, northern Manitoba.

Madam Chairperson: Okay, please go ahead and present.

Ms. Brown: I had a lot of questions here and Socrates is my hero, so I don't want to offend anybody by these questions.

My question is: Do we still live in a democracy? If so, why aren't taxpayers given a voice in matters that directly impact their economic existence? We're supposed to budget, so you make a budget. And all your plans are thrown out because along comes another tax. Now the PST is just one tax that has appeared, the increase is one tax that has appeared in the last few years.

A 1 per cent PST increase may not seem to be that much on the surface. But, for example, when the cost of hydro increases, that means we not only pay more for hydro but more in PST; 8 per cent off a hydro bill that is larger means more money. And don't forget the GST, as well. That is a triple blow for the hard-working taxpayer, three increases—an increase in hydro, an increase in the amount we pay in PST and an increase in the amount we pay in GST. Increases in the cost of goods and services occur all too often and thus increasing the amount of taxes we pay.

We, the taxpayer, awaken each morning to the realization that our bank accounts are being bled more and more each year. For example, our balance protector plan on our credit card is now being taxed; that was news to me when I got my statement and look, I thought, wow, what's going on here? Taxing not only our assets but our debts as well—I recommend to this government that they launch an in-depth study to determine what percentage of the taxpayer's disposable income goes to taxes after the initial 39 per cent has already been deducted before we even get our paycheques.

Remember, too, that all three levels of government levy taxes on us, which, added together,

comes to quite an alarming sum of money. How much longer can we survive like this? When is the introduction of new taxes going to stop? Today we're fighting an increase in the PST; what will come up next year?

About a couple of years ago I recall getting taxed on our insurance benefits plan.

Oh, did you hear me? I'm a teacher, so I have a loud voice.

So how much longer can we go on like this? When is the introduction of new taxes going to stop? Does this government even care that families are hurting economically? Do the lives of the taxpayers and their families matter? What is the incentive for working hard to be self-supporting when so much of our hard-earned money is being taken away? Money problems lead to stress, which lead to health problems, thus, more need for medical services—counterproductive.

Having said that, I believe in paying my fair share of taxes. We should have enough of our paycheques left over to meet at least the most basic of our needs. That is not easy in a world where the cost of living is ever-increasing as well. People should not have to lie awake at night, wondering how they're going to make ends meet, especially if they're a hard-working person. I've worked hard for 44 years. I'm 67 years old and I'm still teaching. And it's very hard to put yourself in a retirement position, given the fact that you're being bled and bled and bled every single time we turn around. This puts stress on the whole family, the building blocks of our society.

Something is seriously wrong with this system, and I think an investigation should—a committee should be struck to find out how exactly is this impacting the taxpayer. You may not realize from where you're sitting what the taxpayer is going through. With the ever-expanding leak in our bank accounts, what kind of a future do the taxpayers and their family—their families have to look forward to?

As a teacher, I've talked to a lot of young people, and I raised a son myself, and the amount of despair that exists in the minds of our young people today because of the ever-increasing cost of living and the ever-increasing taxation—and that's basically all I have to say at this point.

Madam Chairperson: Thank you so much for coming to present. Committee questions—

Mr. Struthers: Thank you, Ms. Brown, for coming in today and speaking with us. I think you make some very good points about how taxes compound on each other and pile up on a person. I understand that. A presenter earlier today, I thought, made a very good point in terms of the debt that Manitobans carry. The biggest part of that is the federal debt onto individuals. The Province—that person mentioned Hydro. There's also municipal taxes that pile up on you, so I understand that.

Having said that, the position of the Conservatives under Mr. Pallister is that they would take hydro to market rates, which would significantly increase the rates that Hydro charges to you as a taxpayer. That would really pile on on top of the already—tax burden that you describe here today. Would you advise this government to move, and would you advise Hydro to move towards the market rates which would be significantly higher than the rates that Hydro charges now?

Ms. Brown: What I would advise is that a knowledgeable and—committee be struck just to see exactly how the taxpayer is being affected. Because from where—and even from where I am, I'm not the worst off in this situation. Mind you, at 67, I haven't retired and I'll probably be working at 97 at the rate we're going. But I would challenge the government to develop a committee, if you will, and do an in-depth study: what does 8 per cent PST mean for the average person when the consumer goods that they have to buy on a day-to-day basis are constantly going up? It's like the cost of gas. If gas goes up, you pay more taxes, not only PST but GST as well. So is that—that needs to be seriously looked at because that is a hidden leakage, if you will, from the taxpayer's bank account, and you don't know what you're going to wake up to each year.

Madam Chairperson: Thank you.

Ms. Oswald: Thank you very much for your presentation. Certainly, I think you offer good advice about making sure that there's continuing analysis going on about impact on individuals. I want to assure you there's a lot of work going on in that regard, but I don't think anybody should take a break. I think that that should keep going.

* (12:30)

I wanted to ask you a question because you've made reference to the fact that you've been a teacher for your career. In the spirit of full disclosure, I'm a teacher too, so I will say that. The other evening

there was a presenter that came forward, and very articulate and thoughtful—I didn't agree with a lot of what he was saying, but certainly he said it in a very articulate way. But he did make one point about a way that we could save money, and he characterized our society as two kinds of people. I think he called them the makers and the takers. And the makers were people, I believe, like himself, plumber, electrician, tradesperson—really important in our society; and he classified the takers as teachers, nurses, et cetera, people that got government salaries versus not, I guess. And I noticed an inherent irony in what he was saying about the makers in our society, the electricians and plumbers, while disregarding the teachers who—the takers who would have taught these people to become electricians and plumbers and so forth, and I wondered—and I noticed my opposition colleagues nodding in agreement with this—I wondered what you think about this characterization of takers and makers?

Ms. Brown: I firmly believe that we should all be able to manage a budget. For example, I own a \$10,000 house, that's my infrastructure. Nothing lavish about it. I do not spend lavishly but I find that more and more off my paycheque, like, 39 per cent, is gone before I even see it. And with the hidden taxes that are fallouts from the increase in taxes, I would venture to say about another 25 per cent of the remaining 61 per cent goes to taxes. And then there are other kinds of fees, for example, if you have a credit card, because, well, the high cost of living demands that you have one; there's also interest and stuff like that, as well. So we are being bled from every single angle. Our paycheques are being bled.

Now as far as the takers and the givers are considered, there are people who work hard all their lives and I'm one of them, at 67. The only reason I managed to do it is because I never had time to sit down and stew about problems, but I reckoned that, you know, if you're giving to society you shouldn't be—there are perfect takers and perfect givers. The ones who give and get nothing in return, and it seems like the taxpayers are becoming those. I mean, I would like to see the infrastructure in this province better, but what are the priorities?

My priority is survival on a day-to-day basis for the average family, reduction of stress so that health problems can be lessened to ensure that we don't have the high needs for medicare. Because a lot of the people dying of heart attacks, a lot of the people having strokes that I know, it is because they are stressed to the hilt, and a lot of their problems are

financial. And, yes, I will agree that there's mismanagement of money on the part of some people. A lot of the taxpayers do not mismanage money, they just have a difficult time trying to make do on their disposable income after the 39 per cent has been removed and they're being loonied and toonied after that.

Madam Chairperson: Thank you so much, Ms. Brown. Really appreciate you coming down today to present, and thank you so much. Our time expired a while ago there, sorry.

An Honourable Member: Point of order.

Point of Order

Madam Chairperson: Certainly.

Mr. Schuler: To the committee, normally there is an opportunity for both sides of the table to ask questions, and we appreciate the Minister of Health's (Ms. Oswald) interest and involvement in committee. Maybe we could ask questions and not just give speeches, and I think it's a little offensive when two ministers sit at the table and really bring nonsense stuff like the hydro rate increases and all the nonsense we've had.

We would like clear questions asked. I would have liked to have asked you a question, but you know what, Madam Chair, frankly, there's too much verbiage and garbage being put on the record about individuals who aren't here, about—if we want to have a policy debate, maybe we should move a different committee to the other side and debate policy about where the parties stand, but that's this is not what this is about. This is about asking you questions, and, you know, maybe you could call people to order, because the opposition was not given the opportunity to ask you a question, just government ministers, which—well, we'll leave it at that.

Madam Chairperson: All right. Thank you so much for your point. I'll just speak to that briefly, if I could. What we're doing—in this particular case, I had no one from the opposition who had put their hand up when I asked Ms. Oswald to go. What I am doing, because I'm very concerned in making sure that we do keep it fair; we want to do that. So what I'm doing is going to alternate between the two so we will get one from government, one from opposition, before we go back. But in cases where I don't have a hand, there's not too much I can do.

So thank you, I very much appreciate it. And I would just like to say to everyone, you're doing so

well and I know that it has been, you know, it's tough. People do have high emotions in these things, and we do really want to keep it so everybody gets an opportunity.

Thank you so much again, Ms. Brown.

And I will make, sorry, one more, just one more reminder with regard to the points on questions, folks. Just to remind you that questions addressed to presenters should be clarification based on the information contained in the brief. So, if both sides keep that, we will all do very well, and if you put up your hands, I will absolutely go in order. Okay? Thank you.

Madam Chairperson: Next speaker is Mr. Kevin Shumilak. Shumilak. And Mr. Shumilak, do you have any materials to present? No, okay. So if you would like to just go ahead with your presentation, that would be fine. We'll just wait for a moment. Good, thank you.

Mr. Kevin Shumilak (Private Citizen): Just to kind of begin, just bear with me, I'd just like to say that I believe what we have is a shaving problem right now. So I'm, like I say, bear with me, and if we can do the shaving problem without cutting ourselves, I think everybody's going to be happy. So I think we all know where we're going with that.

So Manitobans already been bombarded with too many taxes as it is already. Taxes have been compounding in nature. They've been taking their fair, more than their fair share of taxation in this province and other places as well.

Currently, rapidly rising food and energy costs, our simultaneously rising PST, already with other forms of taxation, of course, and is becoming compound taxation. If this increase continues to be approved without a democratic process, this is exactly what is happening.

We should be significantly exploring other avenues and resources for infrastructure money and also implementing money management programs to show our governments, for politicians, money-managing programs how to spend money properly and by not neglecting infrastructure expenses, including any other expenses.

I just want to quickly tell you, I live beside the Disraeli Freeway, and when I was young, growing up, I used to always hear the sandblasters, the workers on the bridge. But that all stopped in the 1990s, late 1980s, and now we have to replace the

bridge. So that's why it's very important; maintenance is very important, you know, and we should never neglect, especially infrastructure, so roads and basically what this is about.

We need to promote transparency, accountability within governments if we're ever to lower taxes, including other forms of taxes by which would indeed make for a truly responsible government.

I've sure—I'm sure you've heard already a few times people running whole households. Well, my household is my province and I live very sustainably and economically, and I can't go over what I spend, you know. And I can't just go get a credit card because that would be totally unsustainable. We live in such a rich world, all the money problems we're having, we clearly have a selfishness and greed problem going on in the world so that should be acknowledged.

One important reason for not allowing the increase to continue is that it would be unconstitutional behaviour, unless there is a referendum, of course. Just like in a democracy and just like the process we are conducting here today by allowing others to speak.

The NDP provincial responsible government proposed this increase which already went into effect July 1st, on Canada Day, and I really take this as a joke. I'm hoping somebody will jump out and say we're just kidding, you know. Pennies don't exist; we're rounding it to five cents. But anyways.

The government should honour practices like the legislation where it's supposed to follow and not being dysfunctional. Like I said already, there are too many taxes; there's fuel, energy taxes, land transfer taxes, levies for health education, environmental taxes, licences and fees—I know I still consider those taxes—and tickets. Mining taxes, oil, natural gas tax, retail tax/goods and services, tobacco tax and, of course, the PST.

* (12:40)

In the legislative, PC MLAs accuse Selinger of breaking election promise in 2011 that he was not going to raise the PST. But those words seem to be disregarded already. We must, indeed, take into consideration that food and energy, gas prices more than doubled in the last 25 years, including the PST which also doubled.

Continue to—also—the rapidly rising energy costs, which will naturally translate into higher PST costs

for the provincial government. By dishonestly increasing the PST consumers will naturally cut back on their spending and, of course, businesses. This will not be fair to everyone. It is also not very good for the economy, and we should focus more on creating more of a job base and creating money that way.

Manitoba law stipulates government can't raise the PST without a referendum. A bill introduced by the Selinger government, Bill 20, purports to raise the PST to 8 per cent without a referendum—constitutional, of course. This bill is at second reading and it hasn't even passed through legislator or royal assent. Yet, beginning at 12, we know, on July 1st, it already went through. So a lot of people are very confused about this.

By allowing the public to have a say in this wrongful increase, again, is a democratic process. We need to follow procedures while setting good examples. Following procedures is very, very important. It's kind of like following safety procedures. If we don't follow safety procedures, then safety becomes jeopardized and people get hurt. If we implement procedures for our own good we should always respect and follow them.

The Winnipeg Chamber of Commerce also supports PST referendum, as well as the Canadian tax, including majority of the province.

Some recommendations would be to monitor and control government spending, account for every penny, leave nothing out, monitor with many eyes and ears would be very important.

Of course, money managers programs, I'm very big on communication, positive communication is very important and without it money and other things go missing. Governments should be subjected to, again, money managing programs that will communicate transparency and accountability, just like any insurance agent must always be trusted with client funds.

An efficient government which should be actually proposing decreasing taxes—PST down to 6 per cent, but 5 per cent would probably do. They should be better money managers and, of course, by mismanaging spending, and that's how a lot of people feel.

Stop wasting money on needless social programs. I'm not saying to cut jobs. I'm saying what the shaving problem would involve, well, in our health-care system, justice, that we just cut wages—a

lot of people making a lot of money, way more than most people will ever make, and if they care about their province enough, I'm sure they would be happy to take a pay cut.

The Province should renegotiate fair percentage from revenues. I just want to go over some quick provincial revenues. We've got business, personal taxes—billions; MLCC, Lotteries Corporation, public insurance—billions; Manitoba lottery corps—oh, I said that—federal transfer payments—billions. We've got movie productions coming in here and making movies—we've got millions there, and on top of it all, out-of-control spending.

Also, I would say that there could be also—with the MTS we have an entertainment system right now that the Province and the City doesn't really take too much in. We privatized MTS Centre. We should have gave it a facelift ourselves and promoted our own, you know, like places so people can come and—for entertainment and make lots of money. If we would have taken hold of all those billions of dollars that we're losing out on, I'm sure that we would not be having the problems we are right now. I think we would be giving people incentive to carry on, instead of 'discentive,' and that's very important.

There could also be more federal supports, of course, a central government. But, as we all know, it just may as—might be a de-central government. If we carry on like this, we might very well be nationalizing our provinces. So we really all need to work with each other and keep the central government of Canada alive and respecting that constitution as well.

I would have to say, and a lot of people would say this is, indeed, criminal activity, the 1 per cent increase without following procedures. The Selinger government should actually be, I would say, impeached, if you can even impeach a premier. But this is, indeed, 'unconstitutional' behaviour and Selinger government are, indeed—I'm not—pardon?

Madam Chairperson: Just one more minute.

Mr. Shumilak: Okay, yes. Okay. So, yes, so, Mr. Selinger's wrongful increase to the PST has been giving chest pains to the very health-care system his government has been trying to strengthen.

Okay, great, and just—that's pretty much it.

Madam Chairperson: Thank you so much for coming down to present.

Committee questions?

Mr. Struthers: Thank you very much, Mr. Shumilak, for coming in and speaking with us today. I think you gave us some very wise counsel, in terms of maintaining your infrastructure. I remember the 1990s. I was an MLA here from '95 on, and I remember lobbying on behalf of Manitoba infrastructure with the Conservative government that Brian Pallister was part of in those days. They didn't take that advice. They actually cut support for infrastructure. It's taking a long time to try to catch up to the hole that the Conservatives, under—with Brian Pallister and Gary Filmon, dug back in the 1990s. I think you're very astute to realize that.

The PST increase, the 1 cent on the dollar that we're proposing through Bill 20, is dedicated, every nickel, to go into maintaining the infrastructure: flood infrastructure, critical infrastructure like hospitals and schools and daycares and, of course, roads and bridges. Don't you think that that's a wise investment that we can make with this money?

Mr. Shumilak: It is, but the whole process of how it's going about isn't, okay? So we really have to explore what, you know, again, following legislation and making sure that citizens of Manitoba, including our city, is happy with the decision.

Mr. Struthers: Thanks.

Madam Chairperson: Thank you.

Mr. Schuler: Yes, thank you very much and, Mr. Shumilak, appreciate the fact that you came today and took time out of your schedule to make your presentation, appreciate it. And, as the individual before you mentioned—Angela Brown—who was here just before you. I mean, she talked about the fact that individuals now find that there's—it's almost hopeless that they will never be able to retire. They're individuals that, you know, she kind of mentioned, you know, she'll be teaching 'til she's 97. We hope she can retire sooner. But here she is at 67 and struggling because every time she tries to prepare herself for retirement, more taxes and it's getting tougher.

You said—great comment—a PST comes into effect July 1st, and now—now—the NDP government wants to hear what you think about it. You must be kidding.

And, you know what? If you talk to Angela Brown, no, she's not kidding. And so, could you just reflect on that and, you know, we certainly feel, you know, what's going out there, and if you just want to give us a little bit of reflection on that.

Mr. Shumilak: Yes, it is, like, Canada Day, you know, people hear about this going into effect, what else would anybody think? A lot of—many people, working very hard, majority of people, we're not part of the plutocracy, you know, and we need to rely on the people because without the people there'd be no economies, you know. So we have to treat people and each other with respect and learn how to work together, and we really need to follow rules and do what we've been taught ever since kindergarten, to share and respect. And I think if we do that, there's going to be less health-care costs. Again, Angela Brown, she's right. That does contribute to, you know, higher health-care costs, also to crime. Things are becoming harder. People can't afford things; they're going out and stealing.

You know, so there's just—it's really about respect and making people happy and, again, if I was making a big income, right, I'd be willing to take a 10 per cent decrease, just so we won't increase the PST to 8 per cent.

Madam Chairperson: Thank you.

Mr. Gerrard: Thank you for coming here and taking the time on a Saturday to come down and speak your message of the importance of respect for people. It's a very strong one. And what I would ask you is maybe you can tell us little bit more about yourself and what you do and where you work and, you know, give us—

Madam Chairperson: Mr. Shumilak.

Mr. Shumilak: All right, sure. I used to live a life of addictions and I used to smoke cigarettes and everything. I changed my life around, got a education and I'm more community-orientated in my community, and we promote a safe, healthy, vibrant, harmonious community. And if we can't afford something, we don't buy it. Also, I'm really involved with, like, working with each other, keeping the community clean.

I'm sorry, could you just rephrase for your question, again? I'm just a little nervous.

* (12:50)

Mr. Gerrard: Yes, I just wanted to give you a chance—

Floor Comment: Just wanted to know a little bit about myself?

Mr. Gerrard: Yes. A little bit about yourself.

Mr. Shumilak: I took a community economical development through Red River College. And I'm a lifetime Norse-Point Douglas resident and I serve on the PDRC board as a member at large. And again, we just promote a very vibrant community. And, you know, it's for—it's fun working with people, and we really get to promote what's right and to really help, so.

Madam Chairperson: Thank you. The time for questions has expired. Thank you so much again for coming down.

And our next presenter is Mr. Charlie Mayer. Not here? Okay. No? He will drop to the bottom of the list.

And we'll go to Tim McAllister. And, Mr. McAllister, do you have any materials? No? All right. Please go ahead then.

Mr. Tim McAllister (Private Citizen): I want to thank you guys for having these hearings, and just—how are you guys doing? It's warm in here. I'm—I was running some stairs over there, it didn't help much, but anyways.

Yes. I just want to state that I'm unhappy with Bill 20 and with the PST increase of 1 per cent. I'm unhappy with it for two reasons. I'm unhappy with it because it seems fiscally irresponsible that we just have to raise tax all the sudden to pay for things that we have to do. And the second reason I'm unhappy with it is it's been instituted into effect before it's even passed law and, secondly, before a referendum has occurred on it as well, which has been stated in the law, as well.

So for the first point about just not being able to pay for things as we have them—every Manitoban adheres to a personal budget. You know, every business adheres to a business budget. And it is—it's a dreamland to think that, you know, I can spend to a certain amount and all of a sudden realize I don't have enough money, and then to—I'm going to continuing spending to that level and then just go more and more into debt. I'm going to declare bankruptcy. I'm not going to be able to, like, live as a person, you know. And—yes, that just doesn't happen. I can't go to my workplace and say, all right guys, you know what? I spent all the money you've given me. I really need 5,000 more dollars, you know. That's not going to happen from them. And I just don't think that a government that we Manitobans have elected, should expect that from us as well.

On the second point, with, you know, having this referendum before this goes into law and things like that, I just feel disheartened about the state of ethics that our government has. We've, you know, had these—we have the laws in place to have ordered society, and I appreciate it. I love Canada. I love—I've been very privileged to grow up here. I'm a Manitoba boy. I've been educated here, you know, I'm working here. I want to continue having my family in Manitoba, but it's really sad to me that it just seems that the moral fibre of our government is not up to my standards, anyway. I don't know—I can't speak for any other people.

Mr. James Allum, Vice-Chairperson, in the Chair

But I recently graduated from the University of Manitoba and I'm working as an industrial engineer for a local manufacturing company. And, you know, I am called to a standard of—a code of ethics that APEGM is calling me as an EIT, to maintain. And if I break that code, I'm cast out of their society. I cannot practise as an EIT and, hopefully, in the future, as a professional engineer. And, you know, I take that very seriously. I don't want to breach the code of ethics. There's safety involved; there's just the right way to do things. And, you know, very fortunately, we're able, as a group of engineers, to be a self-governing body.

I just want to ask the question, where is the accountability with the government? You know, where are we going to draw the line and say, you can't do that? It's just troubling to me.

I had one more thing. I was—it was on the tip of my tongue. I'm not sure.

But, yes—short and sweet. That's pretty much it. I would just request that we do have a referendum. I think, you know, if there's a referendum and it passes, as the NDP government, you guys can be confident that you have the heartbeat of the people, you know what's going on. And you know what? I think it would also be great, in terms of an integrity standpoint, if you had that referendum and people say, you know what, we disagree; and then you guys can move on from there and say, all right, that's not what you guys are feeling. You guys have voted us in, let's try something different. I think there's, yes, better ways we can manage the situation, and I agree with you: everything, the infrastructure, all these programs, they're great. They need to be paid for, but it's just how we want to pay for them that I think we need to sort out in a bit of a better way. So thank you.

Mr. Vice-Chairperson: Thank you. Questions from the committee.

Mr. Struthers: Thank you, Mr. McAllister. Thanks for coming and giving us your advice here today. I'm very impressed with the—kind of the practical approach that you've taken. I like to look at this in terms of this as a household and how a household would budget and survive that way. Friends of ours have moved back to Manitoba from Calgary. They bought a house just recently in Winnipeg. They took out a mortgage. My friend's advice to me was that that's not much different than a government which takes a mortgage out and then invests money and deals with revenue and expenses and tries to do that in a reasonable way. He could not have bought the house if he didn't have a mortgage. If he wasn't going looking for a mortgage, I'm not sure where he'd be living. But would it be proper for me as Finance Minister to think of it in that way, not just strictly expenses and revenues, but incurring some debt, paying down that debt every year to enable you to invest in the infrastructure that is necessary?

Mr. McAllister: I think that's a fair way of looking at it, but then I think we come into the question of consent. Do the people consent the government to do that step or act or measure? When I go to the bank—I'm actually looking at purchasing a house very soon; I'm getting married in a month and I'm really looking forward to that. So, you know, we're going to be getting into a mortgage and, living in Winnipeg—and I'm going to go to the bank and ask them, and they're going to say yes or no based on how they feel about my qualification. I can't force them to do it and I can't do anything about that because they hold that money. So I think—and that's where the disconnect is is that the people have not given consent for the 1 per cent increase in the PST.

Mrs. Stefanson: Thank you very much, Mr. McAllister, for your presentation today and for coming out on a Saturday, appreciate that very much. Of course, when average Manitobans go out and take out a mortgage on their household over a period of time, they have to pay that off, and, unfortunately, this government has not done that. They've 'incrated'—they've increased the debt burden for future generations in our province, which is essentially mortgaging our children's future. So I think, now—you know, I appreciate your comments to that.

My question for you has to do with—and you'd mentioned already that you would like to see a

referendum here. And I'm just wondering, if the government chooses not to—which they haven't so far to, they've chosen not to abide by the law, the existing laws of this province and calling a referendum—would you like to see that this bill be pulled from the Legislature right now?

Mr. McAllister: Yes, I would like to see Bill 20 pulled if it does not go forward before a referendum, yes.

Mr. Struthers: Yes, thank you. I just want to correct what Ms. Stefanson put on the record. For 10 years in a row, our government balanced its books and produced a surplus in each of those years. That money was put into the Fiscal Stabilization Fund, and when the downturn in the economy hit we continued to make payments towards the overall debt. For example, last year, it was \$184 million that went directly to paying down our debt. When we became government, her government was paying 13 cents on every dollar to service the debt. We are only paying 6 cents on the dollar. Our debt—as a reflection of our provincial economy—back in the day, when the Conservatives were in government, was 33, just over 33 cents on the—30—on the dollar. We are now at about 27 to 28 in terms of debt ratio to GDP, so I think we do need to make sure that we stick to the facts.

* (13:00)

Point of Order

Mr. Vice-Chairperson: Point of order.

Mrs. Stefanson: On a point of order. I think that, you know, I've sat back and I've listened for quite some time here, and we've got a number of presenters in the audience here. They're not interested in this kind of political wrangling back and forth. We have a difference of opinion. We know that the debt has doubled since you came into office, sir. I don't think that this is the time or the venue to be taking out and having that political wrangling here with presenters here today. I think it's disrespectful, and I would caution the minister to use the time wisely to listen to people in the public and to leave the empty rhetoric for another time.

Mr. Vice-Chairperson: On the same point of order, Mr. Struthers.

Mr. Struthers: Yes, on the same point of order. I was simply responding to what the member for Tuxedo (Mrs. Stefanson) has put on the record. I think it's important that we have accurate information

given to people in the public. I appreciate you and all of the others coming in to speak with us—then I think what we need to do is make sure that we put the truth on the table and let people decide exactly who's telling the truth. But my intent there was not to be controversial; my intent was to fix the misinformation that was being put on the record by the member for Tuxedo.

Mr. Vice-Chairperson: Thank you for the advice of both members. I think that this is just a dispute over the facts and substance, but I would caution all members to limit the amount of time so that the people who come to make presentations have considerable time to make their point with us.

* * *

Mr. Vice-Chairperson: We still have a little bit of time. Mr. Schuler.

Mr. Schuler: Tim, we are always really impressed when young individuals come forward. Congratulations on graduating, great job. I don't think you're going to have any problem with getting a mortgage from the bank, and I'm not clairvoyant, which is a term around here. I have a feeling you're going to get your mortgage, and that's what this province needs is bright, educated, Manitoba individuals. I mean we are really impressed with you being here and with what you've achieved so far and wish you all the best at your wedding, your marriage. And what I find amazing is we have a young generation coming in front of its elected leaders and saying, I have to live by a code of ethical conduct. I have to live with—live by it, why don't you? And by the way, I take that to heart—

Mr. Vice-Chairperson: Mr. McAllister, you have five seconds to respond.

Mr. McAllister: You know, I'm strong about my morals and what I live by and, you know, also in terms of young people coming forward. It saddens me also that many of my colleagues in school left the province to work, and I don't know if, you know, this PST increase is happening after that but I understand that some tax structures are more favourable in other provinces. I would like to see improvement on Manitoba's part there.

Mr. Vice-Chairperson: Our time for questions is up. I thank you on behalf of all members of the committee for coming today and taking the time to make a presentation to us. Thank you.

Mr. Jack Van Dam. I'm sorry, I didn't have my glasses on. Mr. Van Dam. All right, Mr. Van Dam will go—his name will go to the bottom of the list.

Cory Jasysyn. Cory, your name will also go to the bottom of the list.

Dan Lanyon. Mr. Lanyon? Welcome. Dan Lanyon, welcome. Do you have any materials to distribute?

Mr. Dan Lanyon (Private Citizen): No, I do not.

Mr. Vice-Chairperson: All right, then, the floor is yours, sir.

Mr. Lanyon: From what I've read and I've done some research, not a lot but enough to make myself feel more comfortable up here, tells me that Manitoba law states it is illegal to raise provincial sales tax without a referendum. This law was instituted to keep Manitoba governments honest, and the idea is that you spend within your means; you make everything fit. This is what I have to do with my budget or else I face penalties. I can't force my employer to raise my wages just because I want to take my kids out for ice cream every night. It's just not going to happen. I have a budget so I have to save for things that I'd like to purchase, make repairs on my home and transportation and perform upgrades as needed. I can't go hog wild, I can't do everything, so I have to specifically determine what needs to be done and budget for that.

It feels like this government is not doing that, especially when we have deficits each year. And as much you'd like to say that, you know, you've had a balanced budget, when you steal from Manitoba Hydro to pay other debts, that's not paying your debts, that's taking from your savings and putting it and using it when you shouldn't be. You should be holding on to those funds.

This government is not being fiscally responsible, and I'm awestruck that every member of the NDP caucus has decided to support this illegal move. Each member of this Legislative Assembly is required to take an oath, and that oath states, I, insert name here, do solemnly swear or affirm that I will be faithful and bear true allegiance to Her or His Majesty, the reigning sovereign for the time being, her or his heirs and successors according to the law, so help me God. Let me repeat that last part—according to the law. There should be no doubt, it is written and it is spoken by each of you, you are to uphold the law. How can you expect the citizens of this province to respect you when you lie?

The last NDP government was soundly defeated because of one backbencher standing up for the citizens of this province. Jim Walding, may he rest in peace, stood up for what he believed in and would not be pushed around by the rest of the party.

Think about why you got into office in the first place. Maybe it was helping the less fortunate or making a difference, changes for the best. The current government's spending is out of control and the province is hurting. Under this current direction it can only get worse, because the budget means nothing to leadership. When you have a deficit, you're not following your budget. It's not even a guideline at this point.

I'm not sure if most people are also aware that legislation in this bill will forgive the government for running deficits that are caused by a drop in federal transfer payments below the current level, which is about \$2,600 per person. My understanding is it will also forgive any deficit caused by a sudden drop in profits at the province's Crown corporations. Normally, Cabinet ministers face salary cuts of up to 40 per cent for running deficits, but that penalty was changed in 2010 to only 20 per cent.

According to the balanced budget law, it says the consequence of negative balance—so, 6(1)—if the balance at the—as at the end of the fiscal year is negative, for the next fiscal year the salary of each minister, including any person appointed as minister in that next year, must be reduced in accordance with subsection (2). Subsection (2) is salary reduction. When a minister's salary is to be reduced for a fiscal year, it is to be reduced by the following percentage of the additional salary otherwise payable for that fiscal year to him or her under The Legislative Assembly Act for his or her services as a minister: 40 per cent, if salaries were reduced under the section for the immediate preceding fiscal year, or 20 per cent in any other case. The reduction may be spread out equally over the remaining pay periods in the fiscal year and the reduction applies only when he or she is a minister.

So, that being said, the government is illegally charging additional taxes by sidestepping legislation and not allowing a referendum and removing the penalties of not balancing the budget too. Come on, stand up and be counted. Do you really want to go down with the ship? Have you not seen the public opinion polls? This government will be defeated one way or another and I expect the citizens will seek restitution for the crimes being committed.

Now, as an aside, I recently turned 40 and I don't have a lot of money. I mean, I live in a home, I have a mortgage like everybody else, I have to pay the bills, and I'm squeaking by. But I was thinking, and I had my wife tell me, you know, you're turning 40, that's a special year. Well, let's do something special. So we started talking about having a big party and having all our friends and family. I threw that out the window.

What I did is I went, I bought 18-dozen hot dogs, I went to the corner of Flora and King—and don't get me wrong, I'm not trying to lift myself up because it wasn't me who led me to do this—and I fed people at that corner who normally don't get to have hot dogs—hot dogs—like, come on; hot dogs. They don't have the money to do that. That was a special treat. And I had people going from the front of the line, and as soon as they got that hotdog they went around to the back and got back in line, waited for another one. I brought six watermelons sliced up; I brought 180 bottles of water; I bought 130 bags of carrots—not a single stitch of food was left over. We even had a few hotdogs that burned and people were asking, hey, can I take those home?

*(13:10)

There's a problem in this province. Infrastructure, yes, is important. However, we're not taking care of the people, and it's not just about having services for those people. It's finding a way to present them jobs, and it's nice knowing that we have this minimum wage that keeps going up, but if you don't have a job, it doesn't mean a thing. So the people that don't have jobs are still not getting any money out of that, and they're still having to pay PST. And then, of course, you have the people who've retired. They're not making any money from a job, so the minimum wage means nothing to them. So they're paying PST, as well, and it's very frustrating.

I was going to be a teacher and things didn't work out because I didn't have the money, and so I ended up going into services, and I've been doing customer service for about 40 years. Right now, I work at the city and, in fact, I work at 311, so I get to hear all about the infrastructure in the city and what needs to be repaired, and I see the frustration. And I understand it, but I also look at the fact that there's still people that call me every day asking, you know, what's the number of Winnipeg Harvest? You know, how do I deal with my taxes? I can't pay my property taxes. You know, all these things come together and,

yes, I know, everything here costs money. We've got to deal with that but, you know, cutting back wages on people who are making a hundred thousand dollars for being a superintendent for a school, I don't see where they need to make that kind of money.

The people that should be getting the money are the doctors. Yes, they make a lot but you know what? They're taking a lot of time out of their life to go and learn how to heal people. You got police officers who put their lives on the line, firefighters that put their lives on the line. These are the people that should be getting the larger wages, not the people who are sitting behind a desk for eight hours a day or less because, you know, they got to go to the lake.

These are things that we need to be looking at. We need to take a deep look at ourselves and, as much as I feel, and great respect that this is going to fall on deaf ears because I really don't—I don't believe you guys are going to change and it's really sad. And I just hope that maybe something I say or anybody else here who's come to talk will make a difference because it's a problem that is not going to go away, and it's only going to get worse. And spending the money on infrastructure or floods or whatever is not going to make the biggest difference here. We need to work on the people. And the money that we're bringing in is not going to the people it needs to go to. That's it.

Mr. Vice-Chairperson: Thank you, Mr. Lanyon. Questions from the committee?

Mr. Struthers: Thank you very much. I appreciate your coming in and speaking with us today.

One of the things that we've had some success in is through our Entrepreneurship, Training and Trade Department, is working with people who live on social assistance and working with them to move them into employment. There have been some success stories there. I think there's more work we need to do on that. Is that the kind of approach that you're advocating here today?

Mr. Lanyon: Yes, sorry. In some respects, yes. But, again, you know, those kind of services are wonderful, but you still have people who are sitting behind desks making large amounts of money for doing very little, and if you were to focus that money into those kind of programs, that's fine. But in the respect that having to raise the G—pardon me, PST, that doesn't need to happen to do that. You need to

move the money from one end to the other. You don't have to bring in more money to do that. You really don't.

Mrs. Stefanson: Thank you very much, Mr. Lanyon, for your presentation today. When I think of courage, I think of people who are trying to manage their own households and they're having to make difficult decisions within their own household and how they're going to spend, and they can't spend beyond their means. And I think of—I also think of people who have fought hard for our way of life, our democratic way of life, those who have gone overseas and have represented our country and have fought for our way of life. To me, that's the definition of courage, and people who have demonstrated courage.

This government has often said—and the Minister of Finance (Mr. Struthers) has referred to his increase in the PST as a courageous move. Do you see this as a courageous move on the part of this NDP government?

Mr. Lanyon: I guess in a way you could say it's courageous because he's going headlong into something that, you know, he feels that he's going to succeed in. However, there's a difference between courage and—pardon me, for lack of a better term—stupidity.

My grandfathers, both of them, were in World War II. One of them was a dispatcher. He would actually take information from one general and go into the front and deliver that to get the decision as to what next was going to be done. And, you know, he had courage, in the sense that he was doing something because he knew the outcome and how things were going to be affected, and he took it to heart, you know. Whereas somebody who, for example, walks into the middle of a gunfight, that's just dumb. You know, like you've got to have a good reason for it, and right now I don't see a good reason for the PST to go up. It just—yes, okay, we need more money, but how about we take a look at where we're spending in the first place, make those adjustments because that—there's tons of money here. There is a lot of money, and it's just not being looked after properly and it's just a downfall for everybody, you know. Absolute power corrupts absolutely.

Mr. Gerrard: I want to say thank you very much for coming in and presenting. As somebody who does customer service with 311, you probably have your pulse on a lot of things going on in the city, you

know, I respect and want to thank you for your contribution. *[interjection]*

Mr. Vice-Chairperson: Mr. Lanyon, sorry. Mr. Lanyon, say that again.

Mr. Lanyon: Thank you. I try and do whatever I can to help people, and I find that when I'm dealing with someone who is kind and respectful to me, I'm going to want to do more for them. When they talk to me and they start yelling right before I even get to say a word or even say hello, that's always going to make me work a little less for them. And I feel that the way things are going here with the government, if they would have said look, we need more money. We'd like to raise the PST, and allow us to vote on it, I think it would make a big difference. However, with the fact that they're saying no; we're doing it, period. It's kind of like—it's just like someone calling in to me and saying hey, you know what? I don't care who you are. I just want this done, and it just feels like there's no respect there. And, you know what? It feels like I'm a slave. And I really think that most people are starting to feel that way. We're a slave because all of our wages are going to government to deal with things that may be necessary and we don't want.

Mr. Vice-Chairperson: Thank you, Mr. Lanyon. Our time for questions is up. I appreciate you taking the time to be with us today.

Mr. Ken Kornel. Mr. Kornel. Mr. Kornel's name will go to the bottom of the list.

Selena Bieber. Ms. Bieber. Welcome. Do you have any information to distribute to the committee?

Ms. Selena Bieber (Private Citizen): No.

Mr. Vice-Chairperson: Then the floor is yours.

Ms. Bieber: Thank you. Wow. Good afternoon, ladies and gentlemen. I'm here to talk on Bill 20 and your role as legislators. I'm not here to yell at anybody about committing illegal acts, because when we vote you MLAs, legislators into office, I, as an electorate, clearly understand that I'm electing representatives to legislate laws and implement laws. And so you amended the law, the tax act—you amended the tax act law to enable you to go ahead and increase the PST without a meet and call for a referendum. I get that. You haven't broken the law. You've amended the act effective April 16th, and then moved forward and implemented an increase in the PST effective July 1st. I get that. So I'm not one of the people who are here to yell at you about

breaking laws or committing illegal acts or—and so forth and so forth. I get that you are my legislators.

Madam Chairperson in the Chair

But what I don't get is, at what point did you believe that because you legislate the laws that govern all of us, not just the people you work for, but you yourselves, that somehow you're elevated above the law? Because you're not. That's my first point, and that's food for thought, something I want you guys to consider.

My next point is this. You went ahead, you know better, you're representing us and so forth. You've increased the PST. You say we have an infrastructure issue, right? We have debts that we need to address and the money has to come from somewhere. But it's a false economy. That's the problem I have with what you're doing. It's not the fact that you're amoral and you're acting criminal and, you know, you're clearly demonstrating a lack of integrity—set all that aside, because that's your personal choice. I'm not here to judge that. That's your personal choice; that's between you and your God, if you believe in one, or you and your children, your loved ones, whoever you respect. That's between you. You look at yourself in the mirror, so I'm not here to judge that. But to say to us and to say to our youth, when it comes to the law, do as I say, not as I do, you clearly haven't been a parent. Because children, people, learn more by your actions than they do by your words. Your deeds speak volumes. So, again, something for you to think about.

* (13:20)

Now, when I elect you guys as legislators, this is what I'm thinking when I'm at the polls: I'm thinking, a province that is better. I'm not thinking a Third World province by design, which is what you're doing. And believe you me, as a designer, I know about the principles of design. Because you know what? Design is when science and creativity intersect. It would appear you're lacking both. I suggest you acquire those skills, so that you do a good job, the job we've elected you to do, because it's not just about legislating.

Yes, you're elected as legislators. But it's not just about passing laws and not worrying about the consequences, because the laws you pass do have great and immediate impact and consequences on all of us. You seem to act like, oh, well, it's the people; it doesn't affect us. But actually, it does. It affects

your friends, your families, your children, your parents, your grandparents. It affects you. To me, it's like you're cutting your nose to spite your face. Perhaps your nose is too big. I don't know. I don't care. But it makes no sense because ultimately you'll bleed to death. What I object to is your choice to bleed us, the citizens, along with you, to death. You want to bleed yourself to death, go ahead. But don't take me with you. Don't take my friends with you. Don't take my loved ones with you. Don't take my community with you. I will fight you every step of the way, and I won't back down.

When I vote for you guys, this is what I envision—because, you know what, maybe we as the electorates don't make our mandate clear enough for you guys. You spend so much of the election period speaking at us, telling us what you're going to do, not that you honour it, that I think you forget that you're there to do what we need you to do, first and foremost; second, what we want you to do; and then, third, what we've authorized you to do. And, quite frankly, we the citizens haven't authorized you to raise the PST. We have not. We haven't even authorized you to change the legislation on it, to amend the legislation for referendum. And the very least you could have done was seek our permission to do that. Because I remind you again: You are not above the law just because you are legislators. You seem to have forgotten that.

Again, what do I envision when I think of your jobs? This is what I envision. I envision legislators and political representatives who care about us, okay, who are statesmen. I envision balanced growth for my province. What does that mean? It means fiscal responsibility with social accountability. Imagine—because that's what I do—if we had statesmen, if each and every one of you took pride in being statesmen, the statesmen we deserve, the statesmen we elect, instead of criminal politicians, because your acts of recent have been criminal and detrimental to our province.

Okay, our MLAs—our MLAs, and that means each and every one of you—would perform your duties to the benefit of the public by putting public interest first, above political interest; by nurturing public trust while eliminating civic ignorance, instead of abusing the trust or ignorance of the public. We would have balanced budgets. What would that look like? Well, this is how—what I envision it would look like. Because anyone can point out the problems—I spend my whole day listening to people point out the problems. I've

listened to a month of people pointing out the problems with you guys. You all know what the problems are with you. But it takes courage to step up to the plate and provide some solutions. So that's what I'm here to do today because, obviously, it would appear you guys can't seem to come up with tangible, workable solutions that serve the interests of the public.

So what would the balanced budget look like and what would it do? Well, this is what I propose. It would balance growth by controlling spending—while you need to get a rein on your spending habits—while continuing to invest in priority areas. And I put emphasis on priority areas because you seem to have a penchant for investing in pet projects just because you like it. Do you think a homeless person who can't even have a sandwich cares whether we have a \$30-million stadium? That's a nonsensical pet project. Families who cannot feed their children are buying \$100 tickets to go watch a game. Like, seriously? And the joke about that project—and I'll get to that later; I'll have to save some stuff for later.

So we'll have balanced budgets that balances growth by controlling spending while continuing to invest in priorities, ensures good quality of life, okay, for Manitoba's aging, at-risk and growing population. It balances the economic growth with social development and provides support for our vulnerable people, students and needed infrastructure. And, again, I put emphasis on needed infrastructure. It would also eliminate our government's dependency on public investments over private sector investments.

In the past 10 years, they say our province is booming, it's growing, we're building, we're doing this. And I look around, and it's all false. It's great PR, but it's false nonetheless, and it's catching up to us now because most of the capital projects in town have been government investments. It hasn't been private sector investments. So, guess what? It's not new money. We're just recycling the people's money. We can't continue to do that, right?

We would absolutely mandate for prudent and accountable spending with measurable results, in other words, quantifiable value for our buck in every expenditure. No more F-you/pay-me approach to government spending and programs. We would have a budget that not only balances the books, it balances the priorities of Manitoba. It controls spending while making key investments—I'm almost done—it promotes opportunity while ensuring we're—we

protect those in our province who need assistance, not the misery industry sector complex; like the non-profit sectors are making money so there's—they have no interest in addressing the poor—issues that we have, okay?

It ensures Manitoba will grow, while confronting the challenges of that growth head-on with all due urgency and deliberate haste.

Madam Chairperson: Thank you.

Ms. Bieber: Above all, it directs Manitoba forward.

Madam Chairperson: Thank you, very much, Ms. Bieber, for coming to present.

Questions?

Mr. Struthers: Thank you very much, Ms. Bieber, for coming in and speaking with us. I noted that you drew a distinction with—when it came to infrastructure—critical and non-critical. Can you give me some examples of what you would see as critical infrastructure that we should be dedicating this 1 cent on the dollar towards?

Ms. Bieber: Okay, for me critical infrastructure: safe roads. That goes to reason. That's a critical infrastructure, right? Everything we do in our city, whether it's personal or professional, depends on that, especially given our climate. So, safe roads, to me, it's a critical infrastructure.

Health care is another one. I know a lot of people don't really think of health care as infrastructure but it is. And it's also another critical one. Most people don't think about it as such until they need it. But that doesn't mean we can act like it's not. It is. And we must be prudent about it, not wasteful about it.

Education, because we're building tomorrow's leaders, and even our current citizens, they need to be educated. Most of them are not educated for civics. And that's part of the problem. So when you guys do things, it doesn't make sense to anybody, good or bad, let's face it, right? You can't engage, you can't play a game if you don't understand the rules, and most of our electorates don't. And it behooves you guys to make sure that education is in place, and that's only way you can also get useful engagements and consultations, because otherwise it's just a pony show.

So those are couple of examples I've given you because I've noticed she's giving me the clock.

* (13:30)

Mrs. Stefanson: Thank you very much, Ms. Bieber, for your presentation this afternoon and for coming down to committee. You definitely demonstrated courage in bringing forward solutions here today, real solutions to real problems and I want to thank you for that. I'm not sure that you maybe had a chance to get through all of them in your presentation, I'm wondering if there is one more that you would like to highlight for us.

Ms. Bieber: All right. I'll go directly to why we're here today, the PST. We have the fourth lowest retail sales growth in the country as a province and our GDP not doing so well either. Naturally, of course, attributing to low sales tax revenues, so I get it, I get why the knee-jerk reaction is oh, we don't have enough sales tax revenues we need to increase the rate. I get that. But it's the wrong response, because increasing the tax rate is not going to help improve our position. To increase the tax rate at this vulnerable juncture is a lazy approach and it's irresponsible to a complex problem, one that requires economic thought and sustainable solutions. This is not sustainable. If it was, you would have a longer term on it, not 10 years, right? Because it'd be working, nobody changes what works. They like to keep it

When faced with a complex problem it's always best to do no harm. What this PST rate increase does is damaging to our province and is of gross negligence. So I, personally, my community, and I'm sure many Manitobans as well, we entreat upon you repeal it.

Madam Chairperson: Dr. Gerrard, briefly.

Mr. Gerrard: Thank you for coming here on this Saturday, and presenting carefully and with some positive ideas. I think what you were trying to say in the last comment was that sometimes if you lower taxes you actually get more retail sales and that, in turn, may actually increase taxes because you're employing more people and you're doing better.

Ms. Bieber: Sorry. Absolutely, because, I'll give you an illustrative example. You have a hundred bucks as a consumer in your pocket. You walk into the store. I don't care what the commodity is you're wanting to purchase. You need 10 units of whatever at \$10 apiece. You've got a hundred bucks, you're good, you can buy it. With that one per cent tax increase, you now need a hundred and one dollars. Suddenly you cannot afford the ten units. So you're buying nine, right? That's fiscal management with reality.

Well, now, what's happened is the store now, enough customers do that it's going to reduce its inventory because it's not moving as much, right? So now the supplier is going to also reduce how much it brings in because the store is not stocking as much because it's not selling as much and you're not collecting as much tax revenue. You get what's happening here? And so forth and so forth. We end up hurting our manufacturing sector. We end up hurting our distribution infrastructure. We spend millions to make CentrePort the hub of distribution, and yet we're still being bypassed.

Madam Chairperson: Thank you. Sorry our time expired a little bit ago there. And thank you so much for bothering to come down, we really appreciate it.

And our next presenter is Mr. John Ryan.

And, again, at nine minutes folks, just so everyone knows, I will let you know when you've got a minute and then with the questions we have five. So not trying to be mean here at all, just trying to keep us in the times. Thank you so much.

And Mr. Ryan has some materials to be distributed. Thank you. And whenever you're ready, sir.

Mr. John Ryan (Private Citizen): Okay. My name is John Ryan, I'm a retired professor of geography from the University of Winnipeg, where I taught, I think, for a million years. You may have heard of me in another aspect, I was the person who some years ago advocated that instead of an east-west route, a bipole transmission route, we should install a high voltage submarine cable through Lake Winnipeg and put the transmission line through the middle instead of the east or west.

Hydro then hired me to be part of a five-person engineering research panel. We produced a 165-page report, and we recommended the underwater cable for Bipole IV in 2025. It couldn't be done for Bipole III because the world's three companies that produce this cable are booked solid with orders until 2017, and that's the date when Bipole III is to be completed.

In any event, for today's topic, we seem to constantly hear this ongoing mantra to reduce taxes. But what many people fail to understand is that taxes are what we pay for a civilized society. These are the words once said by historian, philosopher and long-serving US Supreme Court Justice Oliver Wendell Holmes. In fact, this quotation—Taxes are what we pay for a civilized society—is inscribed over

the entrance of the US Internal Revenue building in Washington.

We should realize that it's taxes collected by governments that provide us with a wide array of social services and infrastructure, such as schools, medical services, libraries and parks, safe streets and livable cities. Without such services, where would we be? It surely wouldn't be in a civilized society.

Despite this undeniable truism, most governments seem obsessed with the idea of lowering taxes and thereby, invariably lowering the quality of our social services. No one is more obsessed with this than Stephen Harper. At the core of his beliefs is that the scale the government must be dramatically reduced at all levels, and I quote from him: We must aim to make Canada a lower taxed jurisdiction than the United States. And furthermore, another quote from him: Taxes can be lower than in the USA, and that should be our financial objective.

What he doesn't say is that if this is done, it would eliminate most of the social services that are at the basis of our high quality of life in this country. Now, is that what we really want? So that's the Conservative position at least at the federal level.

What about the Liberals? The Chrétien government from 1993 to 2002 with Paul Martin as minister of Finance, who was actually the de facto prime minister, dutifully restructured the country along the lines erected by Tom d'Aquino, head of the Business Council on National Issues. This is what led to the 40 per cent cut in federal social programs money and the reduction of the role of government back to where it was in 1951.

Later, as prime minister, Paul Martin assembled one of the most right-winged Cabinets we had in decades. It was only when he was in a minority position that he suddenly showed a concern for social programs. But it was then too late.

And in 2006, through an ill-advised course of action, Layton's NDP precipitated an election and were determined to sink the burned-out hull of the Liberal government. And because of their actions, we wound up with a Harper Conservative government, first as a minority and then as a majority. And matters in the country have continued to deteriorate.

When Canada started its medicare program, the funding was based on a 50-50 basis with a federal government paying half the costs. Since then,

through the actions of both Liberal and Conservative governments, the federal share has continued to drop through the years and is now below 20 per cent.

The current Harper government, without consulting the provinces, has announced that it intends to cut a further \$36 billion in health-care funding, and that's a cut of 8.3 per cent over the next 10 years. And so, if we want to maintain or improve our medical coverage, it'll be up to the provinces to do this. Without increasing taxes, how can Manitoba do this? If we don't increase taxes, our medicare will suffer and deteriorate. And so the government really has no alternative, if it's to act responsibly. And, of course, an increase in taxation is necessary for other roles of government such as the funding of our infrastructure.

* (13:40)

There's also the hue and cry that we have to cut our taxes to be more competitive. But how true is that? The Geneva-based World Economic Forum, in reports over the years have shown that both Canada and the USA, as they continue to cut taxes continue to fall in competitive rankings. Currently, Canada is in 14th position. And who is ahead of us? Countries such as the so-called Scandinavian welfare states, Finland, Sweden, Norway, Denmark, also Germany, Switzerland. These are all countries that have a far higher tax—have far higher tax rates than we have in Canada. In fact, when it comes to tax revenue as a percentage of gross domestic product, Denmark leads the way with a rate of 48.2 per cent, compared to Canada at 31.2 per cent and the USA at 24 per cent.

So why are higher taxed countries ahead of us? It's basically because of their better infrastructure programs based on taxes which include better education and medicare programs. Also, there is no direct connection between low taxes and a high rate of economic growth.

The argument that raising taxes on the wealthy would hurt growth or employment is just not true. Canadian businesses invest a paltry 1 per cent of their gross domestic product in research and development. And this has hurt Canada's position, and despite this Canada's corporations receive the biggest tax breaks than any other stakeholder. The average effective corporate income tax rate fell from the 35 per cent to 25 per cent in recent times, eating up \$20 billion of the total tax cuts. But these corporations keep insisting on further tax cuts.

A report by the Canadian Centre for Policy Alternatives shows that tax-funded public services are really a good bargain for Canadians. The report shows that Canada's average middle-income family would spend more than half its income if it had to buy health care, education and other so-called free public services that are now paid with tax dollars. The report shows that 80 per cent of Canadians would have been better off if the Harper government had not cut the GST.

Tax-funded public services amount to \$41,000 for a middle-income family or 63 per cent of its yearly income, and for households earning 80 to 90,000 dollars public service benefits are equivalent to about half their total income. Now, in short, as I said at the beginning, taxes are what we pay for a civilized society and I really don't object to paying my fair share of taxes. That comes with living in a civilized society.

Madam Chairperson: Thank you very much for coming to present.

Honourable Ms. Oswald, questions?

Ms. Oswald: Yes, thank you very much, Professor Ryan. I want to thank you for your beautifully written speech, and I know that some of my colleagues have been somewhat cross at my lengthy comments, so I shall be brief in saying that while I sincerely must question the arithmetic that you have done in saying you have a million years of academic tenure, I can say that I wish that at least for one of those years I had been in your class. Thank you for coming today.

Mr. Schuler: Yes, thank you for coming Professor Ryan and we certainly appreciate that there are a divergence of views that come forward and yours being one of those and always good to have a good mix in there.

There have been some that have argued that this tax increase is an attempt by the NDP to move towards a harmonized sales tax or HST. In fact, they toyed with the idea for a while and seemingly have now just set the base and haven't quite gone there. Do you think the NDP should follow through with their plan and bring in the HST into Manitoba?

Mr. Ryan: I don't think so. And the fact is far as I'm concerned, frankly, I think the taxes, if they're going to raise taxes, should have been done through the income tax system which would be fairer. But this is the path they chose. They must know something about it and I'm, as I say, I'm prepared my fair share

of taxes. What I object to is big corporations who do not pay their fair share of taxes and when the tax cuts come they come at the high end, and that 1 per cent—this is the category that gets practically all the benefits and the 99 per cent we're fiddling around here. So I'm not overly impressed with cries of don't you dare increase taxes. Taxes are what we get for a civilized society and I'm prepared to live with it.

Hon. Dave Chomiak (Minister of Innovation, Energy and Mines): Yes, very quickly, and I, too, don't want to give a long preamble. But I've heard so many arguments about businesses and family having to live on budgets, and that's fair enough for government. The government has some services that you mention in a civilized society—education, health care and other services that government has to deliver. Short of government delivering it, there's no other alternative. I wonder if you might comment on that?

Mr. Ryan: Frankly, I didn't have time to really finish my presentation. I did all this this morning. I had other things to deal with.

But, as far as I'm concerned, far more money should come to the public from the federal governments and our provinces. All this business of playing big boy, toadying up to the Americans with foreign policy, prepared to pay \$45 billion for an F-35 aircraft that nobody's asking, what's this thing for? How many of you realize that that's a first-strike weapon? It's a first-strike weapon against a sophisticated country, which means only China or the Soviet—or Russia. What the hell are we doing, going to spend \$45 billion in an attempt to strike at China or Russia?

That's the money that should be spent—as far as I'm concerned, money that's spent on—for so-called defence. We should cut all of it out. If anybody's going to attack us, it's the Americans, and we couldn't stop them anyway. This is the kind of money that should go into health care.

Health care—the federal government should try and fund 50 per cent of it, the way it was done before. If they did that, provinces would not be in the kind of fix that they're in now. That's the kind of thing where I'm coming from.

Madam Chairperson: Thank you, Doctor—

Mr. Ryan: And the Americans, there are so many companies that do not pay any taxes whatsoever. In fact, the government is paying them. Do you realize

that General Electric, Monsanto, Lockheed, Boeing, pay practically no taxes whatsoever?

Madam Chairperson: Thank you.

Dr. Gerrard, briefly.

Mr. Gerrard: Thank you for your work on the possibility of an underwater line, and I want to bring you back because we've had many, many people here present and talk about how the PST will adversely affect, particularly, those who are poor. And you had started to talk about this and perhaps you would comment a little bit more about why you would have preferred another tax, perhaps the income tax as opposed to this one?

Mr. Ryan: A sales tax, everybody pays it, no matter if you want to go to the—buy something in a store. It doesn't matter if you're working or not, you got to pay it. A millionaire pays it and you pay the same thing. Whereas a graduated tax system on a proportionate—proportional basis, where the more money you make the higher the income should be, I think that's the fairer system of taxation. And that comes with a civilized society too.

Madam Chairperson: Thank you.

Mr. Graydon. There's five seconds if you want to give a comment.

Mr. Cliff Graydon (Emerson): Thank you very much for your presentation today, Professor Ryan. The quote that you gave that taxes are what we pay for our society with, is—do you believe that the vote tax that the NDP are paying their political party, is that a tax that you'd be in favour as well, then? The vote tax that the NDP are putting into their political coffers at a tune of \$5,000 per person, per MLA, for their next—gosh knows how much time. Do you consider that a tax that you would be in favour of?

Madam Chairperson: Mr. Ryan, very briefly.

Mr. Ryan: I frankly am not in a position to comment on it. I'm unaware of that.

Madam Chairperson: Thank you so much. The time for questions has expired, and thank you again for coming down, we really appreciate it.

Committee Substitutions

Madam Chairperson: We just have—I would like—we have one more person—I just need to make a substitution, folks. I would like to inform the committee that under our rule 85(2), the following membership substitution has been made for this committee effective immediately. We will have

Graydon in the place of Stefanson; Smook in the place of Schuler; and Driedger in the place of Ewasko. Thank you so much.

Madam Chairperson: And now we will return to our list. And our next presenter is Anthony Augustine, ED of the MB Federation of Non-Profit Organizations. And do you have any materials to hand out, sir?

*(13:50)

Mr. Anthony Augustine (Manitoba Federation of Non-Profit Organizations): I do.

Madam Chairperson: All right. Our staff will help you with that.

And then whenever you're ready, feel free to go ahead.

Mr. Augustine: Good afternoon, and thank you for the opportunity to speak today. My name is Anthony Augustine. I'm the executive director of the Manitoba Federation of Non-Profit Organizations. I was here with my co-chair of the organization, Sandra Oakley, but she's had to step out, so I'll be presenting to you today on a brief snapshot of the non-profit sector in Manitoba and our organization's concerns about some of the impacts that the proposed change to the PST will have.

The Manitoba Federation of Non-Profit Organizations, also known as the MFNPO, is one of 18 human resource sector councils here in Manitoba. We represent thousands of community-based organizations and their workforce of over a hundred thousand employees. In discussions with many of the leaders in our network, the MFNPO is concerned that the proposed changes to the provincial sales tax and how they will impact the non-profit organizations in our province. We at the MFNPO have a strong history of collaboration with the Manitoba government, including the 2003 declaration of support, the reducing of the red tape and streamlining of access to non-profits pilot program, and the recent memorandum of understanding that was signed in March 2013.

As outlined in the MOU signed with the Manitoba government, the non-profit sector employs tens of thousands of people in this province, many of whom are from communities that are currently underrepresented in the labour force. The non-profit sector is a critical part of the strategy that ensures that Manitobans are supported and equipped with the necessary skills to meet the workforce challenges of

the 21st century. There are approximately 8,300 non-profit organizations in the province that provide a range of services and programs that help Manitobans shape civil society and also improve the quality of life in the province.

We are concerned about the impact that this 1 per cent increase on the large number of government-funded, human-service non-profits in the province. Collectively, the non-profit sector plays a significant role in the Manitoba economy that cannot be overlooked. In 2003, the most recent figures available, Manitoba's 8,200 non-profits had 95,201 paid staff employees, representing \$7.6 million that was pumped into the local economy. And that was according to the Canadian Survey of Giving, Volunteering, and Participating.

While organizations continue to innovate, reduce costs, look for ways to improve service delivery and help Manitoba's vulnerable populations, increasingly, they are running into roadblocks that impact their ability to meet the changing demands that have become systematic barriers to effective and efficient service delivery.

Although the government has been supportive towards the non-profit sector, we are concerned with the diminishing ability for organizations to meet the needs of the communities they serve. It is our belief that when changes in taxation occur, that organizations already funded by the government should receive additional funding to mitigate the effect of any tax changes. This will allow them to continue to offer programs and services at agreed-upon levels.

While we believe that non-profit organizations currently receiving funding from the Province, its departments and agencies should be shielded from having to pay the increased PST, we think that the government must now, in the short term, investigate ways to alleviate that impact of the current changes and look at mechanisms to replace or refund any increases incurred by raising the provincial sales tax.

As we know, core costs continue to increase, either through inflation or higher operating expenditures, while demands on programs and services continue to rise. While organizations are already tight-pressed for—in their budgets, we believe that the increase in PST could lead to a decrease in services and reduction in the programs that would negatively impact the communities that they're serving.

This snowball effect of increasing costs, specific changes to funding, and the ongoing labour market pressures that many organizations face in staff retention and recruitment has been made already—has made an already difficult situation even more precarious. Nearly every non-profit organization in the province would be affected by this proposed change in taxation. This extra burden of a 1 per cent increase in the PST would impact a range of organizations in the sector in different ways, from agencies offering support to homeless youth, to daycares in Manitoba looking after Manitoba's children, to disability organizations who tirelessly work to enhance the quality of life and self-determination of thousands of individuals and families in this province.

For example, the Department of Family Services and Labour currently funds nearly 850 non-profit organizations throughout the province, from programs for adults living with disabilities to child-care initiatives throughout the province, a range of essential activities for Manitoba families are funded by the provincial government. With an average of 15 to 20 per cent of their budgets allocated towards core costs, this increase in the PST will impact organizations on a number of different levels. Not only will operating costs increase, but the shortfall will have to be made up by increasing revenues, which, we know, in turn pulls them away from program delivery and development and diminishes their ability and their organization's ability to meet their goals and objectives.

In organizations who focus on some of the most vulnerable members of our society, at-risk and homeless youth, we know that the day-to-day costs of running and maintaining short-term housing continues to grow. Food budgets are stretched and organizations are forced to supplement costs not covered by funding or through partnerships that they may have with Harvest or other organizations as their clients base continues to rise. Increasing costs by raising PST only adds more pressure to this already difficult funding situation.

What are the long-term impacts that increased costs not keeping up to funding? Organizations cannot continue in this cycle before something has to give. We know the Province has negotiated a range of funding agreements between many government departments and sector organizations prior to this fiscal year. We believe that this increase of 1 per cent to the PST will now decrease the monies negotiated for the sector and their organizations to operate and

will also place undue hardship on their ability to replace these—money—sorry—to replace these lost monies from their operating budgets. External resources for operating costs are limited at best.

So, just to recap, we fundamentally believe that when changes in taxation occur, that organizations already funded by the provincial government should receive additional funding to mitigate the effect of any tax changes. Additionally, non-profit organizations currently receiving funding should have been shielded from this tax change. Now, in the short term, this government must investigate ways to alleviate these impacts that the current changes—sorry—that the impact that these current changes will have on the non-profit sector and look at mechanisms to replace or refund any increases incurred by the raising of the provincial sales tax.

Our sector plays way too vital of a role in Manitoba society to not discuss solutions to some of the shortcomings that will occur as a result of this proposed tax change. We look forward to working with the government to develop solutions.

Thank you for the opportunity to speak today. I appreciate it.

Madam Chairperson: Thank you, Mr. Augustine, for coming to present. Questions?

Ms. Oswald: Yes, thank you, Mr. Augustine, for a very well-crafted and articulate presentation today.

I wanted to ask you a question about what we see going on across the country. Certainly, we see governments of different political stripes making decisions about returning to balance and maintaining fiscal responsibility. Some of those choices include not the path that we have taken, not a 1 per cent PST increase, but rather significant and deep cuts to sectors across the spectrum, really. I wonder what, you know, a 1 per cent or more increase to funding from government to non-profits might mean for the services that these organizations provide.

Mr. Augustine: Well, I believe that it would allow them to continue, at least, on—to deliver the programs and services that they've already promised and made relationships with the government to deliver. So, at the very least, we would see that there needs to be an opportunity for organizations to have a way to make sure that their funding is at least maintained in this situation, because we know from discussions with our network that even a 1 per cent increase in the

PST is going to have a very negative effect on the—their ability to deliver services and programs.

Madam Chairperson: Sorry, I should've just stopped you at the beginning. We just needed to clarify the question and I'll give you a little moment to do that, very fast. *[interjection]*

Oh, sorry, Honourable Ms. Oswald.

* (14:00)

Ms. Oswald: Yes, so not—I'm not speaking of the 1 per cent increase into the PST. Set that aside. I'm speaking of not making that decision at all, but rather with a view to balancing the books, having a 1 per cent cut to budgets for non-profit sectors, and what implications that might have. *[interjection]*

Madam Chairperson: Sorry, Mr. Augustine.

Mr. Augustine: That would have a significant impact on their ability to deliver services and programs. We already know, just using family services for an example, that if a daycare or a—I'll use a—organization that's delivering services for homeless youth, they will not be able to maintain the level of service if there is a 1 per cent cut. There isn't the money out there for them to be able to recoup that, either through foundation funding or looking at other mechanisms to raise that money. We know that the more time that your spent—you spend looking for additional funding, the less time you have to develop and create programs for Manitobans.

Madam Chairperson: Thank you, Mr. Augustine. If it's all right with the committee, I will add the moment to that, just to make up for that, so, all right?

Mrs. Myrna Driedger (Charleswood): Thank you, Mr. Augustine, for your presentation, and having myself come out of the non-profit sector for a number of years, it does raise some concerns with me, the picture that you paint, which is potential devastation for a lot of non-profits. And we've certainly seen a lot of non-profits that are already struggling. Did the government have any consultation with the non-profit organizations or your group prior to making the decision to raise the PST?

Mr. Augustine: We've had a range of discussions with the provincial government on a number of issues and they have spoken to us about how funding implications would—what some of the funding implications would be for organizations.

Madam Chairperson: Thank you.

Mr. Gerrard: Thank you very much for your carefully thought out presentation. One of the things that is clearly got to be important in making the case is an understanding of, you know, how much more money you would need. And we've heard from some that 1 per cent is sometimes compounded because of the inputs that you're dealing with. What kind of a percentage increase, you know, would you need, or would it be better to have a rebate on the PST, perhaps?

Mr. Augustine: I don't have all the data in front of me for what a percentage increase would impact the organizations that we deal with, but I do know that over the last few years, costs for everything that they're involved with has been going up. So there's always increased pressures on organizations to meet the needs that they've established with their clients, and it becomes even more difficult when there's been a series of things that happen to organizations, and it becomes a snowball effect. And I think this is where we're getting to right now, where it becomes increasingly difficult for organizations to function in the way that they would like to.

Madam Chairperson: Thank you very much, Mr. Augustine.

Mr. Graydon: Thank you for your presentation. It was a well-done presentation. And I know that you're concerned about the one point rise in the PST, but that's basically a 14 per cent rise in the income for the Province of Manitoba, just so that we're clear on that. But what you're looking at is—and I'm sure we've heard from one of the former presenters—is a ripple effect that the—that that one point has throughout the whole system. And that's, basically, it's not the one point that's going to be bothering you, it's that ripple effect that's coming from all the way down the line that's going to make it more and more difficult for non-profits to operate.

Would you say that the vote tax that the NDP have voted themselves as \$5,000 a year, that they voted themselves, would that be better spent if they put it towards something like this, organizations that you're representing today?

Mr. Augustine: I don't think I would like to speak on that point, but we do know that any money that is given to non-profits goes directly back into the province and is able to allow organizations to deliver programs and services for Manitoba families. So any

increase in funding for non-profit organizations is an important thing.

Madam Chairperson: Thank you, Mr. Augustine. The time has expired and we are very grateful for your coming down to speak—[interjection] Thank you.

And our next presenter is Muriel Koscielny. And I will get you to pronounce that properly for me. And do you have any materials you'd like handed out?

Ms. Muriel Koscielny (Private Citizen): No, I'm sorry, I do not.

Madam Chairperson: All right, thank you. As soon as you're ready.

Ms. Koscielny: Good afternoon, Madam Chairman, minister of—the honourable Minister of Finance (Mr. Struthers), the Honourable Dr. Gerrard. I thank you for providing me with the opportunity to speak to my Legislative Assembly.

I come today with my presentation based on two sources of literature. One is called *The Social Construction of Reality* written by Peter Berger, a German sociologist. The title is self-explanatory, and I'm not going to go in to what's in the book because it contains many topics, many areas and many ideas telling—informing us on why we are who we are and why we do what we do.

My second source of literature—my information is called *Making a Scene About Language Rights*. Okay, I'm going to ask you just to ignore the language rights part and I want you to concentrate on the making a scene, because he talks primarily about public hearings and their value or their lack thereof, okay?

I would inform you at the outset that my name is Muriel and I come to this occasion fully pedigreed, and you'll understand why I say this. I am the daughter of peasant farmers and a descendant of Canada's men in sheepskin coats.

My ancestors came to Canada at the turn of the 20th century with no illusions whatsoever. They came, they pulled roots and they picked stones and they helped build Canada into one the best countries in the world in which to live. The legacy which my ancestors leave is to be envied and I would hope that most of us would consider to do the same.

As for my parents, all of which they were asking for throughout their lives was the assurance that their

own children not fall and not be turned into slaves. We need to expand our vocabulary; we need to start thinking about using words such as oppression, serfs and bondage.

My parents would be deeply disappointed today were they still living and if they were to see what's happening to our province today. To this end, I take the liberty to dedicate my words here today to my ancestral family.

However, Madam Chairman, let me altogether attempt to deceive my honourable Minister of Finance. Let me not try to fool my government. For as I stand here before you, Madam Chairman, the daughter of peasant farmers, I, too, am as much an academic. I carry with myself a master's degree in education, buttressed by a BA in Canadian history. And I would add, I also don't take wooden nickels.

Now, if this is not yet enough to give me some credibility, let me just add with yourself, still, Madam Chairman, that while I was still in my premaster's program, I was then invited to conduct several guest lectures. The topic, which was for our purposes here, professionalism and ethics. And I don't need to—I don't think I need to add to that statement.

I can tell you now, Madam Chairman and members of this committee, that I do not come here today to my Legislature to make a presentation. I come instead to make a scene. I come to rage. I come to get into the face of my government and I do this not on my own behalf but rather on the behalf of the many.

I come for the short and the tall, the big and the small and for all of us in between. I come to be the voice of every Manitoban that would oppose the oppression being taken today—being—today being imposed upon ourselves by our government. I come to tell our government that we, the citizens of Manitoba, have had enough.

Even before Bill 20 becomes law, and even without Bill 20, we are done. Manitobans are done. We are finished, as we, all of ourselves, know everyone has a tipping point and the mast-mass 'jority' has reached this tipping point.

* (14:10)

Manitobans elected the New Democratic Party to govern, and it oppresses instead. We brought the NDP party into power to be honest, and it lies. We asked to be heard and, instead, our government turns

to us a deaf ear. I do not remember when last I was made to feel so angry, and I'm embarrassed today to be a Manitoban.

And, really, as an aside, let me just say any increase in taxes is hardly going to make any difference to my life these days. I will be—I can share with you, I will be 80 in October, and I believe that I have already paid my dues and I shouldn't be punished anymore. And I would ask this government right now to consider waiving the PST altogether on seniors' purchases. On everything that we buy, we should no longer be indebted to the Province; we've paid our dues.

Too many people tell me these days that their intention is to move. They want to run. They want to escape a government which holds them in bondage. I, on the other hand, encourage these people to stay. They are good, good people, and Manitoba needs them and we need their skills. We need their presence and we need their honesty. I say shame on our government for driving their own people away and out of their own homes.

To my minister, with all due respect, fie on you. Fie on you and your foolish ideas. I am, therefore, altogether in concordance with the many presenters who spoke before me; I want my government to know and to have it etched in their minds that we are not, cannot, and at no time will not, be in agreement with his plan to increase the PST.

Our minister would impose, illegally, I would add, a still-further tax to an already high cost of living. I come, Madam Chair, with a voice which speaks for the many. I rage and make a scene for the many. With all due respect, though, I have arrived for myself a decision. I will not, and I emphasize, will not, be party to our government's plan to increase the PST. I say, enough. Stop already. I will learn to live with still less, and I will learn to do without still more.

But, in the end, I will also still not pay more. To my minister I say, again, shame. And if there's anybody in the public here with me who wants to add another shame, please join me. Shame.

At the same time, I will also not allow our Premier (Mr. Selinger), our House leader—and that's an inside joke—or our Minister of Finance (Mr. Struthers) to carry me to hell in a handbasket. I apologize, as I borrow the words of the federal minister of the NDP party: Do they not know who I am?

And, Madam Chair, may I ask if but one of the aforementioned is good enough to explain to me or anyone here in the audience or the public in the—on the panel, or in the audience, can tell me for what reason am I required at all—at all—to pay a tax on the soap that I purchase with which I launder my clothing. It makes no sense to me whatsoever. I don't pay a tax on the bread that I eat. Why, then, should I be paying a tax on the laundry detergent with which I launder my clothing, or the toothpaste with which I brush my teeth? We talk about consumption goods.

In closing, I would ask, Madam Chairman, permission to take a page from our—from the history of our own past. When our Premier (Mr. Selinger) was begun to be accused recently of being a liar and then was found out to be true, I, too, was hearkened. I, too, began to wonder, and here's my little story from the past.

It was 1915, and the Manitoba Legislative Building was in the process of being built, when a scandal was about to break. The Lieutenant Governor of the day was quick to take matters into his own hands, called to the government House, the premier was there, offered an ultimatum: he would either make good or resign. The premier chose the latter. You'll excuse me, Madam Chairman, as I head for the nearest telephone now. Thank you very much.

Madam Chairperson: Thank you very much for coming to present. We'll go to questions.

Mr. Struthers: Yes, thank you very much, Ms. Koscielny. I appreciate the—my degree at Brandon University was a major in history, so I appreciate the history lessons and I think we need to learn the lessons that we learn in history and then act upon them. I do, though, want your—I want your views on how you will benefit as we remove seniors from the education property tax rolls. That's a commitment that we made, we announced how we're moving forward on that in Budget 2013, and I hope you can see that there's benefit there for you. What's your advice to me on that?

Ms. Koscielny: With all due respect, Minister, I am not anywhere near qualified to respond to that question. I don't do numbers and I don't do taxes. I do more intellectual history.

Madam Chairperson: Thank you.

Mrs. Driedger: Thank you, Mrs. Koscielny, for being here and your involvement and—involvement over the many years about issues that are important to Manitobans. And I do want to ask you, because so

many people, in fact, about 75 per cent of the people that have come before us over this whole period of time have spoken eloquently like you have and they have all been opposed very strongly to this PST hike. How are you going to feel when the NDP won't be listening to all of you that have expressed some very, very serious concerns about what this PST hike will do?

Ms. Koscielny: I'm sorry, would you just—

Mrs. Driedger: How are you going to feel, Mrs. Koscielny, when after your pleas with government to not raise the PST, when they're going to go ahead and ignore all of the concerns you're raising, how are you going to feel about that?

Ms. Koscielny: I'm sorry, with all due respect, Mrs. Driedger, I've already become indifferent. I'm not a consumer. It's not going to affect me personally a whole lot.

I'm speaking today, not on behalf of myself, I'm speaking on the behalf of the families with children and other seniors, of course. I'm on a fixed income, but I—the government is not listening. I was here on Tuesday evening and Thursday evening, and my experience over the last 20 years tells me that I don't know why I'm here. I don't know why I'm here today except that I feel that it's my civic duty and I speak on behalf of the other people who aren't here for whatever reason they're unable to be here. I speak for them and so I probably will just continue to feel indifferent after today.

Madam Chairperson: Thank you.

Mr. Gerrard: Yes, I'm sure glad you came and thank you, and you put it very eloquently and well and you spoke up on behalf of a lot of people. Certainly, your voice on behalf of seniors and people who will be affected. And as we've heard repeatedly, as well, that it's not just the 1 per cent that on many goods and services there's—people are providing those goods and services are having to pay the 1 per cent on being able to provide that and that's going to have a ripple going through. So I think it will have more of an impact than most people realize.

Ms. Koscielny: I'm saddened today. I feel—I have a mix of feelings because (1) the government isn't listening to the people who came and presented. I can see that on Tuesday, on Thursday when I was here, people who presented before me. The government is not listening. (2) I'm saddened because it's going to impact on many, many people's

lives, this increase in the PST. And, yes, I realize it's, we say only 1 per cent, but over the long haul, it's going to have a huge impact on all of us, not just the poor, not just the underprivileged or disenfranchised, but on all of us. And I don't like the dark hole that we're going to. I don't like the fact that we're being impressed—I'm sorry.

* (14:20)

Madam Chairperson: No, no, you go ahead. I thought you were finished. I apologize.

Ms. Koscielny: When I think of my parents worrying about their children, meaning me, being turned back into serfdom, it was part of the European history that my ancestors brought to Canada. That was their biggest worry—they were worried about that. That was the biggest concern. They wanted to make a new life for—a new life and a better life, so that life would be better for their children, and their children's children. And I fear for my children and my grandchildren.

Madam Chairperson: Thank you very much. Our time has expired for questions. I apologize to both sides, so impressed by the interest of the MLAs on both sides. And thank you again for coming.

Now, I would just like to remind our audience and public, you've done so well holding things in and controlling yourself, but just a reminder that those who are observing, please don't applaud or comment from the audience. Thanks so much.

And we are now going to move into our second group, presenters called twice at previous meetings, starting with out-of-town presenters first. Presenters called twice at previous meetings will be called a third time now. If they are not present, they will now be removed from the list. Okay. All right.

So our first one from out of town on our list is Nestor Molina. Is Nestor Molina here? No. If not, they will then be removed.

The next one is Martin Howard. If not, they will be removed from the list.

All right, that's all of the out-of-town presenters. I will return to the top of the list.

Ron Manness. No. They'll be removed from the list.

Kevin Lysak. No. They'll be removed from the list.

Tom Grieve. Be removed from the list.

Chris Boychuk. Be removed from the list.

Cathy Cook. They'll be removed from the list.

Jason Thompson. They will be removed from the list.

Nelson Camp. They will be removed from the list.

Peter Tucovic. No. They will be removed from the list.

Jack Keeper. No. They'll be removed from the list.

Leo Grouette. No. They'll be removed from the list.

You might have Wendy Land on your list but she was already presenting a different day. So you can remove her.

Curtis Monkman. I believe he already actually presented another day.

Cameron Henderson. He will be removed from the list.

Ron Chapman. He will be removed from the list.

I believe Vince Rempel did present a different day. No? A different Rempel. Okay, we called him and he wasn't here. Vince Rempel. No. He will be removed from the list.

And Bill Massey. No. All right. He will be removed from the list.

All right. We will now move to the third group, presenters who did not confirm their attendance. All right. We have three under this list and if they are not here, they drop to the bottom of the list simply because they have never been called before. Okay.

So the first one is Paul Peter. He will drop to the bottom of the list.

Don Coccozza. No. He will drop to the bottom of the list.

And Ken Haller. He will drop to the bottom of the list.

We now move to the last group, presenters who registered after the agreement of the House, dated June 20th, 2013.

Our first person on that list is Leta Noakes. She will drop to the bottom of the list.

Doug Chorney. Yes, Mr. Chorney. Keystone Agricultural Producers. And do you have materials to distribute?

Mr. Doug Chorney (Keystone Agricultural Producers): I do, yes. I have 20 copies of my presentation.

Madam Chairperson: Our staff will help you. Thank you, and whenever you're ready, Mr. Chorney.

Mr. Chorney: Good afternoon, honourable members of the Legislative Assembly, ladies and gentlemen. My name is Doug Chorney and I'm president of Keystone Agricultural Producers, the grassroots organization that works in the interest of farmers in Manitoba.

I'd like to thank you for the opportunity to comment on Bill 20 and Budget 2013. Before I begin, I'd like to paint a quick picture of the agriculture industry in Manitoba so that you'll understand our concerns over the effects of this budget. Our industry is critical to the province as an economic driver and creator of jobs. According to provincial information, we contribute \$10 billion to the province's economy and create 62,000 jobs. These jobs, I note, are in every sector, including shipping, processing, retailing, research and businesses that supply goods and services directly to farmers.

Agriculture, as you know, starts at the farm level. The unique thing about our industry is that we consist of a large number of independent farm operators, each one a stand-alone business. Compare this to other Manitoba industries, for example, the aerospace industry, which is dominated by just three major firms. Manitoba's approximately 15,000 individual farmer-operators face a series of risks that are not found in other industries. Weather, as we all know, can wipe out crops as it did in 2011 when \$900 million in production was lost to heavy spring rains and flooding.

The world marketplace, too, creates very significant challenges. Markets can be lost in the blink of an eye, and a farmer can suffer huge losses as a result. Currently, country of origin labelling in the United States is costing the Canadian livestock sector an estimated \$1.14 billion annually. In addition to these risks, agricultural producers must also contend with crop prices that rise and fall with market—with global market cycles.

Despite these risks, farmers must invest in industry if they are to stay competitive. While net farm income has improved, continuous investment in land and equipment is necessary. In fact, total farm

debt in Manitoba has risen to \$7.5 billion, double what it was a decade ago. Canada-wide farm debt exceeded \$70 billion for the first time in history.

The government of Manitoba has long supported agriculture, as do other provincial and federal jurisdictions, in recognition of the challenges the industry faces. However, we are concerned over the recent cuts to support for farm business risk management programs at both the federal and provincial governments. We are further alarmed by the additional cuts as a result of Budget 2013 and Bill 20. We believe these cuts are based on the mistaken belief that farmers have overcome the natural and market risks that I've described. These risks however, are inherent to the industry and have been present since the 1800s.

The PST increase will impact farmers. While many farm input and equipment purchases are PST exempt, farmers must pay the tax on construction material for all farm buildings as well on a variety of other purchases. A 1 per cent increase will make a huge difference on a big-ticket investment such as building materials for—or agricultural trailers. Investments, I might add, that are completely exempt in Ontario. We are asking that this competitive disadvantage be corrected. There are—there must be a review of taxable farm items and more exemptions allowed on farm purchases.

The increased PST will also impact rural communities. Farmers near our western border inform me that many residents are travelling to Saskatchewan for large purchases. At a time when rural depopulation is a growing concern, Manitoba should find ways of creating competitive advantages for rural commerce instead of legislating disadvantages.

Another issue with the PST increase is the way in which the added revenue will be spent. We are told that it will leverage federal funding so that some large infrastructure projects in rural Manitoba will take place. As residents of local municipalities, we understand the impact of the provincial infrastructure deficit on farms and communities and the need to maintain and rebuild. However, the problem with this funding formula is that municipal governments will not see this money. The provincial government will choose which projects it will create and fund even though municipal governments are best equipped to assess and determine which strategic infrastructure investments need to be made to improve their communities.

In Manitoba we have the land, water, weather, knowledge and people and ability to grow world-class agricultural products. What we don't have however, is a comprehensive food-processing industry to take these products, add value and then sell them to consumers here at home and throughout the world

* (14:30)

We are in a contest with our neighbouring states and provinces for food-processing investment, and we must be competitive to attract the kinds of investment that will drive the agriculture industry, our communities and our economy forward.

Good transportation infrastructure is a critical factor for food processors when they perform a location assessment. Because Budget 2013 will be providing almost no new revenue for rural municipalities for local infrastructure projects, we don't believe communities will be able to develop the competitive edge they need to attract investors. This is very disheartening for those who live, work and farm in rural Manitoba.

Another grave concern for Keystone Agricultural Producers is the changes to the Farmland School Tax Rebate program contained in Budget 2013. We have long argued that the education tax levied against land and property is a dysfunctional way to fund services such as—so critical, such as primary and secondary education. It creates a situation where farmers, regardless of net income or relative wealth, pay a disproportionate amount of total tax required to fund education in Manitoba.

The provincial government has recognized this and created the Farmland School Tax Rebate program, which it enhanced over the years. On September 18th, 2011, farmers in Manitoba were very pleased to hear Premier Selinger announce, and I quote: Farmers will pay no school taxes. We all know the feeling that we could use a little more money in our wallets. Our hard-working farmers face many challenges, from the weather to the volatility of crop prices, and many farmers have had a tough year. Today's NDP will save Manitoba farm—will save farmers \$14 million every year by eliminating school tax on farm land.

This was the government's pledge to increase the rebate from 80 per cent rebated to a hundred per cent. Instead, however, in Budget 2013, a \$5,000 cap has been put on the program per individual. Another

change will limit the time frame for farmers to apply and yet another has disallowed the rebate to out-of-province landowners. The \$6.2 million the government expects to save through these program changes is roughly equal to reducing the rebate from 80 per cent to 68 per cent.

Premier Selinger was clear in his commitment to reduce the tax burden on Manitoba farmers. However, to the contrary, money will be drawn out of the—rural Manitoba at a critical time. Farmers would otherwise be investing in their operations, paying down debt and saving for future years, when they—we will see cyclical declines in production and commodity prices.

This new tax burden will also be difficult for many young farmers—those who have borrowed substantial amounts of money to increase the size of their operations as an investment in the future of agriculture in this province.

Curtis McRae, a young farmer with both a growing family and farm, is a good example of why these program changes are wrong. If they are not reversed, he will pay an additional \$3,000 in taxes, money that otherwise could be used towards university tuition for his children, investment in land, buildings or equipment, or to help pay down long-term debt.

Farmers who rent land are also concerned because they know that their rental rates are going to increase as a result of the removal of the rebate for out-of-province landowners.

None of this is contributing to the competitiveness of the industry or the business climate in Manitoba, and I ask: Why is this so?

To point out the disparity in our education tax system, I'd like to bring your attention to the last page of my submission. It is an ad for a condo not far from here: 8,000 square feet, a library with stained glass ceiling, a den, gym and a separate bedroom for live-in help—all this for only \$3.3 million. The final line of the ad is an interesting—is the interesting part. Due to new legislation, if the owner is aged 65 or over, the net tax, less the education tax, will be approximately \$15,460. The pre-rebate tax bill is \$32,635, so this homeowner will get a break of \$17,172.

I'd like to leave you with this question. Who is more deserving of a tax break: the future owner of this \$3.3-million residence or a farmer who uses his

land for business and takes great personal risk to drive our economy and our province forward?

Let's fix this broken education tax system that we have, once and for all. Let's base school taxes on one's income and ability to pay. Let's create a competitive business climate in Manitoba where taxation's fair, entrepreneurship is encouraged and investment is sought out instead of discouraged.

Thank you for your attention.

Madam Chairperson: Thank you, Mr. Chorney, for coming to present. Committee questions?

Mr. Struthers: Yes, thank you very much, Doug. It was good to see you come here and present today.

I want to put on the record that, especially when I was Agriculture Minister, I appreciated the straightforward, sometimes blunt advice that you gave to me and our government and I thank you for that. You represent your members well.

I was interested in the one thing you said in your presentation about big-ticket items—combines, swathers, tractors, and the concern that farmers will be heading west because of the difference in the PST. I was concerned about that as well. I talked to a farm implement dealership—I live in Dauphin—so in the Parkland I talked to a fellow who makes his living doing this. He doesn't agree with what you've said. So I want you to comment further on it. His theory is that farmers already travel a long way if they need a combine. They will go out to Saskatchewan; they'll come down to southern Manitoba; they'll look locally, and they will—they're smart people, farmers. They will get the best deal that they can. His view was that the 1 per cent increase would not change that, that farmers will still look for that best—that best deal wherever that may be on either side of the border, and that it wouldn't actually hurt his business. Do you see his point there, or do you think he's eternally optimistic?

Mr. Chorney: Well, it's—with all due respect, there is no PST charged on farm machinery. So it's a moot point. Where it would be subject to PST would be parts. And what we're hearing from our members is people buying appliances for their homes, flat-screen TVs, washers and dryers, things like that, consumer items that are generally applied—have PST applied to them. So the farm equipment, yes, you're exactly right. Producers do go to auctions in Saskatchewan if they see something they want to buy and take advantage of that, but PST is not a factor in farm equipment at all.

Madam Chairperson: Thank you.

Mr. Ralph Eichler (Lakeside): Thank you, Mr. Chorney, for your presentation. I know you offer a lot of good advice, not only to the government, but to opposition as well.

My question for you is the impact that this is going to have on the ability for young farmers to be able to do—take over succession plan of the—for the next generation of farmers and the impact you see that having on the ability of these young farmers and their ability to be competitive enough to, in fact, be able to do that succession planning, or for a new farmer to take over.

Mr. Chorney: That's a great point to bring up. Our young farmer members are a group that we try to hear from as often and as frequently as possible because they are our future. And what—you know, I took this up with the Minister of Agriculture, Ron Kostyshyn, and you know he explained that, you know, it was government's advice that only 2 per cent of farmers would be, you know, affected by this cap of \$5,000.

But, unfortunately, a lot of young farmers are returning to farms that are already operating and they want to expand those farms, and they may be incorporated and they are treated as one entity. So these young producers are discriminated against and it gives them a competitive disadvantage.

It's surprising. We had one member call us that was getting \$57,000 of school tax back every year, and now it's going to be \$5,000 because they operate that much land. You know, it doesn't mean that—I don't think it's fair that we discriminate against the farm because it happens to be growing. I think we want to encourage the growth of our farms and our families that are going to be coming back involved in our industry and build on that. And this approach to taxation is really discriminating against successful or larger operations that want to grow. And I think that's a mistake, because that is where we're going to see the future of our economy thrive, by having successful growth in the industry.

Madam Chairperson: Thank you.

Dr. Gerrard, briefly.

Mr. Gerrard: Thank you, Doug, for coming in. As, you know, the party which has supported taking the PST off farm buildings, I can appreciate your comments. What you're saying is that instead of going to—from 80 per cent to 100 per cent rebate as was promised in 2011, that the government is

actually going from an 80 per cent rebate down to about a 68 per cent rebate. Is that right?

Mr. Chorney: Correct. And, you know, I remember when Minister Struthers rolled out his first budget we went to a chamber breakfast and I asked the question in public why we weren't seeing the education tax go up, and the minister said don't let us forget about that. We're, you know—and I'm here again to remind you, minister, that I haven't forgotten and I will keep, you know, rehashing this issue because it's a priority of our membership and an issue that Keystone Agricultural Producers has lobbied hard on since its inception 29 years ago.

Madam Chairperson: Thank you very much for your presentation and for answering the question.

Our question time has expired. And again, thank you.

And our—I'll go back to our list of presenters registered after June 20th, and our first person from that, again, is Kerry Stevens, the next one on our list. No? So they will drop to the bottom of the list.

And Bill Heather. Mr. Heather. And do you have materials to hand out?

*(14:40)

Mr. Bill Heather (Private Citizen): No, I have nothing to hand out.

Madam Chairperson: All right. Thank you. Then whenever you're ready.

Mr. Heather: I guess I'm ready. I was determined a while ago that I wasn't going to come to this committee hearing. I try—I was trying to stay clear of it. However, from what I've been reading in the media, reading in the newspapers, hearing on CBC—which is the station I listen to—I have become increasingly frustrated with the way all parties are handling this PST increase.

And putting it very bluntly, I believe the Progressive Conservatives are only trying to make hay with this. I don't believe that you guys really are caring about Manitobans at this point in time, I believe you are interested in gaining power. As far the NDP goes, I think that you have not done a very good job of presenting your case as to why this increase is necessary. And I challenge you to a better job of that.

To Dr. Gerrard, I am delighted always to meet you and I am pleased to report that Justin Trudeau

and the Liberals are rated at 49 per cent support in Atlantic Canada today. We will come back.

As I sat here today, guys, I felt that we were in a doom-and-gloom situation. All I've heard all day is doom and gloom; our province is going downhill, our young people are leaving, we've got no investors, 1 per cent is 14 per cent, you know, and all that kind of stuff, and it's just so doom and gloom.

You know what you guys, with the attitude that I'm hearing today from this group and from the presenters, Manitoba is finished. But we're not finished because of the 1 per cent increase, we are finished because of the poisoned attitude and environment that we are creating in this province. We are poisoning the minds and the attitudes of ourselves and more so about the young people.

And there was one guy here today—I think he's gone now—he talked about working together and we are upset, we should not be—we should work together to make it better. Well, that's what I'm saying to you guys, is that I think we need to work together to make it better.

Cliff and I go back a long time—Cliff Graydon and I. We've had many rows, but we're still friends. In fact, we were both likely out baling last night because it was dry. And I baled late, Cliff, so I could come here today.

But, you know, all the doom and gloom—I was baling right along the TransCanada Highway—and Mr. Smook, you likely travelled that highway maybe last night—wouldn't believe motorhomes, RVs, car after car after car, and we're all bankrupt and we're all giving because we got no money left? You know what I say to that. I sat there on my tractor and I watched these cars going. We're not in that bad of shape, but if we convince ourselves we are, we can convince ourselves to be failures and I don't want that to happen to our province.

I—just where I come from, I'm a farmer, as you can tell. Cliff and I, we go back, we buy and sell back and forth, we—fourth generation on the farm. This August it will be 50 years since I took my first full-time job off the farm. Fifty years I've worked in this province, and I'm darn proud of it. We've done well. I got pulled to school by a team of horses. I bet some of you guys did too. And now we got to have gravel roads and school buses, and I have four buses run past my place, and then we talk about inefficiencies. Well, we've got some inefficiencies.

So, what I want to say before my nine minutes are up is I support this bill and I support the paying of more taxes. I believe it might cost you guys the election if this poison-pill program works, but you have demonstrated a vision and a desire to move Manitoba forward. We don't want to go backwards to the four—I heard one presenter talk about four terms in the woodshed—I remember those four terms in the woodshed. I don't want them again, guys. Sorry, Cliff. I don't want them again. I want some new leadership on this side.

And you guys—and really, it's important that you use this money wisely. You have a Premier (Mr. Selinger), I assume, and a government with a vision. Take that vision; run with it. Let Manitobans that aren't here today whining and complaining, let us be proud of Manitoba. Show us what you can do with it, Mr. Chomiak. Use that money wisely. Use it for infrastructure, and we'll go, is my request.

And the irony of this is, is that all of us as elected politicians are a bunch of wimps. Even Cliff is a wimp, will be, on this one. And he's not a wimp; I know that. But we're wimps in that we want to tell people we can do everything but—we want to tell people that we can do everything, and we tell them we can do everything and we can do it without raising taxes. Well, you know what? That's not true.

Taxes have to go up. Everything goes up. Cost of living goes up. Cost of operating goes up. So, taxes have to go up. And people out there aren't stupid. They have it figured out. But we feed it to them that we can do it. And we can't. The only way you guys can avoid this tax is to cut. And that's the choice Manitobans are going to make down the road.

Efficiencies: You're not giving any government credit. Do you realize the government has cut 10 per cent funding to Conservation Districts? They have reduced Ag offices—well, of course, it's only in Conservative areas—but they reduced Ag offices, et cetera, et cetera, okay? You guys are—need to let people know where you are striving for efficiencies, what efficiencies you're working for, what efficiencies you've put into place because you're constantly getting abused for spending like a bunch of fools. Reality is, is that the people who accuse you of that don't realize how expensive it is to operate.

And I have a whole list. Do I have any time left?

Madam Chairperson: You have a minute and a half. Maybe two.

Mr. Heather: Minute and a half. Sat here and—reason I did this and it's written like this is, other than my tractor, I don't have a computer, et cetera, so that was over coffee this morning. But I heard so many things, and I just want to touch that one about the not following the bill. You know, the—we're breaking the law now because we're not having a referendum. Well, you know what, guys? Harper never had a referendum on doing away with the Wheat Board, did he? Farmers had a referendum, and they supported it. Harper got rid of it. So, I don't think that we should cry too much wolf at the local level over this because it's an absolute fact he didn't.

So, and I believe Legislature, people, you guys, too, that you've been elected to represent the people. And you representing your people and the majority—and this is a democratic process, believe it or not; the majority is our New Democratic Party—you guys have the right to rule and I expect you to rule. You make that decision; if you think you need that 1 per cent GST, and you use it wisely—and you have to use it wisely; keep a ledger book because these guys are going to be watching for every penny that's not there—keep a ledger on it; use it wisely and go for it. People will support it, is my belief.

* (14:50)

Madam Chairperson: Thank you very much, Mr. Heather, for coming out to present.

Ms. Oswald: I don't really have a question as much as I have a comment. I haven't been to every one of these hearings, but I've been to some, and I have heard presenters on both sides of the issue, certainly, many chiding members of the government and expressing their intense disappointment—I will concede that point—and others chiding the official opposition for their view and being harsh equally. What I can say is you are certainly very special in your ability to give us both heck equally. I think you've done that in a very balanced way and sent a very strong message about our role, not the least of which is to work hard to inspire.

And if I can say with the greatest humility and offer no offence to you, you remind me of my dad. I lost my dad in 1996, and I miss him dreadfully, but he was in so many ways, just as you are, so balanced and thoughtful. I long for him today and you gave me a little slice of him. So I say thank you to you. And I would also include that I feel what you're saying about Mr. Graydon. I think we josh and we're friends, though we might not agree politically. Thank you for being here today.

Madam Chairperson: Thank you.

Mr. Graydon: Thank you, Mr. Heather, for your presentation today and your recognition that we have been friends for many, many years. And I know you well enough that I can call you Bill rather than Mr. Heather. And, Bill, I would suggest that when you and Diane are on your way home today and the speed limit says 80 kilometres an hour, that you will not intentionally drive 120. You will not intentionally—you might do it, but it'll be for a good reason, but knowing that the consequences are there, there will be consequences for breaking the law. I know that you do not go out to intentionally break the law. I know you well enough for that.

And I know you well enough, as well, as being in the cattle industry that you have been in for many, many years and were very successful at it, that you also knew that your word was your bond and your honour. That's exactly the man that I see standing in front of us today, the man that says, yes, these cattle are sound; they will do this, and I will do this to back them up. And just prior—just prior—to the 2011 election, we heard a lot, not just some, we heard a lot of comments: I will not raise taxes. I will not raise the PST. I will not do this. My word is my honour. Manitobans need that.

And, after being in power for 12 years or 11 years, I would say to you today that anybody that's been in that business that long knows exactly the situation that the books are in. They knew that in 2009 they deferred the payments, the debt payments for three years. In 2010 the debt payments were deferred for three years. They are coming home to roost today. It's not a vision they have today with this PST. This is a bailout. It's a government bailing themselves out. So my question to you is: Would you still support what you'd said earlier, knowing these things that were said by the government in 2010, 2011, and then on top of that, adding \$5,000 vote tax to their own pockets? Would you still support that?

Mr. Heather: Cliff, thank you for your kind words. And, yes, I am a man of my word. My concern—and the reason that we are in this predicament today is I blame it on the—I believe it's called balanced budget legislation that was passed by—who was it passed by? What government? And what—see, once you guys passed that balanced budget legislation, Cliff, and you locked your own hands, and if you would've been in power today, I believe that you guys would've been in the same predicament. So the problem isn't that we broke the referendum. We're

not having a referendum, et cetera, et cetera, that we broke that. The error was made in 1995, I believe it was, when the original legislation was passed. It was passed to deliberately tie the hands—I believe this; I don't know it as fact, I believe it—to tie the hands of future government, the same as the 2 per cent GST that we had reduced in Ottawa is basically going to tie the hands of future federal governments. It's a philosophical stance.

Madam Chairperson: Thank you so much, Mr. Heather. Our time for questions has expired, and we appreciate you coming down very much.

Returning to our list, I'm now calling Keith Fulford. Do you have any materials to distribute?

Mr. Keith Fulford (Private Citizen): I do not. Just my voice.

Madam Chairperson: All right. Great. If you just go ahead when you're ready.

Mr. Fulford: Sure. I—actually, if you would like a moment, I know in these situations where you're sitting down for a long time, there's probably little blood in your head right now. It's usually in your seat and your feet, so if you'd like to just take a moment and just, like, stand up and get some blood moving around that circulatory system, although maybe it changes once you get into the MLA circulatory changes—maybe not.

So I just—I came down today to offer my support to the standing committee. I strongly believe in the province of Manitoba and I wish to offer a balance of opinion to the standing committee.

In my observations in life, often opposition seems to be the loudest whenever change happens. I wish to offer as well that I believe that I'm presenting a quiet opinion of Manitobans that a 1 per cent increase is a fair tool at this time. Additionally, I'd like to state that in this discussion I'm not interested in arguing sides and numbers. What I would like to do is to enter into public discussion my support of the Province of Manitoba and the public goods that I feel continue to make this province an example of steady success.

So the first thing I'd like to do is say thank you for removing the balanced tax—the balanced budget legislation. I think it was a silly decision when it happened. I think that traditionally you've seen it used in other jurisdictions as a method to handcuff political parties. And what I'd like to do is just suggest, as another speaker said, is that part of the

act of governance is knowing that taxes are—either go up or go down, and that's one of the tools that are used. So that legislation, when I saw it happen, it always kind of—it stunk to me, and seeing it change, I think that's an appropriate decision.

So I respect the effort of this government in making the decision to raise a 1 per cent tax, knowing that, at any given time, if you're asking someone in this consumer economy to pay more, they're going to say no. Like, that's just the way it is, and it's fair, but we also need to look at some of the things that we do well in this province, and I just want to address that.

I think there's an excellent quality of life here in Manitoba, and I know my friends and my family share that idea. And I see them deciding to move to—move back to Winnipeg to set up a life in Winnipeg. For myself, I've been able to live in three other jurisdictions. I've lived in British Columbia, Ontario and New Hampshire, all of varying tax plans, and I can tell you that their quality of life does not exceed what we find here in Manitoba. I did not find a wonderland of low taxation helping people around me. I saw in a lot of cases—and, you know, this is the mantra of New Hampshire, if you're familiar with it, is live free or die. And that's a decision that I think—that's the type of civilization or decision that I don't want to be a part of. And that's one of the reasons why I've come back to Manitoba, is that I believe in the things that I've seen growing up here.

In coming back, I've brought a wonderful wife who's an Ontarian. She's come back to the province. We have two wonderful daughters that we're now raising in this province. As a fact of marriage, I marry into a family, and what I now have is, is I have a large farming family from southern Ontario—from Stratford, Ontario—who many of them are sort of honorary Manitobans now. They come to visit. They enjoy the visits here. They enjoy coming to visit, obviously, their daughter, their relative, and it's something that I'm proud of. I'm proud that I'm able to share that with other people across Canada and it's—that's the way my life has gone so far.

* (15:00)

And this is one of the things I'd like to say is that the 1 per cent consumption tax to me can support the things that I value in our community and support the growth of these public goods. It's hospitals and health-care infrastructure. It's being able to transport people from the north who need care at HSC. It's transportation infrastructure, and thinking of our low

population density, we've got a lot of roads and we've got a lot of infrastructure. I look around even in the city of Winnipeg and the way that we've gone—grown, pardon me, and I just think that's a lot to pay for, given our population density, and it's the cost of living here.

I value education from early childhood to post-secondary. I value the agricultural support we give. I value the justice system. I value being able to have that available. I value flood management. I value environmental protection. And it's these forms of distribution of wealth and opportunity that, in my opinion, is the foundation of Manitoba's success. As I stated earlier, I've lived in three other jurisdictions. I've settled here in Manitoba because I believe that we're getting civilization right in many ways. And in knowing that tax is the cost of civilization, I'm quite willing to pay an additional 1 per cent PST to help maintain and grow Manitoba's standard of living.

That's all I have for you today.

Madam Chairperson: Thank you very much for coming down to make your presentation. Committee questions?

Mr. Struthers: Thank you very much, Mr. Fulford. I appreciate your comprehensive view of our province and its diversity, especially the economic diversity that we do have. I think we need to build on our strengths, and part of that is a health-care system that offers to people the certainty that they're going to have health care when they need it and that it's going to be accessible to people. You mentioned this in your address to us, about health care, and that prompts me to ask you if you would favour the kind of two-tier, private, for-profit health-care system that Brian Pallister and the Conservative Party have talked about. Mr. Pallister is quoted on CJOB as saying exactly that.

I wonder what your views are, not only in terms of that impact to Manitobans who are here, but what does that message that's sent out to non-Manitobans who might think of moving here? What kind of a message does that send to those people?

Mr. Fulford: I wish not to respond to questions that are leaning towards political grandstanding. That's something that on the public record I'm not interested in doing. Of course, health care is something that we've grown across Canada, and that's something that everybody should be valuing and access to that is something that's important to me.

Madam Chairperson: Thank you.

Mrs. Driedger: Thank you very much for your comments today, and thank you for not taking the minister's bait about political grandstanding because he's been doing it throughout all of the sessions, and—

Floor Comment: Don't start here, too, because you're heading there.

Mrs. Driedger: And I know I'm going down—*[interjection]*

Madam Chairperson: Mr. Fulford.

Mr. Fulford: —but, yes, I don't want to do—like, let's not do that. I'm not interested.

Mrs. Driedger: Yes, thank you for being here and for the comments you present.

I do have one question to ask you, and I guess it's what kind of a message do you think a government sends when they tell people that they're not going to raise the PST and then within weeks of that, turn around and raise the PST? What does that say to you about respecting the electorate, about ethics, about integrity? Does that send any message to young families like yourself?

Mr. Fulford: You know, the nature—the reason that I dislike that balanced budget act was that it was entering us into a position where we're doing direct democracy, and we do representative democracy and that's not a contractual democracy. And things change in decisions so when I hear any political party say whatever, I know that whatever that might be, they're wearing that shirt today; they're going to change that shirt the next day. And that's a possibility.

So once again, in knowing that, I'm aware that when someone says I'm not going to raise taxes—and you see it in all political stripes in across all political jurisdictions—and then it happens, that's just part of the mechanisms of governance and the mechanisms of paying for civilization. So that's part of the game.

Madam Chairperson: Thank you.

Mr. Dennis Smook (La Verendrye): Thank you for your comments, Mr. Fulford. And I agree with you. We do have a have province here. You have young children that are looking forward to growing up in this province as I have. What's your thought on our debt in this province at approximately \$30 billion, is that something that you would like to your children?

Mr. Fulford: Wow, that's a, I don't know. What did Milton Friedman say about debt? What was the idea

about that? Was it that at some point you'd be able to die and then just have insurance to pay for everything? Isn't that what it was? Like that? Is that what we want, I don't know.

You know, the debt thing is it's government, it's our behaviour in general. So I don't, I'm not going to sit and suggest that one political party is—would have been saving us from the debt that we've accumulated. Because if you look at individual debt repayments from each family we show that we've just been in a culture in general of consumption. And that's going to be a really tough decision to make at some point.

Madam Chairperson: Dr. Gerrard, briefly.

Mr. Gerrard: Yes, I just want to say thank you for your presentation and thank you for speaking out against some of the grandstanding.

Madam Chairperson: Honourable Minister Chomiak, briefly.

Mr. Chomiak: I want to, I've seen the tremendous generosity of spirit and ideas expressed here today. The fellow who came here and gave the hotdogs to people wasn't supportive of the government move, but he—there was a generosity of spirit. Almost everyone that's approached here today has done through a public spirit attitude, and I just wanted to thank you and virtually everyone that's appeared today for taking that step and for providing us with ideas. And we don't all agree, but one of the nice things about this place, this province, is that people can express their views and we can resolve those things and go on working together. So you kind of, in a lot of ways, epitomized some of the stuff I wanted to say to early presenters and I think we all agree with that.

Madam Chairperson: Thank you very much. Mr. Fulford. Our time has expired for questions; thanks for coming down.

And our next presenter—I'm sorry?

Committee Substitution

Madam Chairperson: All right, a little committee business. Order, please. I would like to just inform the committee that under our rule 85.2 the following membership substitution has been made for this committee effective immediately: Mitchelson for Eichler.

Madam Chairperson: Thank you. Sorry.

All right. We will now return to our list and the next presenter is Margot Lavoie. Is she here? If not she will drop to the bottom of the list. Elda Enns. Elda Enns. Do you have any materials to distribute?

Ms. Elda Enns (Private Citizen): Yes, I do.

Madam Chairperson: All right, our staff will help you with that. And then whenever you're ready you can go ahead. There is water there if you'd like it.

Ms. Enns: Good afternoon. I consider it a privilege to be able to present. We are very concerned that there is no longer a clear definition of a democracy. Everyone coming into this country is bringing with them their own definition. For those of us who live our lives by principles, values and convictions, and I quote: There are things we won't give over and there are things worth fighting for.

Each political year candidates hit the trail trying to win votes, sometimes they endorse so many positions you don't know where they stand. I heard the amusing story of one candidate who stood before a crowd and said, whatever you want, pause, I'm for. Know where you stand so you won't fall for slippery words.

Where do you stand on the issues? Abortion, homosexuality, prayer in school, pornography, premarital sex, social drinking, gambling, divorce, socialism, terrorism.

Before you vote next time, send a letter to the candidates, asking for direct answers to these important questions, and compare their responses.

Lord help us to stand for something; lest we fall for anything. Harv and Elda Enns.

* (15:10)

Madam Chairperson: Thank you very much for presenting and waiting so long.

Ms. Oswald: Yes, thank you, Ms. Enns, for coming to committee today. I'm reasonably certain you win the award for the most brief presentation, if there were such a thing. However, I would say that your advice to an electorate, direct, concise, know what to ask your candidates, is arguably the best advice that anyone can give to a voter. So, I thank you for coming here today.

Mrs. Driedger: Thank you, Mrs. Enns.

Madam Chairperson: Oh, Ms. Enns, can you come back just for a bit? We have a few more questions.

Mrs. Driedger: Oh, Ms. Enns, just thank you for your comments. And I guess what you were emphasizing really is the rule of democracy, and the fact that if people are going to say something, keep your word.

Are you here because you were concerned that you were told one thing in the election, that the PST was not going to be raised, or that retail sack-taxes were not going to be raised, and that the government went ahead and it did it anyway, and are breaking a law to do it? Is that your concern or is there something even broader than that?

Ms. Enns: Basically, my definition of democracy is, government by the people, for the people.

Madam Chairperson: Thank you very much for coming and presenting.

The next person actually on your list was John Ryan, and he did present, so that's why he's not there.

And the next person we're calling is Dorothy Wise, if you could come. Do you have any materials to hand out, Ms. Wise? Yes, the staff will help you. And just go ahead and present when you're ready.

Ms. Dorothy Wise (Private Citizen): In every society, a balance must be found between the needs, rights and responsibilities of individuals, and the customs and laws that pertain to the collective.

Few people manage to live totally self-sufficient adult lives, cut off from interdependence with others of their species, and even those who do were once babies and children, dependent for their care on adults.

In the year 2013 A.D., in the province of Manitoba, the country of Canada, we live in a time and place where humans utilize, in their lifetimes, unprecedented amounts per person of natural resources, that have been processed into gasoline, cars, electronic equipment, structural materials for houses and apartments, et cetera.

Scientists from all over the world are calling upon people in developed countries such as Canada, to change their lifestyles towards a more frugal use of natural resources, and towards lifestyles that leave less of what is called a footprint, on the planet, as a term to encapsulate concepts of resource depletion, carbon emission, pollution and other effects of humans on the environment as they live their lives.

In such a time, higher taxation can help shift a balance between wasteful overconsumption of

resources on the part of individuals and families, and payment for services that may not intrinsically overuse resources, such as services to do with health care, the social safety net, schools for the education of children.

In these times in Manitoba, some would argue that there is a need for yet higher taxation than we have now, to 'encover' investments for the future, such as investments into building more housing for low-income people, to keep pace with Winnipeg's growth and population of recent decades, and for housing needs in other towns and communities in Manitoba, investments in repairing and upgrading municipal water provision infrastructure and sewage piping and treatment works, investment in public transportation so Manitobans can move away from using fossil-fuel powered cars, trucks, and airplanes, toward using buses, trains, and light rail systems.

I feel Manitobans should welcome the Manitoba government's imposition of a 1 per cent increase in the PST provincial sales tax to be used for flood mitigation measures and for infrastructure spending. I, as one Manitoban, call upon the government of Manitoba to increase taxes still further for investment in transportation to a more environmentally sustainable provincial economy, for investment in public infrastructure for the future, and to ameliorate the shortfall in affordable housing for low income people in the province.

I call upon the government of Manitoba to develop a carbon tax to add to the taxes already in place, the proceeds of which would be invested in public transportation and in upgrades to freight train transportation to make it better able to compete with both truck and airplane transportation of goods.

I call upon my fellow Manitobans to tighten their belts and to work harder for the collective public good, for the benefit of future generations and to try to live lives that use natural resources in a more frugal way.

I am myself a low-income Manitoban, a single woman, senior citizen over age 60 with an annual income of less than \$15,000 a year. I have no complaints about the Manitoba provincial government's increase by 1 per cent of their sales tax, provided the revenues generated are used for flood mitigation and infrastructure spending as promised and provided the provincial government continues to try to protect health-care services, the social safety net, education services, and conservation of the environment.

Madam Chairperson: Thank you very much for coming to present. Questions from the committee?

Ms. Oswald: Yes. Madam Chair, not a question; just a comment. Thank you very kindly for coming to committee today, Ms. Wise. I've had the privilege of hearing you speak before and your unfailing commitment to the preservation of all that is good, just and beautiful on our planet is ever-constant. Thank you once again for your comments today.

Mrs. Driedger: Thank you, Ms. Wise, for being here and presenting your comments to us and feeling it was important to be here to share them with us. Thank you very much.

Mr. Gerrard: Thank you for coming, for speaking for the environment and I'm just pleased that you're here on a Saturday that's warm, and you could have been a lot of other places. Thank you.

Madam Chairperson: Thank you very much for taking the time to come down.

Our next person on the list is Michael Silicz. No? You will drop to the bottom of the list.

And our final presenter on this list is David Angus, the Winnipeg Chamber of Commerce.

Mr. Angus, do you have anything to hand out?

Mr. David Angus (Winnipeg Chamber of Commerce): No.

Madam Chairperson: Okay. Good. Whenever you're ready.

Mr. Angus: Thank you very much.

First of all, there's good news and bad news. Good news is I'm the second last speaker, so that should be happy for you. Bad news is Dr. Gerrard has allowed me three hours to present here today. So, thank you, Dr. Gerrard.

I represent the Winnipeg Chamber of Commerce: 2,050 companies, small, medium, large, all different sectors including not-for-profit sectors. Ninety thousand employees, mothers, fathers, daughters, sons, community leaders are all found within our membership, and I can't tell you, in my 14 years at the Chamber, a single issue that has mobilized and crystallized my membership in opposition like this one has. And I think that's for good reason, and I think we heard some of those reasons here today. We've heard hundreds of Manitobans over the last week and they've talked about the impact that this will have on them, either as

a citizen or as an entrepreneur. They've talked about the process and how insulted they were around the process of what brought us here today and how that's eroded the trust that they have in government which is so fundamental and important to them and to all of us. They've talked about tax fatigue and how they're tired of being uncompetitive with other jurisdictions and lack of accountability for how those tax dollars are being spent. They talked about government waste and runaway spending. They've talked about a multitude of different issues.

But, if I could crystallize the voice of the people through this particular issue, it's that we deserve better. And we do. Because there is an anger, and I hope that you hear it and I hope that you respect it and I hope that you'll act on it, because I'm angry, too. And I'm really angry about the process.

* (15:20)

This government, when approached to discuss long-term solution and a plan for infrastructure, turned away from that discussion. When municipalities articulated that significant municipal infrastructure deficits, \$780 million annually for the City of Winnipeg alone, and a funding gap that exists at the municipal level, they were largely ignored and they continue to be ignored.

When it was time for this democratically elected government to propose a \$277-million tax increase, and it was time to assess the impact it would have on Manitobans, all Manitobans, you thumbed your nose. You discredited the value and importance of what I consider a fundamental pillar of good government, taking the time to understand the impact of your decisions.

When it was time to abide by the law, by current legislation that is there to protect citizens against the very actions that this government is implementing on July—implemented on July the 1st, you've demonstrated better than I could ever, why we have it. And you continue to demonstrate why we need it back again. When there was a strong, undeniable opposition to both the PST increase and a legislative change, you had an opportunity to take a pause. Even if you still chose to pursue the increase, you had the democratic vehicle to take it to referendum and you chose not to.

When it was time to articulate the plan where this money would specifically be invested and why it is in the public's interest and how it will grow our economy and create jobs and reduce our debt, when

it was time to give Manitobans the reasons to support it, you were nowhere to be found. So here we are. Hundreds of presenters presenting to a committee on a tax hike that has already been implemented. What an insult. An insult to hard-working Manitobans.

One of the speakers said it better than anybody: I don't know why I'm here. I don't know why any of us are here, but thank God we are because we need to have a conversation. You heard it today from a number of presenters. We have a right in having a voice in this decision. One presenter said, I'm sad. I can't understand why we can't follow our legislation and go to referendum. And one of them said better than anything else and probably, my biggest worry, when will it stop? If it's so easy to do this tax increase, what's next around the corner? All very important, legitimate concerns that should have been heard long before today and before a final decision was made.

If you would have gone through proper consultation, through a referendum, you would have heard about the impact. You would have heard about the impact that I hear from my membership, additional costs and expensive equipment and technology. Million-dollar construction projects that all of a sudden will have significant cost increases that they can't recoup because of contractual arrangements. Talk of border communities both on Saskatchewan and United States that already face serious competitive issues that this will only enhance. Talk to low-income Manitobans about the impact it will have on them or entrepreneurs that are struggling or not-for-profit agencies where every single dollar is valued.

The ability to track investment is harmed. We talked about the effective marginal rate, and Dr. Gerrard asked the question. Reality is when there's an end product, there's a cumulative tax piece. Every PST on every input that goes into that final product gets accumulated, and that is a No. 1 competitive measurement in terms of our ability to attract investment. So it isn't just about the 1 per cent. It's the multiples of 1 that make us even less competitive as we go today.

Issues of implementation. It really is the most egregious in terms of how we can make it easier. Even if you don't want to go ahead with it, make it easier for those that are impacted in different ways in order to accept it. And about our high-tax brand, about our inability to be able to compete internationally when it's impossible to attract

investment to high-tax jurisdictions and with no sense whether that will end.

Could have made an informed decision, and you might have changed your mind. You could have changed or could have changed how it was implemented or maybe you just would have continued on, but it would have been an informed decision that people would embrace and eventually support because the process would dictate that respect.

But now we have a bigger issue, and it's an issue of trust and confidence in this government. And I got to tell you, you did nothing today in my eyes—and I've been here since 10 o'clock—to resurrect that confidence. As people came here for you to hear, and we sit and listen to the political bickering going back and forth, questions to try to defend a particular position. Today is for you to listen.

So I hope that after today, you just don't breathe a sigh of relief and go out to the cottage and it's business as usual. The onus is now on you to resurrect that trust. And I ask that you consider the following on behalf of my board of directors and my membership. I ask that you think about deferring implementation of this plan, and actually articulate the plan and do it in collaboration with those that have an opinion.

We very—could absolutely support your plan. We could be helpful in terms of identifying the things that you want to accomplish on behalf of Manitobans, a clear and publicly recognized plan of how this \$277 million is going to be spent, that should be reviewed regularly and reported publicly as well, that needs to be incremental. And you need to prove incrementality of this money and where it's going to go, and needs to be dedicated to 'thomthing pespific,' like infrastructure. And you have to define the economic outcomes that come from this investment. We need the plan. And that is the step that, to me, starts tomorrow.

You need public engagement in the plan. And I—honestly, referendum is the best way to engage the public. It's the best way to raise the consciousness of all Manitobans about the serious issues that we face, specifically.

And we've heard a lot of comment about referendum. I've got to tell you, in the United States, at the municipal level, they—a lot, most of them have city sales taxes that they have to take to referendum. Seventy-five per cent of referendums in the US pass.

And they 'becass'—pass because they're clear and they're accountable and transparent, and people respect the fact that they can vote on them.

I suggest a commission on efficiencies. At the same time, when you reach for tax increase, you also have to prove to the public that you're finding efficiencies within government. And I think that needs to be a much more robust part. Every budget articulating efficiencies that you're finding with a body that can take public presentation to find those efficiencies and implement them. And lastly, I think you need to facilitate a dialogue with municipalities throughout all of Manitoba. Because there's only one taxpayer, and we need a plan together.

I will end with this. I sat beside an older gentleman on Wednesday night from southern Manitoba. And he sat beside me and he said, I don't think I'm going to get up. I don't think I'm going to get up and speak. And I said, why? And actually, Kevin Rebeck from MFL was there in the conversation as well. He said, well, I'm a little nervous. I don't know—I don't think it's worth it. You know, he even said, you know, my wife's going to kill me when I get home and—when I tell her I didn't get up and speak. And we said, just get up; just tell them how you feel. And this was a gentleman who got up and told you, open 'kimona', about how he's a recovering alcoholic, and how he was going through that process—an old gentleman, who, hard-working Manitoban, who committed to this province and created wealth and opportunity in his area of Manitoba. And really just wanted you to identify the first step like he did, which is to recognize we have a problem.

Today we have a problem, and we need to fix it. You're wrong on this one, and we have to make it right, and I truly, truly hope you do, and I commit to you that if we can re-engage in the discussion about an overall plan on infrastructure, we will be at the table. We will bring our membership there. And we'll turn this negative situation into one that I think could be robust and positive. That concludes my comments.

Madam Chairperson: Thank you. Thank you, Mr. Angus, for coming to present. And committee questions?

Mr. Struthers: Thank you very much, Dave, for come and—coming today and speaking with us. You were very blunt with me, so I think I owe it to you to be blunt to you as well. One of the things that we considered when we looked at a 1 per cent increase

in the PST was who has told us to do this. You were one of those people. Other groups told us to come and do the same thing.

Now, I get it that you may want that money to be dedicated to municipal infrastructure, which would only leave the question, then, what do we do about our own infrastructure? Do we do another point? Do we look other well—other places for taxes—but I understand that. My view is you can't have it two ways. You can't tell us to increase that point of PST, whether it be for our infrastructure or municipal. We're going to gain \$277 million for either us or for the municipalities. You can't come back to me, then, and say that that's going to—that we forgot about border communities and cross-border shopping. You can't come back to me, then, and say that business expenses for equipment are going to go up. Because you told me to do the 1 per cent. You can't come back and say that that hurts our high-tax brand, because whether that goes to the municipalities or whether it comes to us, it's still an increase of 1 per cent that you told me to be bold on.

Dave, the multiples of 1 happen whether the money goes to the Province, province's infrastructure or the municipal infrastructure. I got—one other thing I want to be—I want to put on the table for you—

* (15:30)

Floor Comment: Is there a question?

Mr. Struthers: Yes, just—it's coming—the—Brian Pallister and the Conservatives said very clearly that they're going to reduce by \$550 million across the board every single department, including the department that funds the World Trade Centre that you and I have worked on, that I think is a very worthwhile undertaking. What happens to that undertaking? What happens to that undertaking—

An Honourable Member: Point of order.

Point of Order

Madam Chairperson: Excuse me. Point of order? [*interjection*] Mr. Graydon, sorry.

Mr. Graydon: Madam Chairman, if he has a question, let him present the question, but at the same time he doesn't need to be grandstanding and putting some words on the record that aren't true.

Madam Chairperson: Thank you for your advice from both sides. We'll get right to the question. And

it's—sorry—I was supposed to say it's not a point of order, but thank you very much for your advice.

Madam Chairperson: Mr. Struthers.

Mr. Struthers: Thank you. What happens to a project like the World Trade Centre if it's subject to the across-the-board kind of cuts that Mr. Pallister has put a news release out on confirming that he would do? What happens to that World Trade Centre? You've put a lot of work into this. We've helped with funding. You've travelled the world to build this. We've helped you do that with funding. What happens to that project if it gets that kind of a cut?

Mr. Angus: So let me clarify. You know, I want to thank the minister for articulating and showing exactly why it would've been good to have consultation before he actually raised the PST because he would've understood what our position is as we've articulated many times; it's documented in our bold program. We believe that the Province of Manitoba should allow municipalities to implement a city sales tax with a defined plan that they take to the people through referendum because we believe that the most pressing need for infrastructure is at the municipal level. We truly believe that, and that is our position, and, please, do not—do not—represent my position in any other way than what's fact.

And so that is our position, and that's what we proposed for. And everything was hinged upon taking something to the people, but at the municipal level. We did—we do not support this. We did not tell you to do this, and I just want to be very clear on that. It's very important to me that you're very clear on my position. So please don't misrepresent it.

Secondly, our position on efficiencies is not a 1 per cent cut across the board. It isn't. Our—because there are some areas where there's more savings to be found than others. I personally believe we don't invest enough in things that grow our economy. I think we need to have a process through which we can look at more efficient ways in which we can spend money, in which we can invest money on behalf of Manitobans. So that's why our position clearly is commission on efficiencies, and that's a chamber-endorsed position.

Mrs. Driedger: I am going to ask a question.

Because the minister probably chewed up most of the five minutes for questions with his

grandstanding, are we going to be allowed to extend this question period a little bit longer?

Madam Chairperson: That is at the request of the committee. So, if the committee agrees, we could extend it a minute. Is that okay with the committee?

An Honourable Member: No.

An Honourable Member: We agreed before the committee

Madam Chairperson: I hear a no.

An Honourable Member: We said no to the mayor.

Madam Chairperson: Okay, apparently said no to the mayor.

All right. So could you—yes, if you go ahead and place your question, Mrs. Driedger.

Mrs. Driedger: Thank you, Mr. Angus, for being here and for articulating so eloquently all of the issues that have been coming forward over this last number of days that we have sat here. There are about 78 per cent of people that have spoken very eloquently and passionately against this PST hike, explaining a very—carefully to this government how it is going to hurt Manitoba. We know what's going to happen at the end of this process, that it's going to stay and it's going to be rammed through. What kind of environment do you think Winnipeg and Manitoba is going to be left with then, after what this government is going to do?

Mr. Angus: I think the biggest issue is uncertainty. In the business community, the lifeblood of any—in fact, they gravitate to jurisdictions that give them certainty. They know over the next five, 10, 20 years, what the economic framework's going to be for that jurisdiction. And what happens with this particular one is you start losing trust if you see a jurisdiction that's going the other way when other jurisdictions are trying to be more competitive. You know, the PST losing trust—that you see a jurisdiction that's going the other way when other jurisdictions are trying to be more competitive.

You know, the PST pay—we were huge advocates for HST, because we see how much it puts us in an uncompetitive situation in comparison with the majority of other jurisdictions across Canada. We need to care about these issues, because that's how investment comes, that's how jobs are created that allow us to actually generate the revenues. And we talked about it with the minister in terms of we do need to invest in areas. We do need a competitive

framework in order to drive government revenue through growth, not through taking more money from each individual. So I'm concerned.

Madam Chairperson: Thank you very much, Mr. Angus. The time has expired. And we appreciate very much you coming down.

Committee Substitutions

Madam Chairperson: We do have a little piece of business here. Order, please. I'd like to inform the committee that under our rule 85(2), the following membership substitution has been made for this committee, effective immediately: Dewar for Chomiak, Howard for Oswald. Thank you.

* * *

Madam Chairperson: Now, we have completed this list, so now we go back to the folks on the list that had been called, who need to be called one more time. Okay, so we're going to go back to the beginning of that list.

And the first person on that list is Lynda Berard. She's not here. Then she will drop off the list.

David Meunier. No. He will now drop off the list.

Bill Franck. No. He will drop off the list.

Chrissy Hamilton. She will drop off the list.

Tatiana McGauley. She will drop off the list.

Mary Godwin. No. She will drop off the list.

Charlie Mayer. No. He will drop off the list.

Jack Van Dam. No. He will drop off the list.

Cory Jasysyn. No. They will drop off the list.

Ken Kornel. Thank you. Ken's here. And do you have any materials to hand out?

Mr. Ken Kornel (Private Citizen): I do not.

Madam Chairperson: All right. Whenever you're ready, Mr. Kornel.

Mr. Kornel: Of course, I have to follow Mr. Angus.

Just a quick point I'd like to make first to Mr. Gaudreau, because you spoke while someone else was speaking. You said, it doesn't hurt when it's true. Okay, or does it hurt when it's true? No, it hurts when it's a lie.

So good afternoon, Madam Chair, ministers and members. I would first like to thank everyone for

their commitment to hearing from all of the presenters over the past week, even though it's a definition in futility. I've attended every single day, and I admit I'm amazed and proud of the intelligence and perspective of our citizens that have chosen to speak, regardless of their individual perspectives and beliefs relative to my own.

Since I've attended every single day, I've had to rewrite my presentation six times. I'm very grateful that these meetings weren't scheduled last month. The reason I rewrote this many times is because I hate redundancy and wanted to be fresh in the hope that you would all listen, instead of getting up to stretch, using your techs, taking a bathroom break or chatter amongst yourselves, as legend federal House members are prone to do when those are at the podium and those have the floor to speak. That's my cynicism.

What has become clear to me in listening to everyone over the past week is that you have two obvious camps consisting of those of the black and orange stripe who are happy with the new 1 per cent or 14.33 per cent tax increase, because it will maintain their position within the government rolls, including teachers, professors, health-care professionals, social agencies, and, of course, the bureaucrats. And on the other side, the rest of the citizens who are telling you that they either no longer can afford to or are unwilling to pay for this increase.

I, too, want to have good roads and strong infrastructure. I'm in the construction business. I want good hospitals, social programs and so on. I'm more than willing to pay my fair share of taxes to see that these things are maintained and even expanded. The difficulty is, of course, in determining what is fair taxation, and who determines how much and where the monies go, once collected.

I don't think any room of people could ever clearly decide this issue on their own. It just isn't in our nature, because we're all very different. This is why we have voting. Most of us support the democratic principle of majority rules. We may not always like the outcome, but most of us can accept the outcome and console ourselves with working harder next time to better explain our message to convince voters and our fellow citizens that our way is better. This is democracy, pure and simple; no interpretation and no statistical manipulation required.

* (15:40)

The fundamental principle—this fundamental principle is why on November the 11th each one of you puts on your Sunday best for the opportunity to say thank you to the young men who paid the ultimate sacrifice during the past two world wars and other conflicts which continue on even today.

I simply don't understand how this government can fly in the face of that basic principle called the vote, which separates our system of government from all the others and is the fundamental reason why you all acknowledge the sacrifice of our former and present troops.

The balanced budget legislation was enacted for a reason and was done so democratically and fairly. I'm sorry, I lost my place. It's to be supported by a vote from the people. This freedom was—the freedom to create these laws was paid for in blood, literally. And you have reduced November 11th, in my mind, particularly to the right side of the room, to a photo op.

My career development took place under successive Pawley governments and, ultimately, I chose to leave the education system after three years of university because I wanted to become a teacher. But the truth is there were no jobs. I don't hold the NDP government responsible for any of that, because I was caught up in a numbers game. I was in the middle of a baby boom, and the cycle would have taken another 15, 20, to 20 years before significant numbers of teachers retired and I could really see my way to finding a good job.

Instead, I chose a different path and I have no regrets today. I work 60 hours a week, sometimes more, and I don't mind doing so to take care of my family and make—and do my part to make the system work.

The fact that this government has decided to fly in the face of the law and not carry the question to the people, as mandated by very real and tangible legislation, carries significant ramifications for me. Trust is everything to me; it's how I lead my home. I and my wife invest our time daily teaching our three daughters about honour, respect and an old axiom, which goes something to the effect of saying what you do and doing your best at what you say, from what you say.

The media and television, with the reality shows, depict endless lying, deceit and manipulations, and children grow up learning that your word really doesn't matter if you can justify, in your own mind, a

reason to change it. Your behaviour reinforces this negative influence today.

The facts, though, are really quite different. When you tell someone something clearly and deliberately and then they base their behaviour on your words and then you change your words and behaviour after the fact, you have broken a bond of trust, a contract that is spiritual but physiologically very real. And that's why people get angry.

Now, sometimes you can explain why you changed your position and there are circumstances which can play a part; you have a duty and a responsibility to justify just as clearly and deliberately when you spoke to the people about your promise why you now take a different position. If you don't correct this broken contract for whatever reason, many people will feel that you betrayed them. In our society, and certainly in my home, I identify and teach my children that this is called lying. It's not called anything else.

I feel, as do many of the presenters this week, that Mr. Selinger lied and the members to my right are complicit in that lie, because, in a very real way, each of you benefited politically from that lie. Even if that lie influenced a single vote, you lied. I've been around just long enough to know that there will be no apologies, and, in my home, we teach our children that this is called arrogance.

It is clear to me now that this government is out of management ideas. I think NDP policy is bankrupt and you should all step down, as you clearly have no plan to manage this province in a healthy and sustainable way. I can only imagine your most qualified people sitting in a room, trying to find new streams of money to meet your commitments, providing for the citizens of Manitoba. It goes something like this in my imagination: Let's reduce the monster known as the WRHA. Long pause and much blinking. Let's raise the taxable income level of the family to, say, \$20,000. A member responds. Another member says: No, that makes too much sense, but not enough immediate cash. Let's look at every aspect of our government to see if we are running everything as efficiently as we can. Long pause, followed by much blinking, followed by a few eye ticks and twitches. Do you realize how much work would be involved in doing that, says another member.

Here comes the brightest of all the ideas: let's just raise taxes. What a good idea, says Mr. Struthers, as he leaps. I'll draw up the plan. It took

four seconds to draw up that plan, in my mind, because that plan is, in fact, a plan that's been used over and over again. And the only trouble is, with this plan, the dollar only goes to a hundred, and most, to all of it, in my family, is accounted for in my household.

Eventually, and sooner than later, this economic practice collapses, as is evident in the US. And I'll give my little statistics: 46 of the 50 US states this year are running huge budget shortfalls. This is 2013-2014. And within five years, those same 46 states will not be able to meet payroll obligations for all of their teachers, service providers and bureaucrats. Number 1 reason cited is disproportionate wages and benefits of those civil servants. So the evidence shows me that you're out of ideas since you can only ever settle on the same solution, which is to raise taxes.

I would like to help this government with a little of what I know. I had a whole breakdown of the cost of pharmaceutical drugs, and since I have less than a minute, I'm going to repeat some of them because nobody talks about the white elephant. Celebrex costs the taxpayer \$103.27. It costs 60 cents to produce. The profit margin is 21,712 per cent. I'm going to leave out the other six. The last one is Xanax, which everybody knows, one milligram costs \$136.79 to the taxpayer, two cents to produce, for a 569,958 per cent profit.

You mentioned that you were going to form a committee to investigate your increased price in gasoline, which clearly gouges all of the citizens, even by admissions from experts in the profession. But your government makes no mention of these incredible and, frankly, outrageous profits by the pharmaceutical companies which drive health-care costs through the roof.

Madam Chairperson: Thank you, Mr. Kornel. Thank you very much for taking the time to present. Questions?

Mr. Struthers: Yes. Thank you, Mr. Kornel. Thanks for advising us today and thanks for being here today. Thanks for being here yesterday and the day before that and the day before that, right back to Thursday. I very much appreciate your participation in this democratic process. So thank you very much.

Mrs. Driedger: Thank you, Mr. Kornel, for being here and for your comments.

What do you think, out of—like, you've been here every night and you've heard from many, many

people. What are you going to find the most offensive once the NDP ram this bill through and not listen to everybody that has come forward?

Mr. Kornel: Thank you. Most obvious to me is the lack of allocation for this money. Since I've been here for the six days and not everyone has, but a few have been close to it, I've heard the NDP saying particularly that they're going to look after infrastructure with this money; they're going to look after flooding issues, et cetera, et cetera. To my mind most of the flood allocation has already been made. It's done, okay. So I'm hearing different things, but I hear the Conservatives calling for a specific plan, as does Mr. Angus. There is no plan. In fact, what the NDP has said clearly, including in this room, is that they're going to announce these expenditures in the fiscal year following spending the money to do it.

I am not a Conservative. I'm also not an NDPer, so don't think I have a stripe in this; I don't, okay. That is just fundamentally wrong. I have a belief in this whole process, and it's a white elephant to me that's in this room, and that is that this money is really going to be used to negotiate the outstanding contracts that are coming up in the next two years. History is going to bear this out, not me saying it, but I'm going to be watching personally because I'm the kind of guy who likes to walk around and tell everybody I told you so, even though it does no good.

* (15:50)

The last thing I would like to say, and most offensively, about all of this, is the reduction in government. New Zealand is a model, and the NDP will use this over and over again when negotiating salaries for employees. They will cite the other provinces and the disparity that we have. The other province—and they'll use this specifically when negotiating wage contracts for nurses, 21 per cent, two contracts ago; teachers, civil servants, and so on. I would like you to know and be pleased that the New Zealand—the government of New Zealand, 15 years ago, began to cut their entire bureaucracy to this day by a tune of 74 per cent. They did so through natural attrition; they didn't cut anybody, fire anybody, dismiss anybody. Today the country of New Zealand runs a surplus and it's the envy of nations around the world. Don't know if any of you have been to New Zealand. They have no major industry and no major exports. They run a surplus.

So using your model of citing other provinces for justifying wage increases, please apply, I implore

you, the same study and take a look at the New Zealand model to learn what they have done to run not only balanced budgets but surpluses.

Madam Chairperson: Thank you.

Mr. Gerrard: Thank you, Ken, very much for coming here and being so patient and attending so many of the sessions, and I think you have some pretty good advice and thank you.

Madam Chairperson: Thank you very much for taking the time to come and present.

I will just do a little piece of business here.

Committee Substitutions

Madam Chairperson: I would like to inform the committee that under our rule 85(2), the following membership substitution has been made for this committee effective immediately: Wiebe for Saran, and Melnick for Gaudreau.

* * *

Madam Chairperson: And we will now return to the list of calling names for those who weren't here before.

So we are at Paul Peter, I believe. Not here? He will now drop off the list.

Don Coccozza. No, he will now drop off the list.

Ken Haller. No, he will now drop off the list.

Leta Noakes. No, she will now drop off the list.

Kerry Stevens. No, they will now drop off the list.

Margot Lavoie. No, she will now drop off the list.

Michael Silicz. No, he will now drop off the list.

I'm just going to double-check to make sure I did not miss anyone on the other, and I did not.

Thank you so much to everyone. That concludes the list of presenters that I have before me. Are there any other persons in attendance who wish to make a presentation? Seeing none, that concludes public presentations. We now proceed with clause-by-clause consideration of Bill 20.

All right, we have had some changes as folks know in committee members. So I'm just going to read those just so everyone's clear on who the committee members are now. We have Mr. Allum, Mr. Dewar, Mrs. Mitchelson, Mrs. Driedger, Ms. Howard, Mr. Saran, Mr. Smook, Mr. Graydon. Oh,

I'm sorry. Mr. Wiebe. I apologize, Mr. Wiebe. Mr. Graydon and the Honourable Mr. Struthers, and myself, Ms. Wight. And Christine Melnick. I did say Mr. Smook, but I'll say you again. Mr. Smook. Just to clarify, Mr. Gaudreau was subbed with Ms. Melnick. Thank you.

All right, we are now going to turn to the clause-by-clause script, and we will begin. Does the minister responsible for Bill 20 have an opening statement?

Mr. Struthers: Yes, I do.

Madam Chairperson: All right.

Mr. Struthers: I want to thank you and the member for Interlake (Mr. Nevakshonoff) also who has chaired this week. At times, members on both sides of the House have got passionate about this topic, and I thought both you and Mr. Nevakshonoff handled the situations with much patience.

It's my honour to put a few words on the record about Bill 20 this afternoon. We have heard, and we will continue to hear from many Manitobans in regards to this bill. We want to thank every person who has come to their Legislature to speak their minds on Bill 20, regardless of their political persuasion, regardless of their position on this bill.

It takes real dedication and commitment to engage yourself in this way in our political process, and you do a credit to yourselves and to our democracy by being here. And I would like to thank everyone who has written or called my office with their thoughts, some in opposition, some in support, some simply curious and wanting more information. No matter what side of the House we sit on, MLAs are elected to serve the people of Manitoba, and it is an honour and a privilege to do so. I also want to thank the legislative staff, clerks and support staff who have helped all of us all week long.

The decision to raise a tax, any tax, is not one that this government takes lightly. We know how hard Manitoba families work, and, at the end of the day, we all want the same thing. We want to live in good communities with a high quality of life. We want good schools for our kids, good hospitals when we or loved ones need them, solid roads and solid infrastructure. That's why it's so important that every tax dollar we raise is done in the fairest way possible with the best possible return to the taxpayer for their investment in our province, and we owe it to every Manitoban to be as open and transparent as possible about where their tax dollars are going.

We know that the global economy remains uncertain, and provinces across Canada are coping with real challenges. Some provinces are increasing income taxes, business taxes and health premiums. Some have imposed the HST. Some have to cut into core services and reduced infrastructure spending.

In Manitoba, we face the added threat of increasingly frequent flooding even as we recover from major floods in 2009 and the flood of the century in 2011. We need to act now. In their budget—in their March budget, the federal government announced a new 10-year Building Canada plan to help build infrastructure, including flood protection, but they require matching funds from provinces. A time-limited, 1 cent on the dollar increase in the PST will provide strong, stable funding to build our infrastructure. Like Ottawa's Building Canada plan, it will disappear after 10 years. The Manitoba Building and Renewal Funding and Fiscal Management Act dedicates, in law, every dollar generated in this way to building and improving our flood protection, schools, health centres, streets and highways. This will be reported on an annual basis to the Legislature in the same transparent manner as revenues collected from fuel taxes are under The Gas Tax Accountability Act. It's a plan that will create thousands of good jobs, stimulate our economy and keep building a better Manitoba for everyone.

* (16:00)

Manitobans want to know that flood protection is going to be there for them when they need it. We've seen the devastation in other places when flood preparations have not been made, but protecting families from flooding and investing in critical infrastructure cannot come at the expense of the front-line services that families in Manitoba count on.

We know that members opposite have a different approach. They don't support our plan to keep building and growing the economy. Instead the Leader of the Opposition wants to make deep cuts that would cut services, cut jobs and hurt the economy. This shouldn't be a surprise.

The Leader of the Opposition was a senior minister in the PC government of the 1990s that fired a thousand nurses and 700 teachers. He called it—he called that government one of the finest Manitoba was ever blessed with.

When he had the opportunity to support our critical infrastructure projects, like the floodway that

protects Winnipeg, he asked for construction to stop. He opposes hydro investments and his party cancelled Conawapa, opposed Limestone and failed to make investments in reliability.

His party opposed building the MTS Centre, which helped revitalize downtown and make it possible for our Jets to come home. His party also opposed the new stadium that has already resulted in more Bomber season tickets being sold than ever before.

The Leader of the Opposition knows that when he was at the Cabinet table, his government raised the gas tax and instead of investing it where it was needed—roads and highways—they cut highways spending. Today he is pushing for across the board cuts that would mean firing a thousand workers, including flood fighters, prison guards and firefighters, as well as teachers and nurses. He opposes our investments in flood protection, schools, hospitals and roads. And he has publicly stated his support for American-style, two-tier health care, where the very wealthy can buy their way to the front of the line for tests and procedures.

Madam Chairperson, that is not our approach, we've said no to short-sighted cuts to services. Instead we take a balanced approach. We've saved money responsibly, like reducing the number of health authorities and redirected those savings into the front lines of services for families. We're making record investments in infrastructure that matters to Manitoba families. We're making health care more accessible for everyone by ensuring that everyone that wants one can have a family doctor by 2015.

We're cutting class sizes, giving our kids more of the one-on-one attention they need, and we are building and renewing schools across the province as part of that plan. And we're building our province for the future by growing our economy and keeping Manitoba among the most affordable provinces in the country for families. We're raising the minimum wage, something members opposite oppose.

We're improving the basic personal, spousal and dependent tax exemptions, removing the PST from baby essentials like diapers and strollers and creating hundreds more affordable housing units.

And Budget 2013 reaffirms our government's commitment to eliminate school taxes for seniors. Those are our priorities and they are the priorities of Manitoba families.

Budget 2013 protects families, businesses and the economy. It is a balanced, responsible plan for the next 10 years and beyond.

I want to close my remarks by once again thanking everyone who has come out to these public hearings. They are unique in Canada and all of us, who are elected MLAs, are so glad that you could all be here with us.

With that, I would like to thank the Chair for this opportunity to put some facts on the record. Thank you, Madam Chairperson.

Madam Chairperson: Thank you, we thank the minister. Thank you, Mr. Minister

Just going to do a little piece of business.

Committee Substitution

Madam Chairperson: I would like to inform the committee that under our rule 85.2, the following membership substitution has been made for this committee effective immediately: Robinson for Allum.

* * *

Madam Chairperson: And we will need to also do an election of a new Vice-Chairperson. The Vice-Chairperson has—will be substituted before the committee can continue with the business before it. It must elect a new Vice-Chairperson. Are there any nominations for this position?

Mr. Gregory Dewar (Selkirk): Madam Chair, I nominate Mr. Wiebe.

Madam Chairperson: Mr. Wiebe has been nominated. Are there any other nominations?

Mr. Graydon: I nominate Mr. Smook.

Madam Chairperson: Mr. Graydon nominated Mr. Smook.

All right. So all those in favour of Mr. Wiebe, please raise your hand—as the Vice-Chair, please raise your hand. Thank you.

And all those in favour of Mr. Smook as Vice-Chair.

Deputy Clerk (Mr. Rick Yarish): Mr. Wiebe, 6. Mr. Smook, 4.

Madam Chairperson: Thank you. All right. So Mr. Wiebe has been nominated, and he is now the—Mr. Wiebe is now the Vice-Chair. Thank you.

All right, and we're ready for—does the critic from the official opposition have an opening statement?

Mrs. Driedger: Yes, I do, Madam Chair. Thank you. After listening to the Minister of Finance's (Mr. Struthers) opening statements, I would indicate that he has absolutely no credibility.

A lot of the people that came here, in fact, the majority of them, felt betrayed and lied to in the last election. They were very offended. They were very insulted. They felt betrayed by this government and these were ordinary Manitobans.

Mr. Matt Wiebe, Vice-Chairperson, in the Chair

And, when I calculate the numbers, 78 per cent of all of the presenters that came, came to speak against this PST hike. The people that came were poverty representatives. There were some people here that were poor, with incomes lower than \$8,000 a year, that took the time to understand the issue and came here. There were women business owners that came and spoke about the hardships on their business. There were a lot of seniors that came and talked about the effect this is going to have on their fixed incomes. There was a recovered alcoholic, who tried to explain to this government what a spending addiction was all about and how they needed to first recognize that they have one in order to make things better for Manitobans. There were disabled veterans last night. There were farmers that came here. There were non-profit representatives. There were tradespeople, business people, moms, dads, grandparents, and youth—youth that we don't expect to be engaged but were incredibly engaged.

These were, Madam Chair—oh, Mr. Chair, the most powerful public hearings I have ever been at in my whole political career. People were passionate. They were well-spoken. They were courageous. Many had never made a presentation here before, and they were nervous. Some of them said they were nervous; others were shaking. But they were so upset with this government, so frustrated, so discouraged, they felt they had to be here. Many people sat here for six hours every evening in this sweltering room, knowing that their words might not make a difference in the long run. As one person said, I don't know why I'm here, but I felt I had to come. There were many people like that, because they all knew that this government basically had created a sham with these hearings and were—as some persons said, you know, just gave the thumb to everybody. It

wasn't something that was going to make a difference.

These hearings were about loss of honour. It was about assault on democracy, lack of integrity, lack of accountability, broken promises, breach of trust, lack of trust, breaking the law, a tired and out-of-touch government. It was about a spending addiction, fiscal incompetence, abuse of hearings, and, in some case, intimidation of presenters.

There was certainly abuse of the hearing by the Minister of Finance in his position. There was betrayal, dictatorship, lack of ethics, erosion of trust, arrogance, misrepresentation of positions of the PC Party of Manitoba. There was an abuse of power by this government and, particularly, by this Minister of Finance in his political grandstanding of these hearings.

* (16:10)

There were people talking with huge concern about job losses, about people moving away, about loss of retirement dreams. One man spoke about the fear he had for his 10-year-old disabled daughter, who's going to inherit a mess by this government and, at some point, he's not going to be around for his daughter. There were fears for their future. There were people here that had probably way more insight into the effect that this PST is going to have than this Minister of Finance or anybody in this government could even hope to have had.

And yet what did a Cabinet minister call some of these people? Howling coyotes. What an insult to the people that came here and expressed very, very serious concerns—

An Honourable Member: Point of order.

Point of Order

Mr. Vice-Chairperson: Mrs. Mitchelson, on a point of order.

Mrs. Bonnie Mitchelson (River East): Mr. Chair, I want to point out that the member for Selkirk (Mr. Dewar) sat in his chair and pointed at us like we were the ones that called presenters howling wolves. It was his colleague that did that, and he should be ashamed of himself for the arrogance that he's displaying right here, right now. I would ask you to ask him to apologize.

Mr. Vice-Chairperson: Further comments on the point of order.

Hon. Jennifer Howard (Minister of Family Services and Labour): We probably got a little time ahead of us. It's already hot in temperature in this room. I think, you know, we can all just take a breath and we can continue to get through the task that's in front of us.

Certainly, I think has been—as has been clearly stated by both Minister Lemieux, and others, there was no intention to besmirch or to call into question any of the presenters that came here. We heard, I think eloquently, from the Minister of Finance (Mr. Struthers)—thank all of the presenters for coming and sharing their opinion no matter what it was, no matter what side it was on.

So I know that it's been a long week of committee hearings. I know people are passionate on all sides of this issue. But I think if we just all take a breath, we're going to get through the rest of the meeting just fine.

Mr. Smook: Yes, I'd just like to make a comment. We had to sit here and listen to the minister make comments about what I feel was not quite correct, and I don't think anybody else should be making comments that are not really valid to this. I mean, we could've sat here and we could've made comments on some of the untruths that the minister was to saying on record. I don't think it's right that somebody—

An Honourable Member: And you did.

Mr. Smook: I never said a—

An Honourable Member: Oh? I was sitting right there, Dennis.

Mr. Smook: I never said—when Mr.—

An Honourable Member: Oh, my God. Not a word?

Mr. Smook: No, no, right now, when he was—

Mr. Vice-Chairperson: Order. I'd like to call the committee to order. I'd like to thank the honourable members for their comments. I did not hear the comment that Mrs. Mitchelson referenced, nor any gestures, but—so I'm going to rule that there's no point of order.

* * *

Mr. Vice-Chairperson: Mrs. Driedger, to continue her comments.

Mrs. Driedger: And I would indicate, and anybody that has read Hansard would have seen that the Cabinet minister referred to presenters as howling

coyotes, which is extremely insulting. There were people here that talked about moving away from this province. They were young people. They were business people. They were people that talked about Manitoba losing their competitive edge with what this PST hike is going to do. There were people that talked about the uncertainty that this is going to leave and about the perception it creates in this province—a province that needs to attract business and grow the economy so that we can pay for our valuable social programs. And what we heard from a minister calling some of these presenters howling coyotes was most offensive. One of the speakers was so concerned he thought he maybe needed a lawyer in order to continue with his presentation.

The Chair was intimidating on a few occasions.

Madam Chairperson in the Chair

An Honourable Member: Point of order.

Point of Order

Madam Chairperson: Yes, Ms. Howard, on a point of order.

Ms. Howard: I would look to the Clerk for advice on this, but I don't know if the same rules apply in committee as in the House, but, certainly, there is to be no reflection on the Chair is my understanding. In the House, there is to be no reflection on the Speaker. And to say what the member for Charleswood (Mrs. Driedger) just said, I think is reflection on the Chair.

I was in the committee with both you chairing and Mr. Nevakshonoff chairing. I think you've both done a very good job in sometimes difficult circumstances, and I would ask that you call her to order and remind her that there is to be no reflection on the Chair in these committee hearings.

Madam Chairperson: If that is a point of order, thank you very much, and just offer a caution, if I could, and if Mrs. Driedger could continue.

* * *

Mrs. Driedger: Okay, thank you, Madam Chair.

Certainly, the arrogance of this government that is going to take a vote tax when we heard from all of these people who are really struggling, in many, many cases, to make ends meet, you know, whether it was the women that were trying to work three jobs in order to support their families or a university student that was working three jobs to try to just survive. We see a level of arrogance that is

astounding by this government who will still go ahead with a vote tax and take a million dollars away from a budget, but yet turn around and raise this PST.

Madam Chair, I say, like many other presenters that came before this committee, shame on this NDP government. Somebody said, where does it all end? And that is, indeed, a fear because many people did express a fear for the future. Taxpayers no longer have any protection from this NDP government, and they have proved that if there's any government that taxpayers need protection from, it is this government. And so people are asking, where does it all end? Are there going to be more tax increases? We certainly have the Premier (Mr. Selinger) indicating that the door is open to that possibility down the road.

So people are afraid. They came here and, frankly, Madam Chair, I feel sickened that this government treated these hearings as such a sham because they should have waited 'til the hearings were done before they raised the PST. They could have deferred that. They could have listened to much more knowledgeable people out there than they are and waited 'til the people had spoken, waited 'til the law was obeyed and a referendum was carried out. Instead, this government broke a law because they are so desperate for money, they are so addicted to their spending, they don't know how to rein things in.

And I think people came here, and they are ordinary Manitobans, and they wanted to say, shame on this government, and many of them did. I really am afraid that this government is not going to listen to them, and we will continue fighting for all of these Manitobans who came here or some who were too afraid to come here and speak up. We will take into the House in third reading 20 amendments for Bill 20, and we will keep this government's feet to the fire on what they've done, and shame on them for what they're doing to Manitobans and creating such an unlevel playing field in this country for ordinary, ordinary people.

And this government has lost the faith of Manitobans, and they really do not deserve to be covering—they really do not deserve to be governing for anybody in Manitoba anymore because they have forgot that that's what they're here for. They have forgotten that it's not their money, that they're the stewards of the money, and instead what they've done is they've basically turned a deaf ear, have a tin ear, to what people are saying.

I think this is just shameful what they have done in terms of breach of process, breach of trust, and we will continue to fight this fight for Manitobans for the rest of the summer and into the fall if we have to.

Madam Chairperson: We thank the member.

During the consideration of a bill, the enacting clause and the title are postponed until all other clauses have been considered in their proper order.

Clause 1—pass; clause 2—pass; clause 3—pass.

Shall clause 4 pass?

* (16:20)

Some Honourable Members: Pass.

An Honourable Member: No.

Voice Vote

Madam Chairperson: All right. This is for clause 4.

All—are we ready?

All—order, please. Okay. All those—order, please, everyone. Okay.

All those in favour of passing the clause, please say aye.

Some Honourable Members: Aye.

Madam Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Madam Chairperson: In my opinion, the Ayes have it.

* * *

Madam Chairperson: The clause is accordingly passed.

Shall clause 5 pass?

Some Honourable Members: Pass.

Some Honourable Members: No.

Voice Vote

Madam Chairperson: All those in favour of passing clause 5, please say aye.

Some Honourable Members: Aye.

Madam Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Madam Chairperson: In my opinion, the Ayes have it.

* * *

Madam Chairperson: The clause is accordingly passed.

Shall the enacting clause pass?

Some Honourable Members: Pass.

Some Honourable Members: No.

Madam Chairperson: I hear a no.

Voice Vote

Madam Chairperson: All those in favour of passing the clause, please say aye.

Some Honourable Members: Aye.

Madam Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Madam Chairperson: In my opinion, the Ayes have it.

* * *

Madam Chairperson: The clause is accordingly passed.

Shall the title pass?

Some Honourable Members: Pass.

Some Honourable Members: No.

Voice Vote

Madam Chairperson: All those in favour of passing the clause, please—sorry, the title, please say aye.

Some Honourable Members: Aye.

Madam Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Madam Chairperson: In my opinion, the Ayes have it.

* * *

Madam Chairperson: The title is accordingly passed.

Shall the bill be reported?

Some Honourable Members: Yes.

Some Honourable Members: No.

Voice Vote

Madam Chairperson: All those in favour of reporting the bill, please say aye.

Some Honourable Members: Aye.

Madam Chairperson: All those opposed, please say nay.

Some Honourable Members: Nay.

Madam Chairperson: In my opinion, the Ayes have it.

Recorded Vote

Mrs. Driedger: A recorded vote, Madam Chair.

Madam Chairperson: A recorded vote has been requested.

A COUNT-OUT VOTE was taken, the result being as follows: Yeas 6, Nays 4.

Madam Chairperson: Agreed. Bill be reported.

* * *

Madam Chairperson: The hour being 4:23, what is the will of the Committee?

Ms. Howard: Yes, I'm certainly prepared to stay if there is more discussion on the amendments. I've heard when the member for Charleswood (Mrs. Driedger) was speaking that they have 20 amendments that we want to bring. We've agreed already to be here until 10 o'clock. We're certainly prepared to hear those amendments and have some discussion of them if they're ready, if they have them. I don't know if you have them yet or not, but we're certainly prepared to hear about them.

Mrs. Driedger: Thank you, Madam Chair. I don't think we need any intimidation by the House leader. The opportunity to bring amendments can come at any point and they certainly can come at our discretion, and they will.

Ms. Howard: That was as nice as I could ask. And I certainly was not trying to intimidate. I was just giving the opportunity. We have agreed to be here until 10 o'clock. If—you know, if you believe and I believe that we could move forward by having some more conversation and discussion of the amendments, we're certainly prepared to sit and hear

those amendments. But it's your choice. If you don't have them with you or they're not prepared yet, we don't have to hear them. But I just want you to know that we're here and we're ready to hear them.

Mrs. Mitchelson: I thank the House leader for the government for that offer to stay 'til 10 and discuss the amendments, but we're prepared to stay much longer than 10 o'clock tonight. I think we're prepared to stay all summer and bring the amendments into the House where we can have proper debate and, hopefully, all members on the government side of the House will speak to those amendments as they're brought in to the Legislature. So I'm hopeful that the minister will, you know, support that and ensure that, you know, the members on the government side of the House put their comments on the record after the very powerful presentations that we've heard at this committee this week.

Ms. Howard: Yes, I don't know if you were asking for leave to sit past 10, but we would be prepared to give leave. I think you need unanimous consent to sit past 10, so, if you want to put that question, we're certainly prepared to sit past 10, as long as it takes, as long as you want to discuss your amendments.

Mrs. Driedger: We don't have our amendments with us, and it was a courtesy to the government that we extended to indicate that we will consider the amendments in third reading. And also I just want to let the government know that all of our members want to speak to every one of the amendments and so, in fairness to all of our members plus perhaps some of their members, because there could be some Jim Waldings on that side of the House that may want to speak to the amendments—so, in fairness to all 57 of us, I think it would be most appropriate for that discussion to happen in third reading.

Ms. Howard: I'm certainly prepared to take a recess if you need to go and get the amendments and we certainly—all members can speak in committee; you don't have to be on the committee. So, if you want to go get the amendments, and we can start calling people to come sit around the table and give everyone an opportunity who wants to speak, to speak. We're certainly prepared to do that, so I'm—if you want to ask the question, we're prepared to entertain a 30-minute recess, which would be good. The caucus room is just down the hall, and they can go get their amendments and we can start that debate.

Madam Chairperson: All right. Is it the will of the committee to take a 30-minute recess?

Some Honourable Members: Agreed.

An Honourable Member: No.

Madam Chairperson: We heard a no.

Mrs. Driedger: Well, thank you. Once we have all of the amendments back from Leg Counsel, we would be more than happy for the discussion, but until that happens, we are not prepared to take this any further and, as we have indicated before, we think all 57 members have a right to speak.

So I know what the House leader is trying to do and, really, the intimidation ongoing with this bill is really quite offensive.

Ms. Howard: Well, if—we're—certainly we can take a recess and can confer with Leg. Counsel, but we also have—this committee is able to meet tomorrow night, is able to meet Tuesday night. I don't know if there are other times that you'd like to meet, and we can meet then and discuss the amendments then. So I gather from the discussion that they are not prepared to present their amendments today, and so I've tried to give them every opportunity to get them to have them prepared. There is an opportunity for every member to come to committee and speak, but if they're—if they do not want to take that opportunity, that's up to them.

Madam Chairperson: Thank, everyone. I'd like to thank you all for the business, and that—we have concluded the business we came to do.

And the hour being 4:28, what is the will of the committee?

An Honourable Member: Committee rise.

Madam Chairperson: Committee rise. Thank you so much for all being here.

COMMITTEE ROSE AT: 4:28 p.m.

WRITTEN SUBMISSIONS

Re: Bill 20

Good evening. My name is Clayton Rumley and I presently live in the city of Selkirk and work in Winnipeg.

My father, Bill Rumley of West St. Paul, died earlier this year on March 23rd. Had he lived to this day it would be him up here reading you all the Riot Act. In his absence I have picked up his mantle and while I am not as eloquent a speaker, I am just as angry at the sense of entitlement and impunity that permeates all levels of our government and which is epitomized

by Bill C-20. Normally I avoid anything of a political nature as I find politics a pointless waste of everyone's time, but this attempt to circumvent a democratic process while patronizingly telling us it's "for our own good" was too infuriating for even me to ignore. Believe you me, if I really wanted to spend an evening yelling at habitual liars and people filled with a sense of entitlement who like spending my money I could be at home with my two toddlers and teenager.

At a time when so many people hold such cynical viewpoints towards politics and politicians, it is hard not to see Bill C-20 as an attempt to alter a law that is inconvenient to the current governing party and nothing more. It is hard not to see it as the elite and powerful of Manitoba using their powers to ensure their power remains unchecked. It is hard not to see it as the NDP government saying that there are a different set of laws for the rulers than the ones for their subjects.

As the astute journalists behind "The Black Rod" website have pointed out, the attempt by this government to increase the PST without holding a referendum puts them in violation of the Summary Convictions Act of Manitoba through their refusal to comply with a provision of an Act of the Legislature. If a regular citizen like me were to be in violation of an Act of the Legislature there's no doubt that I'd be hauled off by the constabulary to answer for my crimes. Are we to accept that it is okay for the government to commit illegal acts as long as they're determined to change the law to make it legal? Can I beat you all up and steal your wallets and not get arrested as long as I promise to change the law making mugging illegal? Or should I be telling my children that they should live in fear of a government that does whatever it wants regardless of democracy? Because societies that have endured this type of totalitarianism are rarely happy places to live.

Since you have already raised the PST effective July 1st, it really makes me wonder what the point of these public hearings are? Are you really committed to hearing and acting on the opinions of the public, or is this just an empty gesture, designed to make us feel like we had our say and that somehow democracy was served? Because these public hearings aren't serving democracy. You know what would, though? A referendum.

I recently read a remark by someone online who made some interesting observations about lying. He

wrote that if you lie to the police you're guilty of obstruction of justice. If you lie to your employer, it's grounds for dismissal. If you lie to the Canada Revenue Agency you can be fined and/or arrested. If you lie to your parents you can be grounded. Yet if you lie as a politician, everyone shrugs their shoulders and carries on. The worst punishment you seem to get is the threat that in the next election you could be voted out of office, a threat that seldom has any real teeth given voter amnesia. This administration has lied time and again. From promising no increase in taxes, to fear mongering with phony flood forecasts, to the constant promise every time you take more money out of my pocket that it's going to vital services that never seem to improve. Politics in this province has become so synonymous with lying that if any of you told me it was a beautiful day outside I'd grab my umbrella and expect rain.

What I would like to see happen is for this government to make an unprecedented move and tell the truth. Drop the Orwellian doublespeak, come clean and say "We screwed up. We spent more than we should have, and the revenue streams we were banking on to make up the shortfall never materialized. We need to increase the PST in order to fix our mistake". Show us your numbers that back your claim for the need. Then hold the referendum that the law requires you to hold so that the people of Manitoba can have our democratic say.

I've heard it suggested that a major reason for you attempting to circumvent this referendum is because a majority vote of "No" could open the doors to a vote of non-confidence in the current government. If you truly fear this possibility then it is obvious you lack confidence in yourselves and you no longer deserve the privilege of running this province.

You may say that without the revenue from this tax increase you're going to have to cut services. You shouldn't have spent money you didn't have in the first place. Every Manitoban who has had to balance a household budget knows this simple fact. If cutting services is your only other response, then so be it. I've driven down our roads and felt like I was in a war zone, and I've waited six hours or more in emergency rooms so I'm not sure how you could make things worse.

Here's the bottom line: Give us our referendum as the law requires. You are not gods, nor are you kings, and we don't exist for your pleasure; you exist

for ours. Put the “Democratic” back in the New Democratic Party and give us our say. Thank you.

* * *

Re: Bill 20

Submitted by: Rebekah Swistun-Craig

Submitted on: July 6, 2013

Written Submission for the Standing Committee on Social and Economic Development]

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

When I heard that Greg Selinger and the NDP wanted to charge Manitobans more to finance their terrible spending choices, I was not at all surprised. Instantly, I recalled examples of misspending like the annual salary of \$90,000 paid to a crocus whistleblower to read classical novels all day long; \$75 million dollars in cost overruns for the new Manitoba stadium; plum positions with plum pay for NDP friends (e.g. Bonnie Korzeniowski) and of course; the billion dollar BiPole 3 “boondoggle”.

But when I heard that Greg Selinger planned to charge Manitobans more by raising the provincial sales tax (PST), I was floored. In Manitoba’s 2011 General Election, Greg Selinger denied allegations that he would increase the PST claiming they were “total nonsense”. He didn’t sidestep the allegations; he didn’t leave any room for doubt. He addressed them head.

Either Greg Selinger lacked the courage to tell the truth, or he lacked respect for Manitobans – or maybe both. In any event, he did what cowards do. He lied.

A quick “google” search on lying suggests that it is wrong because the person being lied to can’t make a free and informed decision; because it reduces society’s general respect for truth and because it corrupts the liar.

The late German philosopher Immanuel Kant, believed that lying ultimately prevented people from making free rational choices. Ethically, lying showed a lack of respect for oneself and for others and ultimately robbed people of their dignity and their autonomy.

As Manitobans, we don’t need philosophers like Kant or even a Google search to tell us what most of us inherently know – lying is wrong.

Had Manitobans known the truth – that Greg Selinger intended to increase the PST - as free rational individuals, many may have chosen not to vote for their NDP MLA in the 2011 election. But Greg Selinger didn’t give Manitobans the ability to make a free and rational choice because he lied and said any suggestions that he would increase the PST were “total nonsense”.

If Kant were around to comment on this matter today, I suspect he would say that, when Greg Selinger lied to Manitobans he robbed us of our ability to make a rational choice during the election and therefore he has robbed us of our dignity and autonomy. I would agree.

Yet, despite Greg Selinger’s lie, I took comfort in my knowledge that Manitobans have a law that protects us from “leaders” like him. I firmly believed that through the Balanced Budget, Fiscal Management and Taxpayer Protection Act (commonly known as and herein referred to as the Balanced Budget Legislation), Manitobans would have a referendum on the matter. That is, we would have a direct say on whether or not we would allow Greg Selinger to increase the tax we pay on goods and services in Manitoba.

I figured, not only would a referendum uphold the Balanced Budget Law but it would also atone for Greg Selinger’s 2011 election lie that allegations that he would raise the PST were “total nonsense”.

I also believed that, under Balanced Budget Legislation, a bill to raise the PST couldn’t even be tabled, let alone passed, until Manitobans have their referendum.

All of this, in conjunction with my belief that all political parties in Manitoba held an unwavering commitment to democracy, irrespective of their ideological differences, made me confident that the sales tax would not increase unless Manitobans gave their explicit consent by referendum.

I believed this until the Minister of Finance informed Manitobans that the NDP government would waive the requirement for a referendum ...as though it were theirs to waive.

And so, I learned that, in addition to robbing us of our dignity and autonomy, I now had to come to

terms with the reality that Greg Selinger would likely rob us of our democratic right to a referendum.

And he did.

On July 1st, without a referendum and without a passed bill to waive the referendum requirement or a passed bill to increase the PST, all Manitobans, including the low income, fixed income and families, began to pay 14.3% more in PST because Greg Selinger's NDP did as they pleased and increased our provincial sales tax.

Out of touch NDP dignitaries, including Greg Selinger himself, and other NDP donating bureaucrats making salaries higher than the average Manitoban and far higher than low income and fixed income Manitobans may not be greatly impacted.

And because of this they demonstrate a special type of arrogance defending the PST increase.

Recently, I read a stomach turning comment from who I believe to be a public health official making \$70,000 a year with enough disposable income to donate just under \$1000 to the NDP in the past year. She suggested that the PST increase wouldn't be a big deal if people would just "buy less crap".

Comments like hers reek of bourgeois arrogance.

At \$70,000 a year, a 14.3% increase could possibly be manageable. You can also buy a lot of "crap" when you make \$70,000.

Unfortunately, the PST isn't just charged on "crap" and not all Manitobans make \$70,000 a year.

Consider this real life scenario: you don't make \$70,000 a year you make \$40,000 and you have a family to support. One of your kids needs braces; the other needs new glasses; you need new glasses; there's a tree root in your drain pipe; your roof needs

repairs; your hair dryer broke; you have poor health and require massage therapy, physiotherapy and chiropractic care; the brakes and the alternator on your van fail and you're still making payments so you have to repair it and; the refrigerator has stopped working. What "crap" do you buy less of when your disposable income is barely covering basic necessities that are PST exempt?

This is real life – when the brakes the van fail, the refrigerator stops working, the roof starts leaking, your hair dryer breaks and a tree root finds it's way into your drain pipe; where every penny counts and your disposable income doesn't allow you to make donations to political parties; where ends are barely meeting and not even a dime can be spared.

The NDP have been feasting on the public teat for too long. They are completely out of touch with the Manitobans who pay their salaries whether they can afford it or not.

Those living on fixed incomes and low income Manitobans and families will feel the burden of a 14.3% increase – especially when so many other taxes and rates are increasing at the same time.

I am opposed to the 14.3% increase in the PST for many reasons – because Greg Selinger lied to Manitobans and said the idea that he would raise the PST was "total nonsense"; because of the anti-democratic way in which he raised the PST and; because politics aside, there are real people who will suffer from a 14.3% increase in the provincial sales tax.

This NDP government has lied to Manitobans, they've disrespected our laws and they've harmed the people of our province. They have taken Manitoba politics to a new low, with Greg Selinger at the helm.

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>