

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

Chairperson
Mr. Thomas Nevakshonoff
Constituency of Interlake

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MANITOBA LEGISLATIVE ASSEMBLY
Fortieth Legislature

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ALLAN, Nancy, Hon.	St. Vital	NDP
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LEGISLATIVE ASSEMBLY OF MANITOBA
THE STANDING COMMITTEE ON SOCIAL AND ECONOMIC DEVELOPMENT

Wednesday, July 3, 2013

TIME – 6 p.m.

LOCATION – Winnipeg, Manitoba

CHAIRPERSON – Mr. Tom Nevakshonoff
(Interlake)

VICE-CHAIRPERSON – Mr. Ted Marcelino
(Tyndall Park)

ATTENDANCE – 11 QUORUM – 6

Members of the Committee present:

*Hon. Messrs. Bjornson, Kostyshyn, Lemieux,
Hon. Ms. Selby, Hon. Mr. Struthers*

*Mr. Briese, Mrs. Driedger, Messrs. Ewasko,
Friesen, Marcelino, Nevakshonoff*

APPEARING:

*Mr. Ralph Eichler, MLA for Lakeside
Hon. Jon Gerrard, MLA for River Heights
Mr. Cliff Graydon, MLA for Emerson*

PUBLIC PRESENTERS:

*Ms. Susan Stein, private citizen
Ms. June Letkeman, private citizen
Mr. Edward Penner, private citizen
Mr. David Grant, private citizen
Mr. Kevin Rebeck, Manitoba Federation of
Labour
Mr. Jeff Eyamie, private citizen
Ms. Vicki Burns, Lake Winnipeg Foundation
Mr. David Ennis, private citizen
Ms. Jane Robertson, private citizen
Mr. Joe Andrews, private citizen
Mr. Andrew Regier, private citizen
Mr. James Foster, private citizen
Mr. Al Shrupka, private citizen
Mr. Glen Urbanski, private citizen
Mr. Dave Lobson, private citizen
Ms. Vicki Poirier, private citizen
Mr. Jake Bergen, private citizen
Mr. Brian Kelly, private citizen
Mr. Dennis Nault, private citizen
Mr. Thomas Novak, private citizen
Mr. George Harris, private citizen
Ms. Shirley Lord, private citizen*

WRITTEN SUBMISSIONS:

*Jay Myshkowsky, private citizen
Claire Cooper, private citizen*

MATTERS UNDER CONSIDERATION:

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

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

Our first item of business is the election of a Vice-Chairperson. Are there any nominations?

Hon. Ron Lemieux (Minister of Local Government): Yes, I nominate Mr. Marcelino as Vice-Chair.

Mr. Chairperson: Mr. Marcelino has been nominated. Are there any other nominations? Hearing no other nominations, Mr. Marcelino you are elected Vice-Chairperson.

This meeting has been called to consider Bill 20, The Manitoba Building and Renewal Funding and Fiscal Management Act (Various Acts Amended).

As per agreement of the House, dated June 20th, we have 26 people scheduled to speak on Bill 20 tonight and you have the list of those presenters before you, which is also posted at the entrance of the room.

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

Mrs. Myrna Driedger (Charleswood): We should, as we usually do, by precedent, have the out-of-town speakers first and then go back up to the top and work our way down.

Mr. Chairperson: Okay, Mrs. Driedger has said. Is that agreeable to the committee? *[Agreed]*

For the information of the committee, if you look at the list of presenters, there are three individuals, No. 4, No. 10 and No. 12, who have since indicated to us that they are out-of-town presenters. Is it the will of the committee to consider them as out-of-town presenters and hear them accordingly? *[Agreed]*

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

Public presentation guidelines: Before we proceed with presentations, we do have a number of other items and points of information to consider. For the information of—

An Honourable Member: Point of order, Mr. Speaker.

Point of Order

Mr. Chairperson: Mr. Eichler, on a point of order.

Mr. Ralph Eichler (Lakeside): Yes, I believe there's other out-of-town presenters. Would you canvass the House to see if there's other presenters from outside the city of Winnipeg?

Mr. Chairperson: In the audience?

Mr. Eichler: In the audience.

Mr. Chairperson: Okay, well, one moment.

Okay, it's not a point of order, Mr. Eichler, but your point is well taken, and if there is anybody in the audience from out of town that is not registered as such, then please communicate that to our Chamber staff at the back of the room, and we will deal with that accordingly. Is that acceptable, Mr. Eichler?

Mr. Eichler: Yes, thank you, Mr. Chair.

* * *

Mr. Chairperson: All right. 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. Also, in accordance with the rules agreed in the House for the meetings, hearing from presenters on Bill 20, if a presenter is not in attendance when their name is called, they will be dropped to the bottom of the list of tonight's presenters. If the presenter is not in attendance when their name is called a second time tonight, they will be dropped to the bottom of the global list of presenters.

The following written submission on Bill 20 has been received and distributed to committee members: Jay Myshkowsky. Does the committee agree to have this document appear in the Hansard transcript of this meeting? *[Agreed]*

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

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

An Honourable Member: Mr. Chair?

Mr. Chairperson: Mrs. Driedger.

Mrs. Driedger: Prior to doing that, Mr. Chair, I wonder if we could have a rule around the table that all members around the table pay attention to the speakers and nobody uses their BlackBerrys, and if they need to use their BlackBerry, as we do in Public Accounts, we remove ourselves from the table and sit in the back row to use our BlackBerrys. Otherwise, we pay attention to all of the speakers that are here before us.

Mr. Chairperson: Mrs. Driedger has said. What—anybody else have any comment in that regard?

Mr. Eichler: I think the member from Charleswood made a very important point. Whether or not we can multi-task or not, it's very important that we all pay attention. If others want to deviate from that, that's their choice. Be respectful for those that are respectful—are here to present.

* (18:10)

Mr. Chairperson: No further speakers on that point. There is no specific rule in regard to the use of BlackBerries. However, I will just put it to the committee members that, as a matter of courtesy to the members of the public, perhaps they would consider following the advice of Mrs. Driedger in this regard.

Now I will begin calling first person, out-of-town presenter, Susan Stein, private citizen.

Mrs. Stein, do you have any written materials for the committee?

Ms. Susan Stein (Private Citizen): No.

Mr. Chairperson: You may proceed.

Ms. Stein: Thank you. Good evening—I was going to say good evening, Premier Selinger, but I don't see him here—Mr. Pallister, Mr. Gerrard, Minister of Finance Mr. Struthers and members of the Legislative Assembly. My name is Susan Stein. I speak as a resident of Manitoba, more specifically, a resident in the city of Winkler, Manitoba. I am a mother to three children and work in municipal government as a chief administrative officer for the Town of Plum Coulee.

Today I am speaking to you in regards to Bill 20. In April of 2013, the NDP government informed Manitobans that as of July 1st, 2013, we will be paying additional 1 per cent. Not only would we be paying 1 per cent more PST, but we would not have the right to referendum as legislated by the current law. This is a lot like Bill 33, the municipal amalgamations bill. No discussion, no listening, just do what we tell you to do.

I recognize that it is July 3rd and you already have enforced that businesses must charge the extra 1 per cent as of two days ago. I know I won't change your viewpoint, but I'm going to have my say anyway.

There has been no consultations with businesses, municipalities or the province of man—or the people of Manitoba—no right to speak on any of your bills. Oh, yes, you can say I'm exercising my right by speaking here today; however, we all know my voice is not being heard by the NDP party right now. You have already started charging the PST increase on July 1st regardless of the opportunity to speak at committee stage. In fact, I'm shocked that you didn't just wipe out this option, as well.

I would like to explain a few things about myself. As I said, I'm a mother of three children, and

so this PST hike is going to cost my one-income household between \$1,200 and \$1,600 a year, as per both of your legislative parties. I work hard for my income. I went back to university while raising three kids and working full-time to receive my certificate in Manitoba municipal administration in 2013. I have no debt besides my mortgage because I work hard to ensure my home's budget is balanced. Not only do I now pay sales tax on my haircuts, my home insurance, my health insurance, but also my MPI auto insurance, thanks to your party. Now I'll be paying even more for everything that I purchase.

And did I mention that MPI is also looking for an increase as well? Just curious—at what point does your party say, okay, I think we've screwed Manitobans enough?

I try to teach my children to learn the value of money, to pay their debts, to save for a rainy day, to be charitable and to earn an honest living. I understand the need to pay taxes. After all, I work in municipal government. Well, maybe not for long. That job may be gone when your NDP party puts through legislation on Bill 33 and amalgamates the community I work in. You would think you would have enough to screw up provincial politics that you wouldn't need to stick your nose in municipal politics to try and screw that up too. So not only will I have to take this 12 to 16 hundred dollars out of my budget somewhere, but I may not even have a job thanks to your NDP government interfering in municipal government.

The NDP has cited numerous reasons such as flood protection measures, infrastructure upgrades, bridges and roads as the reason for this increase in taxes. Mr. Lemieux, Minister of Local Government, keeps bringing up this 8.5 per cent increase in funding the NDP government is supposedly giving municipalities. Well, I can tell you, as the CAO, I have not seen this increase. Our Green Team funding has been cut from four students to two; the PFRA tree grant has been completely cut; the MAFRI economic development grant was cut in 2012; Tourism grant was cut in half in 2013, and I could go on and on. In other words, I'm not holding my breath to see more money for infrastructure because of the PST hike.

Recently your party sent out a pamphlet explaining the reasons for the PST hike and the accomplishments of your party. To say that I'm 'dismayed'—dismayed is putting it mildly. It was pathetic and shows that all the years in power have

accomplished very little besides sending us into a deeper financial hole, and you have been utterly unable to build a legacy that you could be proud of.

Rest assured, you have managed to do one thing, and that is to get—

Mr. Chairperson: Order. Would you remove the paper from your microphone. It's causing some angst for our transcript. Thank you.

Ms. Stein: Okay. Thank you. You have—now where was I? Rest assured you have managed to do one thing and that is to get people involved in politics. I have never actively participated in an election campaign for or against anyone. I have never even had a lawn sign. But you and your government are stirring me and many others into action.

For the first time in my life, I participated in two protests, or rallies, this spring. And I will do my utmost in the next election to rid this province of this tired and out-of-touch-with-reality government, seemingly bent on Manitoba's financial destruction.

If Mr. Selinger was here I have a challenge for him, that if he feels so strongly that this PST hike, the amalgamation bill and the antibullying bill are the right thing to do, call an election today and see if the people in Manitoba agree with you.

I do not feel that the blame of flooding infrastructure costs should be the reason we have to see an increase in our PST. It is the lack of fiscal responsibility that this governing body has shown, and it should be clear to Manitoba taxpayers that this is the actual reason for the PST increase.

For example, days after the NDP government stated that they are amalgamating government services such as Manitoba Lotteries and Manitoba Liquor Control in order to save costs and trying to convince Manitobans that amalgamation of municipalities would save money, this Province posted jobs in the Local Government division and hired field consultants to facilitate amalgamations where they are not wanted. This is fiscal irresponsibility, spending money where it doesn't need to be spent.

As a municipality, we didn't budget for an increase in the PST as we passed our budget before you announced the PST increase. So that means I, as administrator, have to cut back on infrastructure repairs to pay for the PST increase and remain within budget, which you have legislated.

So not only will taxpayers be paying an extra 1 per cent on taxes to the Province but also be paying on items and services their municipalities need to spend to make improvements that supposedly your provincial government is contributing to.

I would like to know why, since this governing party has taken such a strong stance with changing laws and acting in an illegal manner—and at very least unethical manner—and not listening to what Manitobans say, why not change your name from the New Democratic Party to the new dictatorship party? There's no democracy left here.

I feel that Mr. Selinger, Mr. Struthers and the NDP party have not considered the strong negatives of this tax increase. The Bank of Montreal has downgraded its economic forecast for Manitoba, saying a pending increase in the provincial sales tax could act as a drag to economic growth. How come your government doesn't see this?

There will be significant loss of business. Every small business that has to pay this extra 1 per cent on their purchases has to raise their costs to cover the increase or has to take it out of their profit. Less profit means less expendable money in our economy. Higher costs mean people spend less and do without, or they go shop elsewhere.

I live approximately one hour from Winnipeg and approximately one hour away from Grand Forks, North Dakota. I can shop in Winnipeg and pay 8 per cent, or I can shop in North Dakota and pay zero per cent tax as I can collect it back through their tax department. If you think a lot of people are going to the US to make their large purchases now, just wait and see the lineups after July 1st. Never mind the people leaving our province to move elsewhere.

To quote a Winnipeg Free Press article on June 9th, "The net migration from the Keystone Province to Saskatchewan reached a record high in 2011-2012, as the total hit 495, compared with 99 in 2007-2008." The migration has been trending this way for the last five years, according to Statistics Canada.

Another Free Press quote from June 28th: Manitoba lost a net of 4,356 people to other provinces in 2011. It's the highest interprovincial migration loss since we lost a net of 7,277 people in 2006. Those are all years where your party has been in power.

So, Mr. Selinger, who's not here, if you think you are seeing droves of people moving to

Saskatchewan, Alberta and other provinces now, just wait and see what happens in the next few years.

I, too, will be looking for employment in local government in the province of Saskatchewan as this government does not respect the rights of its residents with the opportunity to hold a referendum on a tax increase, does not follow the law, and does not allow a community that has been around for 111 years to remain a strong, proud Manitoba town.

I'm sure Mr. Selinger has been reminded many times, but I do recall that in September of 2011, he proclaimed to the media and the public that the idea of a tax increase would be ridiculous. To quote him: It's a ridiculous idea that we're going to raise the sales tax. That's total nonsense. Everybody knows that.

I hope the people who voted for you and your party based on your platform remember that, when they vote in the next election, that he lied. That you took away our rights to a referendum and you show no respect to your constituents and your fellow Manitobans. The last time I checked when you were elected, you should be trying to do what the majority of Manitobans want and this has obviously not happened here.

As for you, Mr. Struthers, you weren't competent enough to understand when a judge tells you that you've committed an illegal act, and yet your party decides that you have control of the budget for the province.

As much as I agree that bullying in schools isn't bad and should not happen, let me also add that part of the responsibility belongs to the parents who need to raise their children with values. No amount of legislation is going to stop bullying without the parents getting involved.

* (18:20)

I find it ironic that the biggest bully, the honourable Premier Selinger—Greg Selinger is bringing legislation to prevent bullying. This Bill 20 is bullying at a primary level. For a government that is bringing antibullying legislation, you should be able to figure out the definition of a bully by looking at your own party and your Premier. I do agree that if this tax was voted in by a referendum I would respect the voice of the people. I believe that is fair as per the law and that is democratic. All I am asking for is a government that is fair, follows the rules, follows the law—

Mr. Chairperson: One minute.

Ms. Stein: —is mindful of all taxpayers' pocketbooks, that keeps their word and that helps all equally and doesn't abuse their power. Currently, I can't say I have a government that abides with any of these needs?

Thank you.

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

Hon. Stan Struthers (Minister of Finance): Ms. Stein, thank you for coming in to the Legislature, for making the trip in and giving us your advice. Thank you very much.

Mr. Chairperson: Ms. Stein?

Ms. Stein: Yes.

Mr. Chairperson: We have a five-minute question-and-answer period. So I have a couple of questions for you.

Mrs. Driedger: Thank you, Ms. Stein. Your comments are very articulate, very similar to many comments we've heard from the last two evenings. You articulated them very well, and you've listed a number of points where you feel that the government has behaved in a very offensive way.

How do you feel about the NDP raising the PST before hearing from all 200 people—over 200—that have signed up to speak to this committee? How does that make you feel that they've rammed through the PST without hearing from all of you first?

Ms. Stein: It's a slap in the face is what it is. The law is there for a reason, and the committee stage is there for a reason. And so you're not even taking into advice what I have to say. In my speech, I clearly stated that I know my voice is not going to be making a difference at this point, but no one can say that I didn't try. However, obviously, your party doesn't think that it's important enough for it to allow me to speak before you passed it through and before you started charging and it's not even passed through yet.

Hon. Jon Gerrard (River Heights): Thank you. You bring an important perspective of that of an administrator in a well-known and important Manitoba community, and perhaps you can tell us a little bit more about the impact on the bottom line of the budget for Plum Coulee because of the increase in the PST.

Ms. Stein: It will mean approximately \$12,000 out of my budget this year, in the half a year that I have not budgeted for.

And we have a very small budget. Like, we're only 843 people in the last census, and so maybe we don't get to spend as much, and I know that's Mr. Lemieux's reasons for us 'malgamating' is because we're small. However, that \$12,000 is now money I have to cut because the provincial government says I have to balance my budget and not come up with a deficit, which we don't do. And if we ever have had a deficit, we pay it back within three years. That is—the law says. So this definitely will affect us and especially in the next coming years. Thank you.

Mr. Cliff Graydon (Emerson): Thank you for the presentation. You did a great presentation tonight, and I'm sure that you've heard the reasons for the PST. I've heard many different reasons; some of them are for building schools and hospitals and bridges and roads. And I'm just wondering if the—how would you feel or what do you think if they didn't build the Bipole III on the west side of the province and it saved a billion dollars, would you be in favour of something like that, or would you say that they wouldn't have to raise the PST then and that they could build their schools and their hospitals and roads?

Ms. Stein: A billion dollars of savings just by moving it will not only cover the PST, but much more. You could pay your deficit. You could do other work. I don't deal with budgets as big as yours, but I can make mine balance, and I can make my home budget balance, so I—honestly I don't deal a lot with bipole, but I know there's a lot of controversy about where it's being put and the cost of it, but—and definitely it would make a difference. Thank you.

Mr. Graydon: So do you feel that there's other areas that there could be cost savings that they wouldn't have to raise the PST and that they would be able to give municipalities the breaks that they're looking for because it—or do you feel that you're going get enough money out of this PST now to do the work on—in the municipalities that some of the government had been saying?

Ms. Stein: No, I don't feel we're going to get any money because I've been the administrator in Plum Coulee for three years, and every year I see grants cut. In my first year we had four students, and now we have two. So that's been cut in half. The PFRA tree grant is gone after this. This is the last year it's available. So that's 400 trees we planted this year.

We will no longer be able to have access to that grant.

The only new thing they put in this year was the new municipal roads improvement for the next three years, but you have no guarantee it's going to be there after that, and you have no guarantee that you're even going to be accepted once you send in your application. There's many grants we've applied for through the Province which often are not accepted or not taken in.

MAFRI cut the regional economic development grant last year, and that took \$65,000 out and cut our regional development group which was extremely beneficial to our area and, in fact, was even told—I believe the NDP party said it was one of the best economic development groups out there. And yet that money was cut and now it's gone.

This year, our tourism association was forced to amalgamate and the grant was cut in half once again. In the case of the municipal amalgamations, Bill 33, field consultants have been hired for a community like Plum Coulee who has no—we've run the numbers—there's no benefit to amalgamating and we just don't see why they're hiring more people and spending the money there. Should be cutbacks instead.

Mr. Chairperson: Okay, time for this presentation has run out. Thank you, Ms. Stein.

Order, please. Well, I think I know the rule by heart. The audience is not allowed to participate by applause or shouting out or anything like that, so I ask you for your co-operation in that regard.

Next presenter: June Letkeman, private citizen. Do you have any written materials, ma'am, for the committee?

Ms. June Letkeman (Private Citizen): No, I don't.

Mr. Chairperson: You may proceed.

Ms. Letkeman: Good evening, Mr. Chairman, Mr. Gerrard, Minister of Finance Stan Struthers and members of the Legislature.

My name is June Letkeman and I speak as a taxpayer and a business owner. Thank you for allowing me to speak tonight. I would like you to know how very upset I am with this government and the way you are bullying us in regards to the increase in the PST and the amalgamation of communities under 1,000. But tonight I'm here to speak against the increase of the PST.

First and foremost, I believe that what you are doing is totally illegal and against our rights and at minimum unethical. The law says a referendum must be held. The bill has just passed second reading and it is already being implemented. You have sent letters to all the businesses that collect the PST telling them that they have to start collecting the extra 1 per cent as of July 1st before the bill has even been passed. I know that this government has a majority, but that does not give them the right to dictate to the people of Manitoba. Where is the democracy?

I have been a small-business owner in Manitoba all of my life. I know how hard it is for small businesses to compete against the big-box stores and cross-border shopping. This increase in PST is going to make it even more difficult for small businesses to compete. With Saskatchewan at 5 per cent and close proximity to the US border, people are going to go out of the province to shop, especially for big-ticket items.

This government is chasing people out of Manitoba with high taxes and increasing the cost of living to make up for your mistakes. Just the arrogance in regards to how you choose to work with the public is absolutely unacceptable.

This PST increase is going to hurt the average Manitoban and cost them between \$1,200 and \$1,600 more per year. You're asking the average Manitoban to cut back and pay more taxes just so you can feed your spending habits. When people are forced to cut back, that means less spending at small businesses, which means less growth. This is a vicious cycle you are creating. We all know what a deficit you have built up since you are in power and your financial management is very questionable. This is going to impact the average wage-earner in a big way. I know that taxes are necessary, but where does it all end?

Your reasons for raising the PST are to spend more on infrastructure. That would be wonderful if that is where it will go, but we know that won't happen, just by the past lies and history you have shown us. You have sunk our province so far in debt that this increase is needed by your party in order to just maintain status quo.

You state that the recent floods and disasters are the reason for your deficit, but anyone with half a brain will not believe that. Every government in history has had to contend with floods, fires and other disasters without putting this province into such debt. Do your job and fix the problems, not

create more. It just shows again how fiscally irresponsible this government is.

* (18:30)

In closing, I ask that you please reverse this increase in PST and keep the people from leaving our province in droves or, at minimum, have a referendum and let the speak—people speak to this issue. We need you to listen to the public outcry and think about what you are doing to harm the average Manitoban.

Thank you for hearing me tonight.

Mr. Chairperson: Thank you, Ms. Letkeman.

Floor's open for questions.

Mr. Struthers: Thank you very much, Ms. Letkeman, for coming in here today.

Can you tell me a little bit about your business? Where it is and what the—actually the small business is?

Ms. Letkeman: We, my husband and I, were in the hotel and service industry for probably 45 years. And I still do own one small business in Morden.

Mrs. Driedger: Thank you, Mrs. Letkeman, for your presentation tonight and for your great ability to articulate it.

The government seems to have a lot of trouble figuring out how this hurts businesses and how they have confused businesses about collecting this PST when the legislation is not even passed. People are concerned they're being forced to collect an illegal PST. What are you hearing from other people in business and about what businesses are doing now to sort of handle the dilemma put on them by the government?

Floor Comment: Well, I've talked to several businesses—

Mr. Chairperson: Mrs. Letkeman.

Ms. Letkeman: Oh, sorry.

I've talked to several business owners that are really afraid. They don't know whether they should implement it or whether they should just wait. But, if they wait, what will the consequences be? Will they have to pay out of their own pockets when it does pass? So it's a really complicated issue.

Mrs. Driedger: The—and we're hearing that, too, because there's a lot of businesses, they just want to be law abiding, but yet they're feeling they're being

forced to collect it, and under threat of having to, you know, pay it back if they don't.

And what do you think the government really needs to do right now? They seem to be ignoring a lot of the angst that's out there. What should the NDP do at this point in time? Should they reverse their decision to increase the PST?

Ms. Letkeman: I think, at the very least, have a referendum or, yes, reverse their decision to increase the PST.

Mr. Gerrard: Thank you for coming in from Morden.

And perhaps you could tell us a little bit more about the situation in Morden for small business, because you're reasonably close to the US border, and what kind of an impact the PST will have?

Ms. Letkeman: It will have a definite impact because I—there are several small businesses in Morden that have a difficult time making a living as it is, because of the cross-border shopping, and now it will just increase it even more, and people will shop less at home. I really believe that. And I know that a lot of business owners are worried about it.

Mr. Cameron Friesen (Morden-Winkler): Thank you, Ms. Letkeman, for coming in this evening and presenting at committee. I really appreciated what you had to say this evening.

Because I know you still do own a business in Morden, I want to just ask you, anecdotally, what are your managers and staff reporting at the till, from customers coming up? Are they talking about the PST? Are they indicating concern? Because day by day in the Legislature, our colleagues across the way tell us there's not a lot of conversation, not a lot of concerns being expressed about the PST increase.

Ms. Letkeman: There are customers that are really upset about it. Even if it's just 5 cents on an ice cream cone. You know, it's—they're—they don't like it. And I haven't heard one person say that they like it.

Mr. Friesen: And I also wanted to ask you, Ms. Letkeman, just so we can understand, I know you've been in small business for all of your career and you've run a number of successful small businesses, and contributed to the local economies, and done a very good job.

I want to ask you: Are there things that those of us who aren't in small business might want to know about? Are there additional compliance costs that

you have to incur as small business, or cumbersome things that you have to do to actually change cash registers, or to do reporting? Are there other challenges for small businesses, in addition to the challenge it creates for you to just sell the product at an increased price?

Ms. Letkeman: Well, the challenge is—yes, is changing all of your tills. Like, that's a huge expense to any small business, and I know the small business in Plum Coulee, that they told—they didn't know where to go to have it done and they didn't really want to. They did—felt that they really couldn't afford that, but they have to do it, they said, because they got this letter from the government.

Mr. Graydon: Thank you very much for coming in and making a presentation. It was a good presentation, and when I listened to you, you felt that you had been lied to prior to the election.

The broadening of the PST also has caused small businesses a lot of money. Do you think it is fair that they went to the extent of broadening the PST to cover a lot of your cost—your input cost, as well as raising the PST while they still take a vote tax for themselves to finance their own political party?

Ms. Letkeman: I think it's totally unfair, and they have lied to us. And they would—they told us when—in the last election they said they would never raise taxes, that would not be done. Well, I rest my case.

Mr. Chairperson: Time for the presentation has expired. Thank you very much, Ms. Letkeman.

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

Mr. Edward Penner (Private Citizen): No, Sir.

Mr. Chairperson: You may proceed.

Mr. Penner: Members of the Legislature, Mr. Chairman, my name is Ed Penner. I am a retired businessman. I don't work for a living anymore, and so I'm not here—actually, I don't have all the stats and everything, but one thing I have, and that is somewhat of an integrity. I realize that I grew up that way. I didn't always adhere to it because otherwise I wouldn't be an alcoholic, and the reason I was found out is because I had DUIs. And thanks to the NDP, they didn't change the law on that one for me, that I could drive even if I didn't have a driver's licence.

But the other fact is that I would appreciate it if they had the integrity of when yes is yes, that is

what's meant—no is no. Really, that's the simplest of anything and I'll re—and I just want to let you know that there will be collateral damage. It's not going to be just a matter of, well, we're comfortable, we have the majority, things will be fine. No they won't. The collateral damage will come. I don't know when, but it'll come, because it came to me. I'm now a happy guy living a life. I'm only 107 pounds lighter and I walk with vigour and it—if it was—if it—because you're in power made me sad, that wouldn't do it. But the point is, you're going to step up to the plate where you're going to be called on your integrity and you will find out.

So I think it's time that you shape up or ship out, and that's what the province will do for you if they really don't believe what you're saying, and I don't see how they can. That's really all I have to say.

Mr. Chairperson: Thank you, Mr. Penner.

The floor is open for questions.

Mr. Struthers: Thank you, Mr. Penner, for coming in to the Legislature to speak with us this evening.

Can you tell me what you—what business it is that you retired from? I'd be interested in knowing.
[interjection]

Mr. Chairperson: Mr. Penner.

Mr. Penner: —was—I'm sorry—I was the owner of Double R Farm parts. We had 300-and-some dealers from Thunder Bay to Saskatoon, supplying—and still do—supplying tractor combine parts to agriculture dealers, and that's still an ongoing family, I'm just not in it myself any more. Thank you.

Mr. Gerrard: From somebody who's worked in a business and who's knowledgeable about, you know, the impact of people shopping across borders and tow on, maybe you could tell us a little bit about what you see is the impact for small businesses like the parts business that you were involved in and your family still is. [interjection]

Mr. Chairperson: Mr. Penner.

Mr. Penner: I'm sorry. Parts businesses as they are, most of our parts already do come from the US. Why? Due to price and due to taxes, and even the cost at the border causes it to be still cheaper than it is here, although they're not all from there, we still bring in parts from [inaudible] and throughout Canada. And we would rather do them all but that that's just not how we make money, especially when we operate as we did back—years back with a 63-cent

and 64-cent dollar, but we still made good money. And it came due to hard work and a little bit too much alcohol sometime.

* (18:40)

Mrs. Driedger: Thank you, Mr. Penner, and thank you for sharing the very private part of your life about being an alcoholic. But it obviously has given you some perspective on what is happening here with this NDP government. We know that being an alcoholic is having an addiction, and a lot of people have come forward talking about NDP spending being like an addiction because they can't seem to rein it in; they're not trying.

How do you look at, you know, the alcohol addiction from that perspective, and then, you know, give the NDP a message about what that is going to do to people because of the spending addiction. Addictions hurt people.

Mr. Penner: That is correct, and that's where I mentioned by—the collateral damage will come. It did to me, and it will come. It doesn't matter. It doesn't matter who you are, by what name you run, it'll come. And the point is that somebody's going to get hurt. And it's—there's no doubt that the public of Manitoba will get hurt, the business people, the individuals. The poor you will keep poor so that you might get their vote, but that's—those are collateral results that come. [inaudible] the fact of not running a management that—the way it should be managed and that you can face the people straight up, shoulders forward. This is what I mean, and you don't deviate from it.

Mr. Graydon: Thank you for being here tonight and taking the courage to come here tonight, Mr. Penner.

And you spoke about integrity, and that's important in everyone's life, of course, but how do you feel that the NDP have actually lost or abandoned integrity? In what ways have they done that, and what ways do you see that and what are you—maybe you go to the coffee shop, a lot of retired people do. What are you hearing there about how they abandoned their integrity and what all does it encompass?

Mr. Penner: The main message that you hear is—now especially and over the past years—there are those that—and it's—they're not all—that's not all negative, because that's not fair because it isn't true. But they have—there is definitely a message of—that they do not speak the truth. Now, we know that people say that about any politician, for that matter.

I'm one, too, and I do speak the truth sometimes, and I hope I do all the time. But the bottom line is that I think they have let themselves down and the people by not standing up to what they have clearly stated, and then afterwards you use a reason such as because of. Because of is when I have to make changes and be responsible. I take up the responsibility, the integrity to deal with the because of. It came up. That comes out of me. That doesn't come out of that I can change the route. I still have to travel the same route. But I got to make changes. I got to be responsible. That is what people say: they do not take the responsibility to deal with the matter; it's just a spending spree.

Mr. Chairperson: Time has expired. Thank you for your presentation, Mr. Penner.

Call Mr. David Grant, private citizen. Good evening, Mr. Grant. Do you have any written materials for the committee, sir?

Mr. David Grant (Private Citizen): Yes, I do.

Mr. Chairperson: You do. Our Chamber staff will distribute them. You may proceed when ready.

Mr. Grant: Okay. I'm a true journalist anyway

As I watched my old friend Greg spend more and more each year, I knew that something would eventually have to change. For a while huge transfers from Ottawa paid the enormous bills. When the Alberta dollars flowing in did not cover the NDP's spending, deficits grew. By 2011 it was obvious to many of us that a change was needed. Since there were still so many things for the NDP to spend money on, the only fiscally sound thing to do as of summer 2011 was to increase taxes. The only lawful and honest way to do this was by preparing for a referendum to coincide with the provincial election months later.

If the government had asked voters to approve of a change, not to 8 per cent, but to 10 or 11 per cent, the increased money would have covered the operating deficit. There was ample time during the election campaign to make the case for increased taxes based on all the things Greg and his team still wanted to do, and there were a lot. If he had done so and this had been approved, no one would now have any reason to complain. Like nearly every Manitoban, I am not in favour of increased taxes. What I fear even more is what this government has done for so many years—burying our children and grandchildren in debt.

On the topic of public consultation, several years ago, before Mr. Struthers took on the Finance portfolio, Ms. Wowchuk held public meetings to learn how we Manitobans felt about increasing debt. We were gathered in a meeting hall and arranged in large groups. Each group was asked to choose between cutting programs or increasing taxes. The groups themselves took an option not suggested: no tax increase and only slight increases in—reductions in spending, but a cease to new spending announcements and programs.

What Manitobans got instead was an endless string of new spending programs. This is the exact opposite of what we, the public, told the NDP when we were asked. It should surprise no one that the NDP is not big on asking our opinions on their spending habit.

When the PST increase was first mentioned last winter, it was to cover flood damage costs. Then the flood of 2013 fizzled. We should all be thankful for our good luck. Plan B for the NDP was to say that the hundreds of millions from the PST increase would go to infrastructure, which in a—is an amazingly vague term. If I expected to get an answer, I would ask, to what new place will all this money go? As explained above, with mounting debts and no end in sight, even more PST money should be collected if they cannot learn to deal with their addiction to new spending.

The costs of flooding in Manitoba hits the news often, but nobody properly investigates why. The costly damage caused to Manitobans in recent years has been made worse by the actions of the NDP. This goes further back than the 2011 overfilling of Lake Manitoba. The NDP dominated the engineering plans in the wake of the '97 flood. They had a local engineering company to study our options, but they told that company not to consider anything that included water storage. The engineering community was not allowed to say what was really needed. What they built around Winnipeg—the new, improved floodway—stores more water in the lake south of the city than it drains past the city, which is an irony for a government that abhors storage.

Only storage projects can protect our towns and cities in the Souris and Assiniboine watersheds. Unfortunately, the NDP will not allow talk of local water storage. The local engineering community knows this and that any such talk might cost them future government contracts. Luckily, for Winnipeg suburbs, the folks who planned them knew that

storage is the best way to protect. Each little subdivision has a pond into which drains all the local rainwater. Over time, it drains to the river, but the initial onslaught during a storm of water does not flood those expensive homes.

Our western towns lie on flat prairie. The rivers once widened into wetlands. Farm fields once had low patches where water would accumulate in wet weather. Rebuilding these original wetlands would have prevented the costly 2011 flood damage in western Manitoba. This was all detailed in presentations to the Clean Environment Commission in March of 2005, and the MA-MFA open houses years before that. This idea was abhorrent to the NDP. They and their appointees relegated the presentations that they did not like in '05 to a church basement in Oakbank, far from the attention of the media covering the CEC floodway hearings at the Delta Hotel. The storage PowerPoint on mitigation by recreating wetlands and the comments from the former chief of St. Martin's First Nation were hidden in this way from the media. Even though this is normally forbidden, the CEC expunged all record of these presentations from their permanent record. This left the CEC to pretend, on page 1 of their final report, that every person in Winnipeg supported their plan to protect the city.

As a result of these travesties, no attention was paid to the rebuilding of wetlands across the flood plains of Manitoba's rivers. To this day, flood experts across North America call for storage-based mitigation, especially for flatlands. Not today's NDP though. Fully restored wetlands cost very little, protect our lakes from nutrients, replenish the aquifer and make wells productive again. The current drain-only scheme makes all of these worse. If today's NDP were to change directions on water storage, it would help our lakes more than all of the big plans they have announced so far. It would also save money.

* (18:50)

You can all recall that whenever there's talk of excess water in Manitoba, the NDP talk about how to drain it away faster. One result of this is too much water in our major rivers and lakes. The secondary result is the lack of water in the hinterland. Properly managing our water would cost far less in emergency measures and damage claims. The cost of properly planned local storage can be far less than simply increasing the capacity of our drains, because tiled fields, where they drain run tile under the crop-

because tiled fields and improved drains, meltwater and rainwater—and rainfall get to our major rivers faster. A river that can now crest days after a storm—a summer storm, not weeks like it would take with a natural pattern of local storage.

Because the NDP like to pretend that flooding is all the result of global warming, they refuse to acknowledge the effect of drainage improvements. Calculating how land drains is essential to knowing how bad a future flood will be. Because policy keeps their heads in the sand, they do not have the tools to properly predict flood levels. This has been the case for at least a decade.

As an aside, during the last provincial campaign, it was revealed by one of the media companies that only one polling company had a certain data set that they wanted, but it happened to be owned by a relative of an NDP politician and therefore the media outlet couldn't use that data. Reminds me that with the prodigious amount of tax money spent on polling, the question is obvious, why are so many—are there so many conflicted contractors in Manitoba? Why zero reporting of such a problem by our local media—who are not here tonight. Are there not big dollars to be saved by doing things to avoid conflicts?

I recall being told by a rookie MLA that if it were not for profitable conflicts of interest, the NDP would get no one to run for office in Manitoba. Is that still the case? Rhetorical question. How much less would government cost if it was done right? If government polling uses only NDP companies, what about the wind companies? How many of them are linked to the NDP? Are there dollars to be saved there too?

Again, why does the media not question this stuff? Why are certain stories simply twisted and not properly reported?

Over the years, Manitoba Health has run into crisis that should've been foreseen. The City added paramedics to its emergency services team. They hired away staff from RMs nearby. Faced with too few staff to service places like St. Pierre, the NDP decided to buy everybody new trucks. No, the problem was too few trained staff. There was no problem with ambulances that were too old. The NDP again completely missed the boat and wasted our money.

When the prevalence of kidney disease met increased waits for care, instead of training and

hiring more staff, the NDP bought yet more shiny toys. More equipment with no increase in staff is a waste of tax dollars. A problem for tax dollars—taxpayers, rather, but not for policy makers behind our NDP government.

In conclusion, many loyal Manitobans have stood here before me. Each one may have expected to see Minister Struthers stand when they finished, apologize and announce that he would rework his budget in a way that would not need a PST increase. I'm not so naive.

I do hold some hope for the NDP backbench. These folks want the support of their party, but they need the support of their voters. They can only be sure of the latter if they vote against this bill. We will all know who voted for this travesty come election time. For those NDP MLAs who voted—vote against it or who call in sick that day will be remembered and perhaps more likely to win re-election. Please, folks, consider this option for the sake of your job, your pension and for the sake of Manitoba.

Thank you.

Mr. Chairperson: Thank you, Mr. Grant.

The floor is now open for questions.

Mr. Struthers: I want to thank you, Mr. Grant, for coming in and spending some time with us tonight and giving the advice that you did. Thank you very much.

Mr. Gerrard: Thank you for coming in and your presentation, and it's encouraging to hear someone talk so eloquently about the importance of storing water instead of just draining it, as I've been trying to push for quite some time.

And I think that, you know, your—one of the major points that you make is that there are a lot of places that the NDP could be spending a lot smarter than they are at the moment. I think that's correct. Is that right?

Mr. Grant: Okay, yes, that's correct and that's what I'm pointing out here. I wasn't just whining about little things that might be perceived as mistakes, but these are big things that could've saved big dollars and maybe over the 10 or 15 years not have cost us a 1 per cent rise. Thank you.

Mrs. Driedger: Thank you very much, Mr. Grant, for your comments.

Do you think it's fair for us and others to expect government to look for some savings? They tend to

make bogeymen of people that talk about this and the threat is immediately, well, you're going to cut front-line services; you're going to affect services. Do you think that it is fair that the NDP government should be expected to look for some ways to find savings that would not affect front-line services?

Mr. Grant: Thank you. I believe they should be doing that.

And I recall that, when Ms. Wowchuk called us together that evening, her cases were cut basic programs or increase taxes. She didn't say look for waste. She didn't say any of the other things.

And so that—at that point, and that's quite a few years ago, I think when she first got the portfolio, that I think it was quite clear that they had those two options and, again, as you say, I think it's a bogeyman to say that gee, if you don't do it my way the world's going to end. You know, we're going to cut health care or we're going to cut something major.

There are ways to save money and there are ways to spend more wisely. When they had their \$600 million to dig the ditch deeper and wider, there were ways that they could have applied a fraction of that money—if they'd put \$200 million into wetlands and other creative projects, storage projects, they would have made more of an improvement in many ways and saved the lake and saved themselves \$400 million.

So there were ways to spend, as Jon says, very wisely and it's not—I wouldn't say it's the fault of the politicians, but whoever is providing them with advice is not thinking as clearly as Jon and I do—couldn't cut it.

Thank you.

Mr. Graydon: Thank you, Mr. Grant, for your presentation and for taking the time to come in and see us on a hot night like this.

Do you feel it's prudent for the NDP to accept a \$5,000 vote tax for each one of the—of their MLAs at the same time taking \$1,600 a year out of every family of four's pocket? Do you think that's prudent?

Mr. Grant: No, and not just because they didn't earn the money and we could spend it more wisely and to more benefit than they, but because they didn't tell us that was part of their program.

So, again, back to 2011, if they'd wanted 10 per cent or 8 per cent, tell us and we'll approve it,

and the same with the vote tax. If they say and we're going to take the vote tax as of this date that would have been good.

And so I think—I agree with you; it's not fair and it's because of that not letting us know it beforehand.

So thank you.

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

Now I'll call Mr. Kevin Rebeck, president, Manitoba Federation of Labour.

Mr. Rebeck, do you have any written materials for the committee? I see you do.

Mr. Kevin Rebeck (Manitoba Federation of Labour): I do.

Mr. Chairperson: Our Chamber staff will distribute them. You may begin when ready.

Mr. Rebeck: Great. Thank you, and thank you for the opportunity to come present tonight.

The Manitoba Federation of Labour is pleased to share its views with the committee on Bill 20, The Manitoba Building and Renewal Funding and Fiscal Management Act.

For those of you not familiar with the Manitoba Federation of Labour, we're chartered by the Canadian Labour Congress to represent the interests of CLC affiliated unions in Manitoba and their 96,000 members.

Of course, all the people we represent will be affected by Bill 20 and the approved infrastructure it will result in. Its measures include providing critical infrastructure repairs, replacement and construction to support public service structures and systems.

It also recognizes the need for modern flood protection—excuse me, for modern flood protection projects and to maximize the potential that the 10-year Building Canada plan announced in the 2013 federal budget.

To accomplish this the bill temporarily increases the provincial sales tax from 7 to 8 per cent for a 10-year period, ending June 30th, 2023.

This is a reflection of the provincial government's critical need for additional revenue to meet the cost of living—the cost of investing in infrastructure and providing flood protection to the people of Manitoba. Understanding and accepting this reason is one of the few moments when

organized labour finds itself in agreement with the business community, who were advocating for this originally.

The government has a revenue problem, partly because of its own policies and partly because of actions taken by the Harper Conservatives in Ottawa and also because of the pressure of unforeseen flooding costs.

Since 1999, the government of Manitoba has decreased its revenue stream by more than a billion dollars by way of business and personal tax reductions. Throughout this tax reduction program, the Manitoba Federation of Labour has advised against these reductions, because they result in the difficulties we see today.

* (19:00)

The federal government support for Manitoba has also been reduced. In the 2009-10 fiscal year, the per capita level of major federal transfers was \$2,749. The per capita level is projected to be \$2,623 for the 2013-2014 fiscal year, an overall decline of 4.5 per cent.

These realities, combined with the enormous price tag attached to flood damage remediation and future flood protection, have created the need to increase government revenue. While we would have preferred that this increase be the result of a progressive fair tax measures, instead of increasing the provincial sales tax, we understand the need for immediate action.

I'd like to repeat that last phrase—we understand the need for immediate action. Being able to formulate effective government policy with agility is what governments need to be able to do. I'm glad to see that the government had the foresight to exempt the provisions of Bill 20 from the balanced budget law and its requirements that the measures be tested by an expensive and meaningless referendum. But I'm deeply disappointed that the government still refuses to repeal the balanced budget law in its entirety.

The balanced budget law, imposed by the Conservatives in the mid-'90s, was nothing more than political grandstanding by the Filmon government, a government that Brian Pallister was a member of. It was designed specifically to either stop future governments from being free to implement sound government programs that require revenues to put in place or make—to put in—that require revenue to put in place or make the political price they'd have

to endure too great to be acceptable. In short, they knew full well that they would no longer form government one day and by enacting balanced budget legislation, it was one way to continue to impose their will on Manitobans, even if they weren't in office.

Making taxation decisions that reflect the well-being of all Manitobans is the reason why we go to the expense of electing governments that are responsible to the people through elections. Imposing a requirement to test every proposed tax through a referendum almost guarantees that governments will have no control over taxation policy. The reality is people are predisposed to voting against any new tax, no matter how critical the need may be. People choose the short-term objective of reducing or limiting taxes without giving full consideration to the consequences. It's well known that money wins a referendum. The side with the most money nearly always carries the day. Economic policy that's determined by the largest advertising budget is anti-democratic and subversive to the responsible government process.

A former premier of Manitoba had this to say about the key foundation of a democratically elected government: They elect people to make judgments on their behalf, judgments that are ultimately in the best interests of the province and its future. We are in office with a mandate to exercise our judgment and to make decisions on a whole range of issues, including new and changing circumstances.

Now, who would speak so strongly about the mandate to govern that is granted through elections? Why, none other than Gary Filmon, when he was addressing the suggestion that there be a referendum in connection with the idea of building a new hockey arena to keep the Winnipeg Jets here. It makes his subsequent imposition of the referendum test completely inconsistent with his high-minded analysis of government mandates.

If the referendum test is a good thing to have, then it must be a widespread feature of parliamentary democracies. Oh, my mistake. This is the only jurisdiction in Canada that wears these handcuffs. And what do the people of Manitoba think of all this? Well, one of our affiliates, the Manitoba Government and General Employees' Union, considered that question and decided to find out. The union hired Viewpoints Research to conduct a public poll of 805 Manitobans between January 22nd and 31st, and they found a few interesting things:

80 per cent of Manitobans want to see increased income taxes on corporations and on households with before-tax annual incomes of \$200,000, to support key services; 77 per cent say it's more important to protect public services than balance budgets by arbitrary dates; and another 74 per cent believe we should change balanced budget legislation to bring it into line with other provinces.

The fact is, modelling and implementing public policies that form the foundation of our quality of life requires government revenue. What do we have today that didn't exist before the balanced budget law was enacted? Well, some notable entries include palliative care drugs supplied for at-home treatment, free cancer drugs, the establishment of a mental health emergency room, the University College of the North, rural ambulance coverage and measures that protect the quality and safety of drinking water. The simple truth is, we're asking our government to do more and more with fewer resources. Add to that the expense impact—the expensive impact of flooding and the cost of protecting against future floods, and the system begins to strain under the load.

Let me finish by urging all members of the Legislature, do the right thing and enact Bill 20. Thank you.

Mr. Chairperson: Thank you, Mr. Rebeck.

The floor is open for questions.

Mr. Struthers: Thank you, Mr. Rebeck, for coming in to the Legislature tonight and giving us your advice.

We've noted over the last number of nights—well, we've noted over the last number of weeks, the Conservative MLAs position that you can solve these problems by cutting \$550 million out of budgets—that's every single budget in government, that's a 1 per cent across-the-board decrease in every department. They've also promoted the idea of a private, for-profit, two-tier system of health care.

What would your advice to us be on that? What are those implications—for the people you represent who work in health care, what would your implications—you'd think your implications would be, for Manitobans, in general, depending on health care, if they had their way?

Mr. Rebeck: A couple of points there, (1) you know, it strikes me that it's amazing when times are good, governments cut taxes and reduce things, and when times are bad, some people say that the

solution is to continue to cut taxes and reduce government's revenue.

Having those kinds of cuts in critical areas like health care and education—I've heard of both ones that have been put on the chopping block as a proposition—is devastating and out of step with what Manitobans want.

I think Manitobans have been very clear that their values are that they want a universal public health-care system that doesn't discriminate based on people's economic status. So I think that it's worth preserving and protecting that, and that we need to make sure that we have a government that stands up for the values of Manitobans.

Mr. Struthers: Just to follow up that, if we were to take the advice of the Conservatives across the way and we did those kind of indiscriminate, across-the-board cuts and privatized the health-care system, what would that—in your opinion—what would that do to the overall provincial economy?

Mr. Rebeck: I think that'd have a terrible effect on the economy. I think people—again, there would be a number of layoffs to already short—there are critical shortages in health care. I think that there aren't enough staff. And I know many of our members who work in the health-care field work short-staffed and work very hard because they care about the people that they're looking after. And to cut the resources that they have even further would be catastrophic for them and for the people that they're caring for and for the families of Manitobans who are relying on safe, good quality public health care.

Mrs. Driedger: Thank you, Mr. Rebeck, for being here.

And I just want to say on behalf of our party that there is great value placed on the work of civil servants, front-line professionals in this province, despite what the Minister of Finance or anybody from the NDP government tries to put across.

When he is indicating to you that there will be a 1 per cent cut to every single department, that is not true. That is not what was said and that is not what would happen.

And he doesn't want to tell you that they are already involved in two care health—or two-tier health care because they've got multi-million dollar contracts with two private clinics already in Manitoba. And the Minister of Health (Ms. Oswald)

is on record totally supporting it, as I assume her colleague here is.

My question to you is, are any of your members upset that the NDP lied to Manitobans in the last election, including your members who they would have knocked on their doors to?

Mr. Rebeck: Well, I think there's no surprise that the public at large is frustrated by feeling that there could have been other ways to do this.

But I think—and our members—and the public, who we've polled and asked the question to beyond our membership, are pretty clear that they think that government need to have some ability to govern, that circumstances do change, that the economic realities in the world have not been good of late and that although Manitoba's been faring better than most, it has challenges it needs to face. And it requires a revenue solution, not just an expense-cutting expensing solution.

So it's with that kind of debate and dialogue that we've had with our leadership and membership, that we stand and say we support the passing of Bill 20.

* (19:10)

Mr. Gerrard: I challenge your statement that a referendum would be meaningless. We've had many people here present about the value of people being able to vote and express their opinion. Certainly, there's a lot of evidence that, you know, Manitobans feel that this being a law and an opportunity to provide input is a valuable contribution, and, certainly, that expression of public opinion is something that, you know, government should value. There are many examples of referendum which have not been won by the side which won the most money, and, you know, BC had a referendum not long ago on the harmonized sales tax, and I think that you write off the significance and the importance of referendums in democratic process unnecessarily.

Mr. Rebeck: I'm glad you raised that. I think, you know, I'm glad I'm not in government, having to make decisions on a budget. That can't be fun for anyone, ever. And I have to say, you know, when you talk to people about what they want, what they expect from their government, those expectations are fairly high in services, in infrastructure, in investment, in what we'd like in our communities and what we'd like put forward. And when I have that conversation with anyone, people by and large say: Yes, you know what? Government could probably do more if it had some more resources. Then I ask

them the question: How should we give them more resources? In what method of taxation or what way should we do it? Oh, well, building any support for that, if I ask a hundred people the question, I'd probably get 90 per cent of them would say, yes, government should have some more revenue, and I'd have 90 different ways for them to do it.

So the challenge with making something-governing by referendum is not a traditional Canadian practice on how we do things. It's not the way to move things forward, and it's not the way that you're able to make some tough decisions that people are going to be happy with the results about.

Mr. Chairperson: Time for questions has expired. Thank you for your presentation, Mr. Rebeck.

Call Mr. Nicholas Vey, private citizen. Nicholas Vey. His name will be dropped to the bottom of tonight's list.

That concludes my list of out-of-town presenters. Now, go back to the top of the list. I call No. 1, Jeff Eyamie. Mr. Eyamie-

Mr. Jeff Eyamie (Private Citizen): Pronounced Eyamie, Eyamie.

Mr. Chairperson: Aim?

Mr. Eyamie: Eyamie.

Mr. Chairperson: Eyamie?

Mr. Eyamie: Yes.

Mr. Chairperson: My apologies, sir. Do you have any written materials for the committee, sir?

Mr. Eyamie: I do not.

Mr. Chairperson: You may proceed.

Mr. Eyamie: You know, I was an investor in the Crocus fund and that was managed by the Manitoba Federation of Labour, and I'm glad to see you're taking their fiscal advice still.

My name is Jeff Eyamie and I started a group on Facebook called No PST Hike. Tell the NDP that you still believe in democracy. The group currently boasts about 1,920 members. They're from all walks of life. They can't be discounted as a special interest group or a bunch of the usual suspects. Many were ardent supporters of this government's party until Bill 20 was introduced, just as I was.

As a person who's voted for the provincial NDP in the past number of elections, I feel completely betrayed by a group who have chosen to disregard

Manitoba law and the wishes of the electorate to address their inability to act responsibly with the public purse.

I did never intend the Facebook group to gain the notoriety or the size that it did, but I touched on a nerve. And now I feel a responsibility to speak with you today on their behalf because I represent them.

Two thousand Manitobans, roughly. Do you remember what it was like to make choices based on the wishes of the people you represent? I don't know about you, but I take that responsibility quite seriously. Manitobans feel as though they're being treated with contempt by this government, and with good reason. I'm neither against nor in favour of a tax increase, but no one asked me.

This government, in its arrogance, in its brazen disregard for Manitobans, has decided that no opposition would be great enough to defeat it, and therefore it can proceed with an illegal tax increase without so much as a trial balloon before the budget for Manitobans to react to. No public consultations, no prebudget road show, no referendum; just this. We have to come to your house on your time.

What should have happened was a referendum. The budget should have been preceded by true public hearings, not simply a collection of policy papers from interest groups. Go and talk to Manitobans in their communities about the issues that affect them and then put it to a vote.

Despite polls that showed overwhelming public opposition to a PST increase before the budget, despite the municipalities and special interest groups and chambers of commerce uniting to oppose Bill 20, despite many of their political allies distancing themselves from supporting the tax hike, this government proceeds. As taxpayers, we feel the contempt for us. We feel the disrespect. No amount of bricks and mortar is going to fix it. This bill won't be swept under the carpet. And if the NDP believes Bill 20 will be forgotten in two and a half years, they are wrong. The NDP is having an argument with their political opponents when they should be participating in a conversation with the electorate.

Dozens of members of my group have emailed and phoned their MLAs with direct questions about the tax hike, myself included. The vast majority received no reply whatsoever. My own case, I will say my MLA is Erin Selby. I did send an email, which didn't receive a reply. I followed up by phone and got a prompt telephone reply. We had a

15-minute telephone conversation and agreed to disagree. That wasn't the case for many, many of the members of my group.

Once the talking points were approved, several Manitobans received a version of those talking points, and we all know what they are now. The tax is for flood protection, and if it's not that, then it's for daycare spaces. And our opponents want to fire north nurses, Tory this and Filmon that, and we're building schools and hospitals. This government has spun themselves into oblivion.

Back to my point. NDP MLAs have done a terrible job of communicating with their constituents. It's as though they believe a series of ribbon cuttings is going to win back their votes. And let me tell you, as a former NDP voter in suburban Winnipeg, university educated, probably left leaning and middle class, this government has lost the confidence of Manitobans; the middle is gone. As our group began to discuss the issue, we came to realize that Bill 20 has shown us many things that need to change in Manitoba.

And here's my five-point plan, discussed with my group of just about 2,000 Manitobans. I hope the next government—the next government will do well to adopt these five points:

No. 1. Reduction of PST: Every Manitoban I speak to about the sales tax agrees that a lower sales tax benefits the economy. You want to build Manitoba like you're branding exercise is hinting at, stop trying to buy our votes with our own money. That may have worked 20 years ago; it doesn't work anymore.

No. 2. Recall legislation: If voters had the ability to recall the government right now, it would happen. I don't say this lightly. I think this is the first time since the Pawley government in '88 where it would have happened, and this should be the consequence when you make statements like, a tax increase would be total nonsense, and then proceed to increase taxes. You made a covenant with voters, then violated that covenant. This should be the consequence, and we see you thumbing our noses at us.

No. 3. Affirmation of the taxpayer protection act: To ensure a referendum when major taxes are increased, just as the law presently states. The circumstances around the referendum and those provisions are not relevant to Manitobans. How it came to pass doesn't matter; the law's the law. This law protects us and not you, and it should be upheld.

No. 4. Laws ensuring MLA accountability: If you're a voter, you have a right to prompt, honest responses from your elected representatives. A two-week delay in responding to anything, let alone a simple question in an email is unacceptable. MLAs and their assistants should spend their time ensuring every constituent message is given a response. You represent all of us. If you don't want to represent all of your constituents, quit. If you won't quit, Manitobans want and deserve the legal ability to fire you. And, finally;

No. 5. Accountability without announceability: It's become clear to all of us that municipalities, urban and rural, are suffering because other levels of government want to cut the ribbon and they want to issue the news release on so-called infrastructure projects. Yet municipalities are left holding the bag on developing the true spine of a community, the pipes and roads and water treatment facilities that really enable economic growth. The municipalities represent us too. They need to be protected and supported, but it comes at a cost to you. I propose the provincial government ought to stop the ribbon cuttings with politicians holding on to those fake scissors, permit a politician to announce programs not projects. In addition, they should provide municipalities, both rural and urban, with predictable levels of funding on an annual basis. It seems common sense, doesn't it? We're all suffering because tax dollars get redirected to sexy announceable projects while unsexy and the very necessary business of nonpartisan government continues to suffer. The only way to end this is to limit political interference in the spending of our money: accountability before announceability.

Those are the lessons I learned from listening to the people. I highly recommend you try it.

* (19:20)

Back to the law. On April 17th, 2013, you violated The Balanced Budget, Fiscal Management and Taxpayer Accountability Act by presenting a tax increase under The Retail Sales Tax Act of Legislature under the auspices of Bill 20. The law doesn't state you are allowed to present a tax increase if you create a loophole at the same time. It says you must first put the question of the advisability of proceeding with such a bill to the voters of Manitoba in a referendum. You were not authorized by Manitobans to present this bill. Your actions are illegal and so is Bill 20.

I'm here to plead with my elected representatives to return to democratic rule. Stop this bill and consult with Manitobans. Even if you were to get a court ruling that the bill is legal, you can't possibly believe the tax increase was done in an ethical or democratic way. I ask the New Democrats, how democratic is this? I expect my elected officials to set an example in lawful behaviour, not find the most elaborate ways to circumvent the law.

If this tax increase isn't enough, do we just create another loophole, start privatizing health care? If we don't like that, maybe we should just cancel any Employment Standards that happen to be brought into law by a previous government, or a current government. Maybe we should sell Manitoba Hydro to the Chinese. I mean, that's total nonsense. But that's what all of this is, isn't it? Total nonsense.

It's abundantly clear that the elected government has lost the confidence of Manitobans. If there were recall provisions in Manitoba, I'm convinced this government would be faced with a recall right now. But we don't have that choice, so, on behalf of the 1,910 Manitobans who have agreed that democracy itself is at stake with this tax hike, I urge the following: First, rescind Bill 20 and put a tax increase to a vote. It's the right thing to do. You may slither your way through and have a court determine that it is legal, but you all know it isn't ethical. And voters know, too.

If that won't work, then we need nine Jim Waldings. We need nine MLAs who, like Jim Walding in '88-89, were willing to stand up for Manitobans and vote against this bill. I hope nine MLAs will see the looming political tsunami on the horizon and preserve their own political careers—

Mr. Chairperson: One minute, sir.

Mr. Eyamie: Thank you. I hope they'll preserve their own political careers before they're tossed out by voters. Vote your conscience. I know you have one.

Our last resort is the court challenge. I'm glad that I don't need to begin crowd funding for the legal fees to challenge this bill, because that's where we were headed. It would have come to that, and I think we could have hired a couple of Robert Tappers.

In summation, I hope you will obey the law. Put it to a vote. Thank you very much.

Mr. Chairperson: Thank you, Mr. Eyamie.

Mr. Struthers: I want to thank you, Mr. Eyamie, for coming in tonight and speaking with us. Thank you for your presentation.

Mr. Eyamie: Thank you, Minister Struthers, for listening, and I do hope that you're able to put the brakes on this, and I hope it's—if—because we're acting in political expediency, I hope you can find it most politically expedient to stop this bill, because you're going to get voted out.

Mrs. Driedger: Mr. Eyamie, I'm just sitting here listening to you and thinking, wow; very, very well presented; very articulate. A couple of questions: One is, how long did it take almost 2,000 people to come together? Usually that's not an easy thing to do. But obviously, there's a great deal of passion—from the way you're talking, and with people around you—how did it happen that so many people came together, then, to fight this?

Mr. Eyamie: Thanks for the question. It was—basically, I was livid when budget day came. The next day, I woke up and I was still angry, and I knew I had to do something. And so this was the easiest, cheapest, quickest outlet for me to do—to undertake. And so I did it. Within 24 hours, we had 300 followers and media attention, which made me very nervous. This isn't—I'm not paid to do this. I have no political inclination; this is because I think something is going wrong that I've done it.

I think we reached 2,000 within two weeks. We've had a few followers slip away because we're an active group, and sometimes people don't want to see the messages constantly or, you know, they don't believe it's going to actually achieve any change. And so, there's a tremendous opportunity here to show that the democratic process, maybe, is healthier than what we think, and that change can still happen.

Mr. Friesen: I wanted to thank you for coming in, as well. I really appreciate the arguments you've made, and I actually thank you most of all for the fact that you were not idle, but you chose to take action. I thank you for that. I think that this might be an expression of democracy in its truest form, the way you have been working with other Manitobans and asking important questions and actually putting out important ideas, as well. I was just thinking about that list of five platform ideas that you submitted, all of which are provocative and are worthy of consideration. Were there other ones that came up on the Facebook page that you were considering adding to the list and what were they?

Mr. Eyamie: Yes. Other concerns certainly were aired, and they're probably too numerous to mention. We tried to remain on topic, but people are living with many issues. I think—ironically one of the things that probably attracted the least amount of ire was the expense of the tax itself, and I don't believe—I think I've maybe seen two comments over the past three months that said that increased tax is going to be a direct burden on my consumption. Certainly, there was talk about tax regimes and how people would move because of higher taxes or cross-border shop more frequently. Small business owners really got screwed by the implementation of this on July 1st with little warning, and they feel like they are party to an illegal act, and I hope that—do not belittle that, people feel that they are party to a criminal act. That's heavy stuff. So—

Mr. Chairperson: Well, the Clerk has—the Clerk's assistant has advised me tonight we're going to try and keep a little better control of the language that we use. Yesterday evening some foul language was used at the end of the presentation and I let it go. But tonight I'm going to ask all people to try and co-operate to the best of their abilities.

So I call Mr. Gerrard with a question.

Mr. Gerrard: Thank you for your presentation, and a very good example of grassroots democracy input.

I'm just curious as to how you went about assessing or knowing that you had very broad support for these five actions.

Mr. Eyamie: I posted them. Facebook has an option called pinning where you're able to put a post within the group's discussion at the top so that whenever someone accesses that group's page you see the one post on top, so I pinned it there for several days. I think about three weeks I had it pinned there and received all kinds of feedback and likes and that kind of Facebook stuff, and so certainly I think the ideas for the most part were generated by me with some adjustment by group—by members of the group.

Mr. Chairperson: Time for questions has expired. Thank you, Mr. Eyamie, very much for your presentation.

Order, please. Once again, disorderly conduct by members of the public—I would like to remind the members of the public who are observing the committee meeting to please not disturb the committee proceedings by applauding or commenting from the audience. I thank you for your co-operation in that regard.

The next individual I call is Ms. Vicki Burns, outreach co-ordinator, Lake Winnipeg Foundation.

Good evening, Ms. Burns. Do you have any written materials for the committee, ma'am?

Ms. Vicki Burns (Lake Winnipeg Foundation): Yes.

Mr. Chairperson: I see you do. Chamber staff will distribute them. You may begin when ready.

Ms. Burns: Well, good evening, and thank you for the opportunity to speak with you tonight.

I'm the outreach co-ordinator for the Lake Winnipeg Foundation, and I'm making a presentation tonight in support of Bill 20, The Manitoba Building and Renewal Funding and Fiscal Management Act, and the primary reason for supporting Bill 20 is the urgent need that we have in Manitoba to begin serious investments in protecting and restoring—rebuilding the natural infrastructure of our landscapes, and I'll explain what the reasons are in a moment. But just to let you know what I'm talking about by natural infrastructure, I actually like the US Environmental Protection Agency's definition where they call it sometimes green or sustainable infrastructure, it's the interconnected network of natural and undeveloped areas that are needed to maintain and support ecosystems. They provide a wide array of environment, health and economic benefits such as mitigating climate change impacts and sustaining clean air and water. And our natural infrastructure has been declining both in quality and quantity since the start of the Industrial Revolution, so it's over a long period of time.

* (19:30)

Essentially, what we're talking about here in Manitoba, over the last century, we've altered our landscapes dramatically by draining wetlands in order to facilitate the building of communities, in order to facilitate agricultural production. We've drained about 70 per cent of our wetlands; which means that we've lost 70 per cent of the water holding and sponge-like capacity that they provide as well as the filtering of things we don't want getting into our waters. So it's kind of like if you had 70 per cent of your kidneys fail.

We know that the—this drainage has occurred over the years for very good reasons, it seemed like very good reasons. But now what we are seeing is extremely detrimental effects, which are wreaking havoc during times of flood and times of drought, as

well as contributing significantly to the 'deteriorating' water–deteriorating water quality in our lakes.

The incidents and severity of flooding is increasing in recent years. We know that climate change is bringing more intense rain, bigger snowfalls and those do contribute greatly to flooding. But the amount of drainage that we've done, which has occurred, and the resultant loss of water holding capacity on our landscapes is really exacerbating the degree of both spring floods and overland flooding.

Now I probably don't need to remind you that over the past month, we've—in Manitoba, we've had several communities and RMs that have had to declare states of emergency due to overland flooding. Communities of Morden, Reston, Winnipegosis, we're waiting to see what'll happen in The Pas, unless I haven't heard and things are fine. But they may not be.

We've had instances, isolated instances like the—what a—the flash flood that devastated an individual family farm in Gilbert Plains who saw water rushing over their farmyard, it came up six feet in an hour, and they, you know, a number of their animals drowned because they simply did not have time to get rid of them.

And when they were interviewed afterwards and they—it was suggested to them. why don't you build a berm around your farm. Their response is, we can do that, but then where are we sending the water? And I thought it was very generous of them to have that kind of an attitude.

So the large-engineered solutions that we've relied on, like the floodway and other dikes and so on, they are important. Don't get me wrong, those are very important. But they are not the only answer. When we move water in ways that nature didn't intend it to go, it results in unintended consequences—water flowing onto areas and onto property of others who suffer the consequences because they are downstream.

So the 70 per cent loss of wetlands over the past century contributes to the frequency and severity of droughts as well because there's no capacity of the land to hold water. And I want to remind you that two years ago, in 2011, in the same season that we had that tremendous flood we also had very serious drought in parts of the province.

Now, as far as water quality goes and why the—actually the Lake Winnipeg Foundation is concerned about all of this. Because we know, we've learned

now that when there's water rushing off the landscape in floods or in heavy rain events, it really drags a lot more of that phosphorus into our waters, and that's the phosphorus that's feeding the blue-green algae.

So it's the speed of the water flowing off the land, it's also the loss of wetlands because those plants really do filter out some of the stuff we don't want getting into the water. And it's resulted in many of our Manitoba lakes suffering, not the least of which is Lake Winnipeg, which got the unfortunate designation a few months ago of being the threatened lake of the year worldwide by a German group. So the eyes of the world are on us now.

And, economically, this is huge. The problems of floods, droughts and degrading water quality, first of all, they cause tremendous human suffering. If any of you in your constituencies have had people who are suffered from flooding or from drought you know darn well that it's just, it must be one of the worst stresses in the world.

But it's also the cost. I mean, the 2011 flood, the costs are pegged at over a billion dollars, and from what I hear, we still haven't paid all of those costs off. Payments to farmers since 2000 have amounted to \$318,216,000 for crop insurance payments, disaster assistance. Half of that alone—\$160 million of that—came from our flood of two years ago, and we don't know what the costs are going to be this year. Perhaps some of you around the table already have some estimates for the overland flooding that's happened. I don't, but I'd like to hear what they are.

Actually, I'd like to hear what our costs for disaster assistance have been in this province since 1997. We should be talking about those numbers, because we are not doing nearly enough to decrease those kinds of risks and to prevent that kind of suffering.

Now, in regard to Lake Winnipeg and what the ramifications will be if we continue to see a deterioration, first of all, for the 23,000 people who live around the edges of the lake in 30 communities, 11 First Nations communities, there's no question that that's going to negatively impact their life; the commercial fishery that we have on our lake that I think employs 800 to a thousand people, and sometimes we're told that it brings in \$50 million in revenue each year; the half a million visitors to Grand Beach each year—all of those things are going to be impacted if we don't do something.

So, to conclude, I just want to say that around the world there really is growing recognition that we need to invest in this natural infrastructure, not just—I mean, not in place of the hard, engineered, large-scale solutions, but in addition to. Just consider this—those—the natural infrastructure, it's—one of the beauties of it is it's going to help decrease our floods. It won't prevent all floods, that would be crazy to say it would, but it'll decrease the severity. It'll help us build in resilience for droughts and it'll really help the water quality in our lakes.

So what other solutions do we have that have those multiple, really important benefits across many different realms? Other benefits are it's not going to harm the downstream residents—

Mr. Chairperson: One minute.

Ms. Burns: —or the environment. I mean, look at all the terrible upset we have these days with people being mad at other people and mad at the government and this and that because we're moving water where it's not supposed to go, and it ends up harming someone.

And, finally, I know Manitobans care a lot about trying to protect habitat for all of the biodiversity in this province, and that's one thing that investing in natural infrastructure will do.

So, I don't have the expertise to say where we should get the money, but I do know that we need significant money to do this, and I just don't think we have enough money, and that's why we're supporting this bill, even though we know it's terribly unpopular. We have to act now—we really do—if we want to decrease the severity of floods, prepare for droughts and make progress in restoring the health of our lakes, we really can't afford to delay. So, if there's another magic way to come up with money, we certainly do support it, but we just believe—

Mr. Chairperson: Your time has expired, Ms. Burns. I—my apologies.

The floor is now open for questions.

Mr. Struthers: Yes, thank you, Ms. Burns, for coming and speaking with us here tonight. We appreciate your advice.

Just to kind of—to encapsulate it for me, you support the—Bill 20 because it's going to raise some money to be invested in infrastructure—infrastructure that can—it can protect Manitoba families, but also infrastructure that can allow our economy to move forward. I think you actually make a pretty good

economic case for this, as well, on top of the sustainable case that you make. Is—do I have that right?

Ms. Burns: Yes, you do, but I want to stress again, we're talking about investing natural infrastructure. It's terribly important. We really have not seen very much in the way of investment there. We need that, not just the hard engineered solutions.

* (19:40)

Mr. Graydon: Thank you for your presentation tonight, Ms. Burns. You did a great job.

And when you started, you started with your opening statement referring to an urgent need for action, and that was the reason that you were supporting the PST. I have to—and I'm sure that you already know, that we are in an emergency session of the Legislature to deal with all bills. PST is one of them, of course, but there are many, many bills, and we're in an emergency session.

The issues that you have raised today are not new issues. They are not new issues. I ranch and I farm. I've lived through droughts and I've lived through flooding. And I would say that, on a whole, farmers are the best stewards of the land that you can get. But, at the same time, these are not issues that just cropped up today or since 2011 or 2012, or 2009. But I would say that the NDP government have enjoyed some of the largest transfers from federal coffers to provincial coffers. They've enjoyed the lowest interest rates. And today we're in an emergency situation. We're in an emergency situation in this Legislature. You're here because it's urgent. They knew in 2011 that there was an issue. I'm sure that you made them aware of that. I am sure that with their 192 communicators they would have found that out that there was an issue.

Mr. Chairperson: Order, Mr. Graydon. I have several people on the list. If you would put your question, please.

Mr. Graydon: I will. Thank you, Mr. Chairman.

The question is: Do you believe that they should have called the referendum to let the people of Manitoba make the decision?

Ms. Burns: I'm sorry, that really is beyond my area of expertise to comment on that.

Mr. Friesen: Thank you for your presentation this evening, Ms. Burns. Thank you for coming here and presenting some very compelling evidence in a very passionate and articulate way.

My question for you is this: You start off and you say that there's an urgent need to reinvest in this kind of infrastructure. And I'm just wondering, are you aware of the amount of investment that this government has made, over 13 budgets, in terms of flood mitigation and water retention? Do you know what that number is, because as an opposition party we've uncovered that total investment is less than one half of 1 per cent over 14–13 budgets?

And I'm just wondering, from where are you deriving a sense of confidence that an increase in the PST would actually get an agreement from government to make a priority of this issue? I'm inclined to believe that the government should be making a greater priority of this. I'm wondering, where are you getting the confidence? Do you have an agreement in principle from the government that they will prioritize this area for you?

Ms. Burns: No. And I can't say that we do have a great sense of confidence. I am using the opportunity tonight to, hopefully, compel everyone around this table, to understand how urgent the need is, to start investing in the natural infrastructure.

Mr. Gerrard: Thank you, Vicki, for making your important presentation about the importance of water retention in natural infrastructure.

I'm a very strong supporter of this effort, but, in asking many times to this government, including in the last two months, it's been very frustrating because there's not been clear or significant commitments to water retention infrastructure. And so one of the real problems that I see is that we need a major commitment. And, until we've got a major commitment, it's very hard to support on my—from my point of view, the PST and particularly, the PST without a referendum.

Ms. Burns: I just say, yes, I can understand that. I don't really have any further wisdom to add there.

Mr. Chairperson: Time for questions has expired. Thank you for your presentation, Ms. Burns.

Mr. David Ennis, private citizen. Mr. Ennis, do you have any written materials? I see you do. Our Chamber staff will distribute them. You may begin.

Mr. David Ennis (Private Citizen): I think I'd like to see them distributed first.

Thank you, Mr. Chairman, members of the committee. Mercifully, you will find that this one will be short. I appreciate the opportunity to provide my comments to members of the Legislature on this

bill. I do so, not for my own benefit, but out of my concern for the two persons on the image you see now before you, my grandsons.

I am convinced that the bill will have a detrimental effect on their future as Manitobans, should they decide to live here and make their contributions to this province when they grow up. So then, I use this opportunity to speak in opposition to the bill, in particular in opposition to section 1, which nullifies the right of Manitoba voters to voice their opinion on any increase in the provincial sales tax. That is a right which is required by The Balanced Budget, Fiscal Management and Taxpayer Accountability Act.

With regard to the other provisions of Bill 20, while I am concerned that they will—that they, too, will be to the detriment of future Manitobans, I freely acknowledge that I am not sufficiently informed to comment meaningfully on their implications. The provisions are generally of what I would call an accounting nature, and I'm aware that accountants can make the answer to the question, what is two plus two, become a variety of numbers, sometimes even including four.

For that, I feel I—so for that part, I feel I have to rely on the MLAs and, in this case, the opposition. But, in the case of section 10 of The Balanced Budget, Fiscal Management and Taxpayer Accountability Act, your requirement for a referendum now—and now its elimination of Bill 20, I consider myself sufficiently informed to know that it amounts to subversion of democracy. A democratic right that has been available to Manitobans for years, one that is so fundamental that it ought not—it should never be tampered with. I realize there is a suggestion that the tampering will be only temporary, i.e., until 2023, and that—but, however, it should never be tampered with. I realize that 'til 2023, that's when my grandsons are making their career decisions. However, I'm also aware that temporary decisions can be extended; income tax was introduced in Canada during the First World War as a temporary measure. Now, for something that was supposed to die, it seems remarkably healthy.

I know that when The Balanced Budget, Fiscal Management and Taxpayer Accountability Act was before this Legislature, the position of the party that is now the government was that the act's provision would render governing impractical. Well, they have had 10-plus years to remedy that, but only now,

when their backs are to the wall, for some reason, the move is being made. That tells me that, on principle, eliminating the referendum was never necessary, and that section of Bill 21 was—is unnecessary and should be scrapped.

The people of Manitoba are well experienced in the economic realities of budgeting. They will understand that, should they reject an increase, they will have to accept the consequence of reduced expenditures on services which they rely upon. They should have a choice, rather than being treated as though they know not what is best for them and being talked down to. In the area of fiscal accountability, and given the tenor of this bill, I'm surprised that it has not been used to eliminate section 6 of The Balanced Budget, Fiscal Management and Taxpayer Accountability Act, namely, the requirement that should there be a deficit, the salary of the Minister of Finance must be cut by 40 per cent in the next year.

That much about accounting I do understand. I also understand if there is a surplus—I also think that if there was a surplus and the Cabinet was to get a bonus, we would be in better shape than we are today.

Thank you again for the opportunity to address this committee. We Manitobans have what I understand to be a unique right, to present their individual views on proposed legislation to our Legislature. I didn't understand the significance of that right until Elijah Harper used—refused to give his consent to override it, back in 1987.

I suggest to you that this is time for another eagle feather, for this Legislature to quash section 1 of Bill 20.

* (19:50)

Mr. Chairperson: Thank you, Mr. Ennis.

The floor is open for questions.

Mr. Struthers: I want to thank you, Mr. Ennis, for coming here tonight to speak with us. We appreciate your presentation. Thank you.

Mrs. Driedger: Thank you, Mr. Ennis. I do want to indicate that that's a beautiful picture of your grandsons and it certainly brings home the point of the significance of what this PST is going to do to their age in particular.

Do you find it offensive that the NDP have raised the PST before the legislation has passed and

before 200 of you have had a chance to come here and speak your mind?

Mr. Ennis: Yes.

Mrs. Driedger: What do you think the NDP should do because they don't seem to be listening so far to thousands and thousands and thousands of people who have expressed their anger, frustration and any number of words that we have heard come forward.

What should they do, you know, more and more people keep coming forward, is there any suggestion that you would like to give to them as an ordinary Manitoban?

Mr. Ennis: Yes. I would suggest, and I've heard tonight that the Legislature is in emergency session. I would perhaps curtail that emergency session, hold a referendum and pick up the pieces after that or find out what the people want and move accordingly.

As I said, they know about—they know that if they don't approve an expenditure, an increase in revenue, that they're going to have to live with the consequences.

Mr. Friesen: I do thank you also for coming to present tonight at committee. I appreciated the way that you were able to focus your presentation into the area you thought that you most wanted to address. I felt it was a principled argument. I believe you were in the room, sir, earlier this evening when a previous presenter talked about a referendum being a meaningless and expensive endeavour, something that would be cumbersome to Manitoba. Can I ask you to comment on that kind of characterization of a referendum as meaningless and expensive.

Mr. Ennis: I'll deal firstly with the expensive part. Given the amount of money that's been squandered on other things, I'm sure that this would be minuscule. As far as meaningless, I think it would be very meaningful to the people to know that they had their chance; they may not exercise it, but to know that they had their chance and then everyone knows what the population thinks. I sure that there was some reference to, he with the biggest budget wins the referendum. These can be certainly—those effects can certainly be remedied with a proper set of rules for a referendum.

Mr. Gerrard: Yes, thank you, and thank you for putting the grandkids first and the future.

You talk about the fact that eliminating the referendum wasn't necessary. I happen to agree with you because I think it would be smart to have

people's input, but I want to give you a chance just to kind of expand upon that thought a little bit.

Mr. Ennis: Well, yes, I think I have done some of that before already. But I think that the people who indulge in, or are faced with dealing with kitchen economics know that they have to be able to either reduce their expenditures or find more revenue. For most of us, and I think with the government included, the opportunities for increased revenue are very restricted. That is not often the most available option so then because they—the kitchen economics—economists know that. They realize that if they want to have some of things they want, they are looking to the—looking for from the government that they have to make a very considered decision on this. And if they—I personally think they would probably say yes to an increase, but that's just the way I would vote.

Mrs. Driedger: Mr. Ennis, were you aware that the NDP Cabinet ministers have protected their salaries and have actually changed legislation to do that and not be punished by the fact that they aren't adhering to, you know, the balanced budget legislation?

Mr. Ennis: No, I was not aware of that. I am sure that would make interesting information for Mr. Eyamie's online group. I hope he's gathering that.

Mr. Chairperson: Time for questions has run out.

Mr. Ennis, I thank you for your presentation.

Call Jane Robertson, private citizen. Ms. Robertson, do you have any written materials for the committee, ma'am?

Ms. Jane Robertson (Private Citizen): Nope, I'm just going to talk.

Mr. Chairperson: You may proceed.

Ms. Robertson: Thank you.

Seven hundred and sixty thousand, five hundred and forty-eight dollars per day this government is making on the PST. I get to speak for 10 minutes. That's for \$5,281.58. I'm going to get my money's worth.

I was having a BlackBerry because I support a Canadian company. So there you go.

Good evening. My name is Jane Robertson and I'm here to speak against the illegal and immoral raising of the provincial sales tax of Manitoba from 7 to 8 per cent.

I know you've sat here listening to everyone presenting as both individuals and as a delegation for

a company, a business, an organization with statistics and personal situations. I know, I've sat here and listened, and I've appreciated everybody speaking.

We know this tax raise will cost the average Manitoban \$1,600 per year. We know that pay for Manitobans has not kept pace with the consistent raising of our taxes, user fees, sin taxes and, well, my personal favourite, just because we can, monetary adjustments we the taxpayer of Manitoba have been facing for the last decade. This budget will come back to haunt the NDP, and I'm going to help it.

What's said during the 2011 election campaign that it was on track to balance the budget by 2015 without raising taxes. Last year the government raised fuel and tobacco taxes, expanded the provincial sales tax to cover new items including home insurance, tattoos and raised many user fees. Yes, that's not taxing.

Then it pushed back its balanced budget date until 2016-2017.

The Manitoba government has made regulations that make universities, cities, towns and institutions balance their budgets. As Manitobans, we have to. We can't say to the bank at the end of the year: you know, jeepers, I'm a couple of hundred thousand dollars short. Don't worry. I'll pay it off in two years.

Thus, when you have promised the University of Winnipeg a 5 per cent increase and then all of a sudden, oops, surprise, surprise, tell them: it ain't going to be 5 per cent. It's going to be 2 per cent, and they prepared their budget using that number and then took it away and gave them the 2 per cent increase instead. The university to make their budget balance because you made them do it, which is a responsible thing to do. Maybe you should start doing it.

They have taken steps by leaving 175 jobs vacant and refocusing money in the *[inaudible]* services. Perhaps some of your Finance people better go down to the University of Winnipeg and figure out how they do it, because you're sure as heck not making it here.

One wonders why a higher education institution with a smaller budget department and teenier wiggle room than the Province of Manitoba can do it, but the Province can't.

University department heads take responsibility for budget. The legislation that make government ministers responsible for their departments both in

spending and overspending have been gutted, suspended, ignored because they don't want to make the hard decisions. That's why we pay you. That's why we elected you.

As individuals we can make these decisions every day. Can we afford a new car? Can we afford to send our kids to that after-school program? Can we put an—into our RRSP this year or not?

We don't get a do-over in our budgets. We have to balance at the end of the day, week, month, a year. We can't be in the red.

My question is to all of you. What do—makes you think you can?

* (20:00)

I'm not going to take the tact to poke at you, the—that the increase—I've left that at others. Unless you've ignored the—all the other thousands of Manitobans who have signed petitions, emailed their MP, phoned their constituency office and taken the time, energy in this heat and in this kind of summer to come and make a presentation to this committee. Why am I here?

The opposition MLAs—take a backseat; I'm not talking to you. I'm here to appeal to the government MLAs because I want you to do the right and proper thing, to do what the people who put you in this Legislature to represent the views they want you to do.

Throughout history, men and women have taken stands that may not follow their parties ideas and philosophy, but will represent the will of the people. It is easy to follow the crowd—the crowd where you are part of a political party, part of the brotherhood of your political ideas. But throughout history there have been individuals who have looked at a cause, a situation, not through their political blinkers but as a pure representative of the citizens who voted them there.

I know I'm asking one of you, some of you, all of you to stand up with your constituents, with your fellow Manitobans and stand up against an unnecessary and illegal legislation that your party, your government, have brought in.

Please don't think this is weird or it's not done. It has been. In an elected Legislature in 1988, a fellow name—a fellow NDP, Jim Walding, brought down the government of the day because he didn't believe in what was going on. He stood up and looked at what was going on and said no. Very

simply, no. He voted the way his constituents wanted him to vote. Good for him. He didn't care about his standing in the party. He cared to fully represent the people of Manitoba. The courage of his simple and profound act should be celebrated.

Do we have anybody here who has a political courage to say no, to do the right thing? In 1990, Elijah Harper, with great courage and dignity, stood up in the Manitoba Legislature and simply said no. He believed the Meech Lake Accord was wrong for his constituents and his people, and he stood up proudly and very quietly with dignity said no. That act of defiance stopped the Meech Lake Accord. I remember people getting angry, but when the statement was given that Mr. Harper was doing it to protect his people—he was doing it because he knew it was right—most people eventually understood and applauded his great courage.

Since then we have been trying to make a more perfect union for all our peoples in Canada.

Today I was watching TV, watching the coup or the change of government that happened in Egypt. There are millions of Egyptians that came out in the streets to shout what they saw was the wrong direction of their country. I don't want to see the violence, nor the political stagnation that has been taken over Egypt, Syria and Libya happen here. I want the government MLAs to go home and look at yourself in the mirror. Go talk to the people who put you in those seats. Is this job, which is just rubber-stamping legislation that keeps your government feeding frenzy going—do you not believe there are better ways than breaking promises and not telling the truth to your fellow friends, your neighbours and your fellow Manitobans? Do you believe having this job, with all the perks and the benefits, are more important than doing what's right with the province of Manitoba?

We have a lot of politicians both here in the province and in Canada. We have public servants that want to do the right thing, to do their jobs in an effective, efficient manner. But right now we do not need politicians here. We need statespeople. We need public servants to put the public before their own self-interests. We need politicians to look at what the people want, what is happening and what should happen, and stand up and say, enough.

Are there any one of you here that has the integrity, that has the dignity, or for the lack of a better phrase which I'm not allowed to say, the hmm hmm to stand up for all Manitobans and just say no?

No, to an illegal halt of the referendum; no, to an ugly tax grab that can only hurt Manitoba and Manitobans for decades to come.

I'm hoping and I'm praying that there are some statespeople in this committee room tonight and in this Legislature that will state—stand up and say no to this bill. Your political masters will not applaud what you do, but believe me, the people of Manitoba will.

I'm going to end with a joke because my parents always told me that if you do public speaking, you end with a joke. An outgoing minister was leaving his office and he left three envelopes on the desk to the incoming minister, and he said, when you get in trouble just open up the envelopes in order. There was a big problem happening and he was getting yelled at and all this kind of stuff.

Mr. Chairperson: One minute.

Ms. Robertson: He remembered the envelopes and he went and grabbed it and they had said, blame the federal government. So he stood up, he made this big speech and blamed the federal government. Everything went away.

Second of all, six months down the line, another problem—big problem, remembered the envelope, ran to the desk, got it. It said, blame the previous government. Well, a year later what happened was even bigger heck was happening. He grinned and he grabbed the third and final envelope, and he looked it inside, and he said, prepare three envelopes.

Mr. Struthers, all your colleagues, start preparing your envelopes.

Thank you.

Mr. Chairperson: Thank you for your presentation. The floor is open for questions.

Mr. Struthers: I want to thank you, Ms. Robertson, for coming in and speaking with us tonight. We appreciate your advice.

Floor Comment: Can I say something, please?

Mr. Chairperson: Ms. Robertson.

Ms. Robertson: Thank you.

Mr. Struthers, anybody who has not agreed with any of your legislation, we just get that. We have five people sitting from your side of the House, sitting there, and they look very pretty and it's a really good photo op, but, other than that, that's all that's going on. It would help if they actually contributed, because it seems to me, from a

Manitoban point of view, you don't want our opinion. So you're just going through the exercise, but thanks very much.

Mr. Gerrard: Hi. Thank you, Jane, for your passion and your vigour and your defence of ordinary Manitobans and your ability to tell stories and jokes. I think that the—tell us a little bit about what you're hearing from people in your community and who you talk to and hear from.

Ms. Robertson: Everybody hates it. I have yet to meet anybody, except for the gentleman from the labour thing, which was, like, duh, right? Seriously. Now everybody else hates it. I have yet to hear anybody say anything good, you know.

I mean, it's funny that, you know, normally in legislation—I'm a bit of a political junkie and I watch and stuff like that and usually there's two sides to it, right? There's no side to it. There's everybody here, and I find it highly amusing that they can—they have been so politically aware that now it's all of a sudden, like, you know, they drank the wrong Kool-Aid this time. But everybody—I'm not allowed to say angry. I was going to say the P word, but there you go.

Mrs. Driedger: Thank you, Ms. Robertson.

I love the feisty approach, and I'm hoping that the passion that you brought to the microphone here in the podium tonight might help to get through to the government. You are indicating that you're not very optimistic that you'll be heard, and I guess I'm feeling somewhat the same way because, despite well over 10,000, and way past that, people that have, you know, made the time to comment—in fact, it's probably closer to 15,000 now, the government just seems to have a deaf ear. Why do you think that they are so tone-deaf to what you and others in the public are so strongly feeling negative about?

Ms. Robertson: Well, I believe there's a saying: Power corrupts. Absolute power corrupts absolutely. I think we're in the absolute power thing. I think they think they know what's best, but, instead of saying to themselves that's there's ways of doing it and working together—you know, the world is a very hard place right now. You guys are sitting there and going, pfft, pfft, pfft, pfft, you know. You've got this date in your back of your head because we, for some unknown reason, we put a specific day where we have to have our—an election. We've turned in the United States, and I watch what they do down there. And you think their politicians aren't—they're like

worse than—I think serial killers are actually rated higher than politicians down there, and that says a lot. So you guys are going to have to get your act together, because, quite frankly, we all think you're a joke.

* (20:10)

Mr. Graydon: Thank you tonight, Mrs. Robinson, for your presentation. It was a great presentation and well delivered.

You started off by saying that the PST was illegal and immoral, and you probably won't get an argument from me. And, because we're in an emergency situation here in the Legislature—it's called an emergency session now—do you think that when the NDP went door-to-door in 2011 asking for your support and the support of many others, that they didn't realize how delinquent they had been financially, and that they knew that they had to raise the PST and broaden the PST to cover the delinquency that they have shown, the mismanagement that they have shown over the last 10 years—do you think they didn't know? Or do you think they were lying to you?

Ms. Robertson: Well, either they're a bunch of liars or they're grossly incompetent, and I don't know which way to go. I'm trying to give them the benefit of the doubt, that perhaps some of them over there are going home and they're not liking what they're hearing from their constituents and maybe they're going to do the right thing.

But, quite frankly, if they didn't know what was going on in their budget, they all should be fired, all the ministers. And you should get your salaries cut, because that's what it should have been. But you keep gutting legislation that makes any kind of sense around here, so what else is new?

Mr. Chairperson: Mister—sorry, time for questions has expired. Thank you for your presentation, Ms. Robertson.

Mr. Joe Andrews—oh, one moment, please. Just for the attention of the committee, written submission, a written submission on Bill 20 from Claire Cooper has just been received and distributed to committee members.

Does the committee agree to have this document appear in the Hansard transcript of this meeting?
[Agreed]

I now call Mr. Joe Andrews, private citizen. Mr. Andrews, do you have any written materials for the committee, sir?

Mr. Joe Andrews (Private Citizen): I'm sorry.

Mr. Chairperson: Do you have any written materials for the committee?

Mr. Andrews: No, I do not.

Mr. Chairperson: You may proceed.

Mr. Andrews: Okay. I've been a hotelier and a business operator in Manitoba for the last 25 years, and we all know that sin taxes are very popular with the current government. We've seen myriads of them; we've seen increases on fuel taxes, beer taxes, liquor taxes, property taxes, school taxes, PST, minimum wage increases and one other particular one that I'd like to mention, which a lot of people aren't aware of, the VLT registration fees.

This is a fee that we pay to the government to have their machines registered by them for us to use and them to take 80 per cent of. We do all the work, and those fees, just so any—everybody knows, have just tripled, and this is nothing but a tax grab. And this also includes legislative change, so that the people involved regarding the Downs and various other machinations of the VLT system cannot be prosecuted for any changes that are made to that which are legal or not.

Also, in my hotels, I have a small one that's outside of Winnipeg, in the Woodlands hotel, we've had mandatory minimum wage increases, which is another form of tax on us, really. And they have resulted in my hotel going from a hotel that had 11 staff to a hotel that has six staff now, when the minimum wage increased from five-and-a-half to six dollars to the current rate, because we have no extra money. The money I make is the last dollar, not the first dollar and the government gets paid first, every time. They get paid first, we get paid last and if I have to go with no salary for a year, if it's a bad year, like a non-smoking year, then that's what happens to me. I go without.

But other people don't seem to be able to go without in this government. And they're making it up as they go along and they're not following—they're not following their normal regime of the legislation, which they can change in a timely fashion to do this law change, but they're not following it and they're breaking the law. And they said that they wouldn't increase the PST, and that's a bald-faced lie, because

obviously they are. And they're doing it in an illegal fashion. So I think that it's time for regime change, because this is a great province, under bad management.

We should have a referendum or the law changes in advance, which would prevent a referendum the legal way. And I've had enough of being a government tax collector, because my two businesses cause at least over a million dollars to go to government funds, and they're not that big. Thank you.

Mr. Chairperson: Thank you, Mr. Andrews.

The floor is open for questions.

Mr. Struthers: Mr. Andrews, thanks for coming to the Legislature tonight, I appreciate hearing from you.

Mr. Friesen: Well, thank you, Mr. Andrews, for coming in this evening and speaking to us as a hotelier and someone who actually works out there—you meet payroll, you meet expenses, you pay the government fees. And thanks for bringing for our attention, as well, the fact that in all of these fee increases, in all of expansion of the RST, that you're also getting hit with a fee that's tripled when it comes to registering VLTs.

Just two questions for you. I'm wondering, what is that new fee you now pay? But then, on a different issue, I wonder if you could explain, because even though my colleagues across the aisle may sit silently here, I can assure you that when we go into the Legislature, they waste no opportunity to talk about the incremental increases to the minimum wage as a huge success story with no downside. And I'd like you just to explain for us in a little bit of detail, what challenge does that present to you as an employer when, always, the government is telling you that wage is increasing and increasing and increasing?

Mr. Andrews: Since I cannot increase my prices every time I like to, I have to do with less and my staff also want built-in cost-of-living increases because their costs are all going up, and so I have to do less with less people. So the garbage doesn't get taken out as much; the lot is not as clean as it should be; I don't get painting done, because you just can't afford to do the peripheral things. So you stick to the main things and you pay your taxes and do the best you can.

Our fees for the VLTs, while we receive 20 per cent, the increase or the tax that they put in—which is completely spurious—was 300-and-something dollars—I can't remember the exact amount—\$350, I believe, per machine, per year. And it just moved up to—in the total for the amount of machines I have, it costs me \$4,000 now, and it used to cost \$1,250, and it used to cost before that, zero. And that \$4,000 represents approximately 5 per cent of my VLT revenue, 1 out of 20 per cent clawback, with no referendum.

Mr. Gerrard: Thank you for a clear presentation in terms of the situation of somebody in the hotel business. It strikes me that if the government is taking a million dollars a year, I think is what you were saying, out of your business, that that must be a pretty high proportion of your profit.

Mr. Andrews: Well, that's after I include the PST, the GST, the payroll taxes, the VLT revenue which I generate for them—at a very low cost, by the way—so when you add that all together and corporate tax, of course, and your consumption taxes that would go into performing your duties.

Mr. Wayne Ewasko (Lac du Bonnet): Thank you, Mr. Andrews, for your presentation. I know that my colleague from Morden-Winkler mentioned the minimum-wage increases, but have you had those conversations with your staff? That when the minimum wage goes up and then these other fees get implemented, whether it's PST or whatever else, have your staff commented on the fact that even though they have received a raise to their minimum wage, but they're actually seeing a lot of their take-home money actually down by the end of the year?

Mr. Andrews: What I believe is that if the NDP wanted to put money into people's pockets, then they should raise the basic exemption exactly like Saskatchewan did, and it should be \$20,000, and then you'd be able to have everyone live at a \$20,000 level. And people making 47 are only getting 20 by the time they spent all their money, so it's a no-brainer. And then you could cut all the bureaucracy of managing that system at the bottom end. How many bureaucrats could we get rid of at that point?

* (20:20)

Mr. Graydon: Thank you for your presentation. It was a well-put-together presentation, and I'll just give you a little bit of background on the minimum

wage since the NDP have taken power. It was 5.5 per cent and now it's 8.5 per cent of the population of Manitoba are working for minimum wage. I guess they would call that progress. That's not what we call progress at all.

The taxes and the fees. You're talking about \$4,000 that it's gone up, I guess—\$2,800—and yet they have taken the opportunity to put \$5,000 of vote tax money in their accounts every year. They've taken that out of your pocket. The—you mentioned payroll tax and we hear it every day; we hear it in the Legislature that we have the lowest payroll tax in the country, we have abolished the payroll tax. Is that the case? Like, you've just told me. You're a small business with five staff—*[interjection]*

Mr. Chairperson: Order. Order. I have to recognize you, Mr. Andrews. I wasn't sure if Mr. Graydon had finished putting his question yet, but I will put the floor to you now, Mr. Andrews, to reply.

Mr. Andrews: As a small business, obviously, I don't pay payroll tax because you have to meet the minimum, but we have all the ancillary things that double the CPP to 2.3 I believe it is, and double the UI. And we have all those fees on top of it and with the increases, it's just not possible for us to maintain the same level of staffing that we had before. Everything has been eroded over the last 20—well, the last 15 years especially, and not one thing has gone in our favour to make it better for a hotel guy to try to actually make a living.

Mr. Chairperson: Time for questions has expired. Thank you for your presentation, Mr. Andrews.

Mr. Andrew Regier, private citizen. Is that Regier or?

Mr. Andrew Regier (Private Citizen): That's Regier.

Mr. Chairperson: Regier?

Mr. Regier: Yes.

Mr. Chairperson: Okay, Mr. Regier, do you have any written materials for the committee, sir?

Mr. Regier: I do not.

Mr. Chairperson: You may proceed.

Mr. Regier: Good evening, honourable members. I'm here as a citizen of Winnipeg, Manitoba, and Canada. Bill 20 raises some very important questions for me. In fact, the last time I heard the word referendum this is frequently was probably while my

dad listened to the evening news program As It Happens during the Charlottetown Accord.

But the big T word that has brought most of us here tonight is heard much more frequently. So tonight in my 10 minutes, I hope to relate the changes in Bill 20 to my personal experience. And secondly, I want to try and peel back some of the hype—what I consider hyperventilating politics that surround the issue and get to the nuts and bolts of the question.

The first question I ask myself is: What is 1 cent on a dollar worth to me? Investment in public transit, rapid transit, active transportation routes would be worth 1 cent on a dollar that I spend, to me. I also drive in rural areas quite a bit, growing up in south-central Manitoba, visiting friends and family. Having driven down Highway 75 countless times, I can attest that it has been in rough shape and parts of it still are.

There have been significant upgrades done to the road over the past several years. A safe, twinned highway is important to me, and more upgrades are welcome to ensure it's open during the flood season. Sometimes I take another route down Highway 3 towards Carman and down to Highway 14 at the Boundary Trails Health Centre. This highway is in desperate need of upgrades as far as servicing and safety, turning lanes, et cetera. Upgrades like that would be worth an extra 1 cent on a dollar to me.

My sisters were nearly killed in an accident going around the curves near my hometown several years ago. While infrastructure upgrades can't always offset driver error, paved shoulders would have prevented the accident where my sisters suffered serious injury. Anything that could have been done to prevent this would have been worth 1 cent on a dollar to me. There were turning lanes put in near the area of the accident a couple years ago, which might spare someone else a tragedy. It's worth 1 cent on a dollar to me personally

Our health-care system allowed my sister to recover almost entirely, other than the permanent nerve damage in her shoulder. She's since ran several half-marathon races. The services that got her back to health are worth so much to me. Making them even better and accessible is worth 1 cent more on a dollar to me.

The difficulty and the questions arising from Bill 20 forced me to think, what is a tax, anyway? It is the way we do things together that we can't do

ourselves: roads, bridges, police, nurses, health-care aides, teachers. I personally hear common complaints about most of these things at some point. I also hear a lot of good things. But what does it mean to make them better? While not the only solution, a part of it is 1 cent on a dollar of my spending.

Now, I'm quite aware that the counter to my discussion is a question of degree, or how much is just about the right level. So why raise revenue at all is the question. Can't we just keep taxes the same rate? The answer to that question is quite complicated, but this is how I make sense of it.

Different federal leaders have different views as to what the provinces and what the federal government ought to do. Our current Prime Minister takes the view that provinces ought to take full responsibility for the funding and administration of most of their jurisdiction. First, he declared open federalism as the policy of his government, or disentangling the federal from provincial jurisdiction. Since then, we have seen a steady diet of off-loading or transferring policy down to the provinces.

I think of the omnibus crime bill that the Parliamentary Budget Officer estimated would cost the provinces a combined \$137 million per year.

Changes to EI mean that frequent users and sometimes seasonal employees will be more reliant on the Province for bridging services or have to go on income assistance to survive, eventually.

The unilateral decision to decrease health-care transfers is looming in the not-so-distant future. It's an issue that all three parties represented in this room need to take seriously. Going from 6 per cent to 4 per cent, approximately, in a few years means over \$20 million will be hacked out of the health budget.

Transfers to provinces have systematically been decreasing over the past several years. Looking at the numbers shows that the federal government has transferred \$125 less per person than five years ago. That's \$125 less per person. And we expect a new equalization formula coming soon.

The federal government responded to their smaller policy area by decreasing the GST by two points. We actually paid less tax, two points less in GST. I personally don't remember the spending spree that I went on after that.

It makes sense to think that, if the Province is getting less money from the federal government, more policy area to administer, how can the Province continue to provide these programs without the programs suffering?

So what's happening here? I looked to some of the literature. Ken Boessenkool, former high-ranking adviser to Stephen Harper, called this a tax point transfer, and he advocated for using the GST as the most efficient way of transferring the revenue. This isn't a new or novel idea. In 1999, before I followed politics, Budget Paper C stated, and I quote: "Manitoba supports the transfer of fully equalized tax points as the best means for the federal government to provide adequate, stable and predictable funding for social programs. Tax point transfers are preferable to cash transfers," and it goes on.

So, essentially, the tax collector just has a new name, and I don't—I'm not sure if we're necessarily paying more. This is how I understand what's going on beneath the surface. Strip away the politics, the feds are doing less, the provinces are doing more, which is why the trend across Canadian provinces has been to raise revenue.

*(20:30)

On the question of having a referendum, referenda have been rarely used in Canada. I do not fully jive with our representative system. If having a referendum or not is an indicator of how democratic our nation or province is, we would be in big trouble because they are rarely used.

Using a referendum to adjust tax policy has many issues. Taxes change frequently, and governments do face the electorate every four years approximately where the ultimate judgment is decided. Referenda are complex. They're costly; they're time consuming; and there are other ways of engaging in the democratic process.

I would be more inclined to support a referendum that asks a question about changes to our institutions, but in the case of fiscal policy I am not sure it makes a whole lot of sense.

So, just to sum up, I view the changes in our taxation system not just in how much I am paying but in what I, my family and my neighbours are getting in return, and the reality of our fiscal situation means that raising revenue is a way to ensure that the services and programs that we count

on are there when we do need them. And some of us hope that we don't ever need them. Thank you.

Mr. Chairperson: Thank you, Mr. Regier.

The floor is open for questions.

Mr. Struthers: Thank you, Mr. Regier, for coming in to present to us tonight. We appreciate that.

Mr. Graydon: Thank you very much for coming in and the presentation. It was well done.

You referred to 1 cent on the dollar, but really I know that you are probably a very well educated young man. And the 1 per cent increase is 14 per cent increase. That's what it is—a 14 per cent increase. So that would be a huge increase in your wages, if you could get a 14 per cent increase in your wages. When you spoke of transfer monies being cut back, there are other provinces with less PST than we have or no PST, and theirs are the provinces that contribute. They have no transfer funds; they contribute to the transfer funds for Manitoba.

So my questions to you are: first of all, would you consider a 14 per cent increase in your wages with no guarantee of any more productivity than you've had up to date—would you consider that that's a reality? And the other is, would you consider that these other provinces should continue to pour money into this province with the fiscal management that we have shown in the past few years?

Mr. Regier: I'm not sure where you get 14 per cent increase from—14.3. I would like to see the math, but—so I don't feel I have the information to respond to that.

As far as transfers goes, all provinces do receive transfers from the federal government. What's health—the CHT—the CST, they all receive that, and it has nothing—*[interjection]*—if I may finish, the equalization program is a program that's been around and it's enshrined in our Constitution to ensure that Manitobans get equal level services for equal levels of taxation.

Mr. Chairperson: Mr. Gerrard.

Sorry, were you finished, sir?

Floor Comment: Yes. I'm done *[inaudible]*

Mr. Gerrard: One of the things that concerns me is if we throw out the referendum on the PST, it's putting at risk any future referendum on the privatization of Manitoba Hydro. Aren't you concerned that, you know, throwing out the

referendum on the PST would threaten the future of Manitoba Hydro?

Mr. Regier: Yes, I think that is a concern, and it is a connection that could be drawn. However, I consider Manitoba Hydro to be an institution of Manitoba and something that's been there for a long time. And reversing that decision would be much more difficult than changing the tax system.

As I mentioned, I do believe there is room for a referendum or direct democracy in some situations. In fiscal—regarding fiscal policy, I am not convinced at this time.

Mr. Friesen: I also thank you, Mr. Regier, for coming in today and to speaking with us. I can tell you've put a lot of thought in your presentation. I want to echo just a comment of my colleagues that I agree when you characterize the increase as a 1 cent on a dollar increase, it sounds reasonable. When you actually factor out the revenues being raised by the Province would account for \$278 million per year, it would cost a family of four \$1,600 additional to pay for this. In other provinces, they don't pay that. Then it begins to sound a lot more significant, so I do agree with you that 1 cent doesn't sound like a lot; this does.

I just wanted to ask you a quick question. I found it interesting that missing from your presentation—and it was very comprehensive—but missing from it were any allusions towards, like, accountability or fiscal management. You seem to start at a point to say, we just need to spend more. What is the place of fiscal management in this calculation, in your thinking about how government should come at things like infrastructure and other types of challenges?

Mr. Regier: I don't believe that I started my comments with a free-for-all, no-accountability comment at all—to start with. However, accountability is important and it is increasingly important to the public, and how that information is relayed to the public is very important. Some of us do follow it quite closely and do get to, you know, look over too much stuff and come to our own conclusions. So I think there is and I—there is definitely an accountability issue I'd say across Canada to some extent as far as spending goes.

I know there's—I believe the piece of legislation does have an item in it where the money that's spent, specifically the 1 per cent—the money generated from the 1 per cent will be accounted for at—on a yearly

basis, so is that enough for folks? I'm not sure, but you do have to take the effort to go and look these things up as well.

Mr. Chairperson: Time for questions has expired. Mr. Regier, I thank you for your presentation.

Call Mr. James Aisaican-Chase. James Aisaican-Chase. His name will be dropped to the bottom of tonight's list.

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

Mr. James Foster (Private Citizen): I do not.

Mr. Chairperson: You may proceed.

Mr. Foster: Thank you and good evening. Been some pretty good speakers tonight—I'm really impressed with the people that have shown up here. Just following on the last speaker about 1 cent on a dollar, just keep in mind that's 1 more cent in addition to all the other cents that the various levels of government are already taking off that dollar. So it's not just 1 cent; it's one more.

I heard a joke I think by Jerry Seinfeld that people's greatest fear is public speaking, with death being No. 2—death is No. 2. So I think it's—even though a small number of Manitobans has certainly come before this committee, given that fear, I do believe it speaks to the anger over Bill 20 in the province. I'm hope—I am speaking on behalf of many other Manitobans who share my outrage but who are afraid or apathetic to speak. Indeed, the people of Egypt this—recent weeks are showing how they react to disrespect by their government. This particular calm expression of anger is how, in Canada, we express our displeasure in government. Maybe we need to be more aggressive as a culture. Maybe this is the first time 200 people have registered for this kind of a thing, and I hope it just keeps growing.

* (20:40)

Early on this in this evening, somebody came up here and admitted their faults and I will admit one of mine. I'm not afraid to say that I voted for the NDP the last election, not because of party philosophy but because of the person who was running in my electoral district. So there's my \$5,000 gift to the NDP party, I suppose.

In my electoral district, poor Mr. Alli only received 1,487 votes since I live in the Morris electoral division where there's a pretty strong Conservative undertone in that area. But I won't

make that mistake in 2015 or in our upcoming by-election. The lying NDP will never get my vote again. I will take away that \$5,000.

I will focus my comments in opposition to Bill 20 on two topics: lying and financial management. And I'll refer to research by a political science professor named John Mearsheimer in his book called *Why Leaders Lie*, and he found that governments, contrary to popular belief, do not often lie to each other internationally, but virtually every government lies to its own people. He states that lying is particularly prevalent in democracies where governments need to fool the voters into electing them into power every electoral cycle and then they try to play on the weaknesses of the electorate, sometimes the forgetfulness in two and a quarter years from now.

In my opinion, Bill 20 shows the absolute arrogance and disrespect this government has for the people it expects to vote for them in 2015. This government clearly feels it's immune to democratic retribution and can break its own laws, because it cannot control its spending.

I'm not surprised when politicians lie; in fact, I think we expect it. When we get upset, it's because arrogance is shown by people in power. And the government just hopes we're going to forget it by the next election. I assure you, I will not forget. This government's arrogance and disrespect has inspired me to get involved for the first time in my life here at this meeting, and working against the NDP for the next election. So, for that, I thank you.

This government knows the people will reject a tax increase if a 'rendum' was held, so you're circumventing the legal process pure and simple.

I run a family household, and you know what? I face infrastructure breakdowns from time to time. Perhaps my furnace needs replacing every 12 or 15 years, or my roof is getting old and it needs to be replaced. So guess what? I have to plan for this predictable type of infrastructure spending. I must save for the expense or I must borrow when I need it, and pay it off as quickly as possible. My options for increasing my revenue are limited. I suppose I could break the law to try to make more revenue, but then I would be subject to arrest, prosecution and incarceration. It's interesting that this government is not subject to the same type of accountability.

I also run two small businesses in Manitoba who employ 36 Manitobans. I answer to a board of

directors, and every year when I submit a budget, I cannot increase spending more than I increase revenue. That's basic business fundamentals 101. Limited options to increase revenue—and this government is taking more from the business directly in tax and causing our suppliers to increase their prices to us for the very same reason—leaves me little choice but to spend less. Some expenses are difficult to reduce, but we make choices. So, thanks to this government, I suppose I'll be looking at how I'm going to decrease the spending for the rest of this year thanks to the 1 per cent increase, for that 1 cent out of that dollar.

So the message is simple, and I'm going to sound like a broken record up here, I know that: Live within your means.

Winnipeg Mayor Sam Katz addressed this committee yesterday and stated that he thinks the public would have bought into Bill 20 if municipalities received the money to spend on infrastructure in a transparent way. I don't believe he's correct about that. I believe that, if you care to ask the people in a legal referendum, they would say that we give you enough, or too much, already, and do what we all need to do: manage your spending. There's only one taxpayer, so stop blaming other layers of government for your government's problems. I do believe that this entire process, however, unfortunately is a complete waste of time, because this government will do what it wants anyway. I will remember in 2015.

Thank you for your time.

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

The floor is open for questions.

Mr. Struthers: Thank you, Mr. Foster. I appreciate you coming to the Legislature tonight. I was impressed by the thoughtfulness that you put into your presentation. I appreciate that and the advice that you've given me, and the rest of the members of this committee.

So I want to know, a few weeks before we presented our budget we were faced with a couple of big challenges. One was a report that said that for a billion dollars we had to invest into future flood fighting. We're going to get more floods in Manitoba, and we need to be ready for them. And that's what the report said to us, and it had a price tag of a billion dollars. We were also in the federal budget presented the challenge of finding money to

participate in the Building Canada plan, the fund. To their credit, the government in Ottawa said we're coming forward with this; we expect you to participate. So we have to have revenue for that.

That's billions of dollars that we need to find over the next little while. What would your advice be to me in where we could get that money?

Mr. Chairperson: Mr. Foster.

Mr. Foster: Thank you, and thank you, Minister Struthers, also for the form letter with your electronic signature that you had one of your lackeys send me for my letter that I sent to you in response to this. In response to your question, I'm taking a master's degree in business right now. And operational effectiveness, six sigma lean processing for people who work for governments at all levels, is a very difficult course for them to take, because they can't comprehend the concept of cutting waste from spending. My dad worked for the Province of Manitoba, very high in a government department in the 1980s. I remember when I was a little kid, him coming home and saying, it's ridiculous we have meetings to have more meetings. We're paying consultants to do stuff that we could do ourselves in our own department. As in the '80s, not much, I would believe, has changed since then.

So, in response to your question about the flood, floods have been happening in Manitoba, I think, for some time. I think that there were some pretty good solutions put forward by previous presenters this evening on ways to mitigate the spending to minimize the risk against floods without knee-jerk tax increase taking the money out of the pockets of Manitobans.

Mrs. Driedger: Thank you, Mr. Foster. You're absolutely right. The NDP doesn't seem to want to listen to what anybody's saying, but I sure give people credit for coming forward and still feeling that they very much want to have a say. The NDP is counting on everybody to forget because an election is three years away, and that is absolutely what they're counting on. I'm curious, you said people aren't going to forget this time. Why do you think people won't forget this one issue? And I have to say I've never seen such passion amongst so many people. These are the most amazing speeches we've heard, and this the third night of speeches. And people are angry and feel betrayed at many levels. But can you zero in on why people will not forget this time?

Mr. Foster: Lying and arrogance. People have had enough. Don't lie to us and then take money out of our pockets a year and a half later, knowing full well that it was going to be necessary. The arrogance in doing so is what people in other countries are reacting to with violence. We will react to it with our voting power, and our community outreach to get the public to remember in October 2015.

* (20:50)

Mr. Gerrard: Thank you for a clear presentation and good sense of where governments need to go in terms of managing money better. Perhaps you could tell us a little bit more about the two businesses that you have, just so we can understand better the impact of raising the PST, on top of all the other increases that we've seen.

Mr. Foster: Thank you and, just to be clear, it's not my businesses. I'm employed to run the businesses, so just a point of clarification.

Yes, we're a service industry that has a very highly regulated environment that we work in, and we're—have limited options in terms of increasing our revenues. So, you know, other than a couple of percentage points a year in terms of revenue increase, we have to do more with less, just like we do at home, just like every Manitoban across this province has to do all the time, with the exception of the provincial government or other levels of government, quite frankly.

Mr. Chairperson: Time for this presentation has expired. Mr. Foster, I thank you for your presentation.

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

Mr. Al Shrupka (Private Citizen): I do not, Sir.

Mr. Chairperson: You may proceed.

Mr. Shrupka: And it's Shrupka.

Mr. Chairperson: Shrupka?

Mr. Shrupka: Yes.

Mr. Chairperson: Okay.

Mr. Shrupka: Thank you.

Mr. Chairperson: Forgive me.

Mr. Shrupka: Ladies and gentlemen, or lady and gentlemen, because I see Mrs. Selby—or Ms. Selby has left the room. Oh, there she is. I apologize.

Anyway, I'm not going to touch on a whole bunch of things that people have come here and expressed absolute dismay in what this government is doing. What they're doing is wrong but, more importantly, as far as I'm concerned, it is breaking the law.

All I have to ask you is what makes you think that you have the right? Yes, you're elected representatives, but who gave you the right to break the law? That's the only question I have of you. Peter, do you have an answer for me?

I'm sorry. Getting back to my presentation—I've heard a variety of speakers tonight talk about a 1 per cent increase in the PST. One per cent increase in the PST isn't going to affect me one way or the other. My wife and I are fairly comfortable. I'm 72 years old and gainfully employed. I also own a real estate practice that, unfortunately, is having to contribute to some of the spending problems of this government through the land transfer tax. Houses have gone up in value 'expodentiously' in the last three to five years. This government has collected an unbelievable amount of land transfer tax. Talk about a misnomer; it's a hidden tax that steals for money from people. I recently had a home that somebody purchased that they paid \$10,000 in land transfer tax. How can you, in good conscience, say it costs that much to transfer the title? There is no way. Now 10 years ago, maybe when houses the—today the average sale price of a house is \$283,000. Ten years ago, it was probably \$104,000 or something like that. The land transfer taxes, at that time, were lower.

I am off subject, though, because the reason I'm here is I'm angry. I'm very angry. Quite frankly, I don't expect politicians, and I—having been one in municipal politics, I don't expect politicians to always tell me the truth. Matter of fact, the occasional lie is not a bad thing; there are things people don't need to know. But what I expect them to do is respect the law.

How do I explain to my 12-year-old grandson, who I was out for a walk with last night, and he asked me where I was going this evening and I told him. And he said: Well, why are you going there, poppa? And I said: Well, I'm going there because they're breaking the law. And he said: Well, can we all break the law, because I wouldn't mind breaking the law, and I said, no, you can't, son. You have to respect the law. And all I can tell you is, in two years from now, look for a job, because you're out of business. You don't have an income problem, you

have a spending problem. We have lived in record low interest rates. We have lived in record income situations and, yet, you can't get your spending under control. I'm thinking there's something that is drastically broken.

Mr. Struthers, who—or Finance Minister Struthers has left the room. He asked the previous person as to where they could find money. Well, okay, first of all, \$14 million on a failed UNESCO bid. Get it right. Do it right. Don't waste \$14 million and say, oops. That's not pocket change.

Three billion dollars going on the west side with the hydro line. When Hydro itself had said, it should go on the east side. It's \$2 billion cheaper. Okay. There's your deficit, gentlemen. There's your saving. You're going to get some people protesting about it. I, personally, have spoken to a number of the First Nations people on the east side. You don't think they're angry; they're very angry. The reason they're angry is because this was their opportunity for economic development. A hydro line would've given them a good opportunity for economic development. It also would've given them an opportunity to have gainful employment. People on the remote reserves don't want to live like they have in the past. They want to be a contributing member of society.

And running the line almost through to the province of Saskatchewan, wasting more land, having nothing but farmer opposition to it—it ain't the way to go. Sorry.

I think about the only good thing that has come out of this is we are finally seeing the real arrogance of this government when they say, we can break the law, we can ignore the law. And Mr. Struthers who just walked in, I think, was told by a judge recently that, no, you can't break the law. You have to change the law, sir. And you could have changed the law. I'm not saying that you can't increase the provincial sales tax. I'm saying you have to follow the rule of law.

That's it. Thank you.

Mr. Chairperson: Thank you, Mr. Shrupka.

The floor is now open for questions.

Mr. Gerrard: Thank you. And I think what you think you're saying to your kids and maybe your grandkids is an important message, and just to—wondering—tell us a little about their reaction and how they see things. *[interjection]*

Mr. Chairperson: Mr. Shrupka.

Mr. Shrupka: Sorry, about that. My eldest granddaughter is 22 years old and has just completed a university course. She was actually a college golfer, which is kind of the best of all worlds to live in considering she was on a scholarship, but she's going back for her master's next year and, hopefully, she'll come back to this province. I don't know. My—I'm—we're blessed in that our other children and our other five grandchildren, as a result of it, live within close proximity of us, and I know other grandparents would kill for that opportunity. It's difficult explaining to the really young ones, the 12-year-olds, the 9-year-old, the 5-year—to a lesser degree the 5-year-old because all she cares about is her iPad.

But, you know, to those folks, respecting the law, obeying the law is critical. We brought up three of our own children and they're all gainful, contributing members of society and they respect the law.

* (21:00)

Mr. Graydon: Thank you for your presentation today, it's been very enlightening. You've indicated that there's been no respect, breaking the law of course is showing disrespect to all of the people. We heard just a couple of minutes ago that the—Minister Struthers asked a presenter what—after he explained to him that, you know, they've got this report and that report and—my question to you is: Do you believe that first of all, that they didn't know what those reports were going to say and would they've not had a rainy day fund? And I'm not sure where you live, but in a budget consultation process, did you ever hear once, did you hear the minister say, we have to raise the PST, we have to—a year ago—we have to expand the PST? Did you ever hear that once in a budget consultation process?

Mr. Shrupka: No, as a matter of fact I heard the Premier (Mr. Selinger) say in the last election that he would not raise taxes. Another lie. Also, hallway medicine; they were going to end it within six months, seven months, eight months, four years, five years. I don't know.

Mr. Chairperson: Okay, no, you're not done yet, sir, we have one more question. But, I do want to put something on the record. The Clerk and I have been discussing this for some time, and the use of the word lie would certainly be unparliamentary in certain context to members of the committee and I would call them to order and compel them to retract it. The same rule doesn't necessarily apply to presenters; however, I just want to draw your

attention to the fact that, you know, we're not—we don't overly approve of unparliamentary language, and I'm asking that presenters try and avoid that type of terminology in general. One moment, sir; one moment, sir.

The Clerk has further advised me that when you're making a direct reference to a member, and you made a direct reference: the Premier lied. It was in that context that he was advising me. Just a caution to you, that's all, sir, Mr. Shrupka. A caution to you, that's all, and I recognize you, Mr. Shrupka, to speak.

Mr. Shrupka: Anything else?

Mr. Chairperson: If not, no, no, no. I have a couple of more questions, or one more question, anyways. Mr. Friesen.

An Honourable Member: On a point of order, Mr. Chairman.

Point of Order

Mr. Chairperson: Mr. Graydon, on a point of order.

Mr. Graydon: We are not in parliamentary session right now, at all. The Speaker did rule in the parliament, in session, that we couldn't refer to individuals. But we're not in that session now. We're here to hear what the public has to say whether it's good, bad or indifferent. We're responsible to hear that, all of us sitting here are responsible for that.

Mr. Chairperson: Order, please.

Order, please. I just want to rule on the point of order, raised by Mr. Graydon. The Clerk's assistant informs me he does not have a point of order. For further clarification, the Speaker's rulings do apply in committee hearings.

Secondly, I did make the point that, you know, members of the committee cannot go in violation of those rules. My caution to the presenter was just that, a caution. I wasn't asking him to make any withdrawals or anything like that. I am just trying to maintain decorum in this committee; that's my role here. And it was on that basis that I offered the caution, and it's a caution to the entire room, all of the presenters here. So that was my objective. So, again, the member does not have a point of order.

* * *

Mr. Chairperson: Recognize Mr. Friesen for a question.

Mr. Friesen: Well, thank you, Mr. Shrupka, for coming to present to us this evening. I confess, I think I forgot my question in all the goings on here in the last couple of minutes, but I do thank you as well because we have often heard in the Chamber the government suggest that they had no choice but to undertake this action. And you've made an important reminder here tonight that governments do have choices, and they've set other priorities, but they indeed have choices. And you outlined some of the choices that they have. I just wanted to ask for your comment or your response, when we hear in the Chamber the government say they really had no choice and this was a difficult decision for them to undertake. What is your response to that, sir?

Mr. Shrupka: My response would be they have a majority government, and they can change legislation that currently exists, as Minister Struthers knows, as he was told by a judge. But you can't break the law, and that's what they're doing. And I stand firm on that; sorry, if I've offended anyone tonight. I apologize; however, you really—the government of Manitoba, the elected government of Manitoba—owe much more than an apology to the citizens of this province. Thank you.

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

Order. Once again, disorderly conduct by members of the public—I would like to remind members of the public who are observing the committee meeting to please not disturb the committee proceedings by applauding or commenting from the audience. I thank you very much for your co-operation in that regard.

Next presenter is Mr. Glen Urbanski, private citizen. Mr. Urbanski, do you have any written materials for the committee, sir?

Mr. Glen Urbanski (Private Citizen): No, I don't.

Mr. Chairperson: You may proceed.

Mr. Urbanski: I guess before I proceed I'd like to clarify whether I'm allowed to use the word lie in my presentation or not. Is that acceptable or not?

Mr. Chairperson: Just as clarification, it's when you're making a direct reference to a member, such as the previous individual said: the Premier lied, or Minister Struthers, you're a liar. That kind of language for members of the committee would be deemed unparliamentary, and I would ask them to withdraw that. The same standard does not apply to

members of the public, and it was on that basis that I made a caution. So my objective is to maintain decorum and have a respectful committee hearing, and on that basis, you have the floor.

Mr. Urbanski: Is the word untruth acceptable?

Mr. Chairperson: Yes.

Mr. Urbanski: Okay, I'll continue. Three words inspired me to come here today. They are illegal, illegal and illegal. Under section 10-1 of The Balanced Budget, Fiscal Management and Taxpayer Accountability Act, and I quote: "the government shall not present to the Legislative Assembly a bill to increase the rate of any tax imposed by an Act or part of an Act listed below, unless the government first puts the question of the advisability of proceeding with such a bill to the voters of Manitoba in a referendum, and a majority of the persons who vote in the referendum authorize the government to proceed with the changes."

Myself and my fellow Manitobans believe that you, our elected officials, have broken the law by not allowing the said referendum to take place. Any way you look at it, it is indeed illegal. I cannot for the life of me understand why the people of Manitoba must abide by the laws that are predicated by you when you are able to break them, as desired.

* (21:10)

Three other words inspired me to come here today: untruths, untruths and untruths. We've been told this additional 1 per cent tax is needed for everything from infrastructure to offsetting the cost of phantom floods to the idiocy of fixing the problems the previous government created years ago. Sorry, you're not getting by in—from any of these lame excuses. It has been reported that only 40 per cent of the revenues will go to infrastructure, 60 per cent will get eaten up in general revenues. I submit that the additional revenues raised with the increase of the PST will do nothing more than to feed the insatiable appetite of the political bureaucracy.

We were also promised by Greg Selinger in the 2011 election—this is redundant—that the NDP would balance the budget by 2015 without raising taxes. Once again, a huge untruth that is now resonating louder than ever. Well, I have news for you. Politicians may lie, but numbers never do.

Here are just a few examples of why I believe our government is penalizing us with the additional

tax: No.1—the NDP has increased spending by more than three times the rate of inflation over the past five years. Unacceptable. Travel expenditures—and this applies to everybody—for MLAs rose from \$838,000 to \$1.126 million in 2012. Don't get it. There's been questionable spending—No. 3—there's been questionable spending of our tax dollars on mega projects such as the Human Rights Museum, the new stadium, rapid transit and now the Convention Centre, to name a few. Fourth—the Crocus debacle. I'm not going to go into that. I paid for it. Fifth—the Winnipeg Regional Health Authority with its CEO, numerous presidents, countless directors, executive directors and communications staff, not to mention the \$24 million in pension bonuses paid to Winnipeg Regional Health Authority from 2007 to 2012. With bureaucracies like this, it's no wonder that 40 per cent or \$4.86 billion of the provincial budget goes to health care. Once again, these are just a few glaring examples of why our net debt has gone up and will continue to go up by \$52 a second in Manitoba.

There are three more important reasons why I'm here today: my mother, my wife and my child. My mother has worked hard all her life and has paid her dues to this province financially. She's on a fixed income and with the taxes that were implemented last year, with the PST increase you have instituted, she sees her disposable income shrink on a monthly basis. My wife and I have both worked hard, very hard, all our lives with a vision of one day to be able to enjoy the fruits of our labour. You are robbing us of that vision. Finally, and most importantly, my children. My son has already made it clear to me that when he graduates, he'll be heading to Alberta, as he is convinced that is where the opportunity is. How can I debate this?

Quite frankly, I wish the NDP had imposed a 2 per cent increase instead of 1. The reason being, a 1 per cent increase only diminishes the chances of the NDP winning the next election. A 2 per cent increase would solidify its demise.

The people of Manitoba are fed up with hearing that our province is in a fiscal mess, and we are consistently being penalized for this mess. I have to reference an experience from last year that captures my personal frustration with this ongoing debacle of being taxed to death. I paid my invoice for my house insurance. Three weeks later, to my frustration, I received a bill for another \$56 for the PST that was now chargeable on house insurance. Absolutely unacceptable.

In my world—once again, this has resonated all night—and the world of the average working Manitoban, when you have a financial shortfall, there are only two ways to deal with it: either make more money or spend less money to overcome that shortfall. It is time this government started paying attention to the section—second option, that being, spend less money. It's that simple. We're not seeing that in any way, shape or form. You continue the status quo of tax and spend, and that's not acceptable as we are tired of you picking our pockets and taking food off our tables.

I'm shocked, troubled and ashamed of the state of this province because of the mismanagement and ignorance of our standing government. We question your integrity as government. Shame on you for letting your constituents down. Make no mistake, there's a groundswell of disenchantment in Manitoba and it will crescendo in over two years from now when the next election takes place. I will make it my personal mandate to not let this illegal act of raising the PST, or the lives that we have injured, to be forgotten. You have failed us by making us pay, but you ultimately pay.

Mr. Chairperson: Thank you, Mr. Urbanski.

The floor is now open for questions.

Mr. Struthers: Thanks, Mr. Urbanski, for coming and speaking with us tonight. I appreciate that.

Mr. Ewasko: Thank you, Mr. Urbanski, for sharing your story, and I appreciate also the fact that you mentioned the past, present and the future. When we're talking about your mom and your wife and your child, I do appreciate the 1 to 2 point increase in the PST, and we're trying to make sure that people are aware that it's a 14 per cent increase. It's not necessarily a 1 per cent. You think that's bad? I guess we're going to have to wait 'til next year because they haven't ruled it out, as far as some more PST increases for next year.

My question to you, though, is, during the last election campaign, was there any talk within your constituency, wherever you live, about these fee increases? Because it's very interesting to look across the way, you know, and there's many backbenchers that I know that have made it into the government side. And, I mean, it's our democratic right to win by a small margin and still be here. But I think if some of those untruths by the government were shared in the last election that I think that

there'd be a little bit different seat count now, and I'd just like to hear your comment on that.

Mr. Urbanski: I'm not exactly sure what the question entailed. I did, however, have some dialogue with Nancy Allan when she came to our door and we discussed the Education portfolio and the state that that was in. I've taken the stance that the education system needs to be revamped as well. There has to be some streamlining there as well, and that's the discussion we had.

Mr. Graydon: I've one short question, Mr. Urbanski. Your presentation has been great, but my question is: Is a broken promise a lie?

Mr. Urbanski: I'm not supposed to use the word lie—untruth. I would say so. I would take the stance that a—it is a lie. A grey area, but I would take the side that, yes, it would be considered—construed a lie to me.

Mr. Gerrard: Thank you for your presentation and, you know, I think a lot of Manitobans have a very strong gut reaction to the way the government is going about avoiding a referendum, that this referendum was something which was committed to all of us in law, and to try and get around it by changing the law is just wrong. I mean, I think that that's what you were saying when you were talking about the government acting illegally and illegally and illegally.

Mr. Urbanski: That's—yes, that's the way I started my presentation, was to the effect that I still can't—another gentleman came up here and tried to explain to his grandson why the government is allowed to break the law and yet the people that live within the province of Manitoba have to stay within the guidelines of the law. It's illegal.

Mr. Struthers: Yes, Mr. Urbanski, I take your point about how the increase, the 1 cent on the dollar, will impact you and your family; I get that. Are you concerned, then, that the Conservative Party of Manitoba would come to a committee of this House and ask my deputy minister how to implement the HST, the HST which would really exponentially be harder on your pocketbook than anything we've done with the PST—an HST that would really set back the province's economy? Does it concern you that members opposite have come to committees and ask how it would be, if they were in government, they could implement that PST? They asked that to my deputy minister. Does that concern you?

Mr. Urbanski: I don't know about the—enough about the HT—HST to speak to it, Minister Struthers. I just—I mean, I understand—*[interjection]* Sorry? You know, I understand that they have it in BC, I believe, but, to be honest with you, I don't know that much about it to be able to speak to it.

Mr. Chairperson: My apologies to Mrs. Driedger. I didn't see her hand up. I give you the floor.

* (21:20)

Mrs. Driedger: Thank you. Just a couple points of clarification here tonight. And I'm sorry I was out of the room.

If—when speakers come to the mike, speakers can say whatever they want. It's a free—a democratic evening here tonight, and the NDP government Chair does not have a right to tell speakers what they can and can't say. They can hold us to account but not the speakers.

And the other thing is, the Minister of Finance (Mr. Struthers), right now, is trying to throw a red herring into the issue by bringing up the HST. And he doesn't know what he's talking about, because the question was asked to him about the HST after it became clear that his government was in discussion with the federal government, and we were asking him whether he was going down that road of implementing it. So he's trying to distort some of the conversation that is happening tonight, so just so that you're aware of that. So, speakers that are here, you're more than welcome to speak your mind. Thank you for doing so too.

Mr. Chairperson: I'll recognize Mr. Urbanski for a reply.

Mr. Urbanski: Sorry—to that? I don't think there is a question. I just—thanks for letting me know about it. That's about it.

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

Order. Order, please. Order. In response to Mrs. Driedger's comments, which I perceive as a reflection on the Chair. First of all, unparliamentary language is not appropriate in a legislative committee. Now, if members of the committee use unparliamentary language, I will call them to task in that regard. But unparliamentary language also applies to members in the public. If a member of the public were to begin swearing at the podium, I would call him to order. Now, it was on the advice of the Clerk's assistant that I cautioned the member of the

public. I explained to the member of the public and to the public in general about the concept of unparliamentary language. Just as a caution to them, my objective once again being not to pick sides or anything like that, but to try and maintain decorum within this committee. We're all here for a long time and that's my objective here, is to have a respectful committee that has decorum—that's my sole objective as Chair of this committee. So, on that note, I'll call the next member of the public.

Mr. Dave Lobson, private citizen. Good evening, Mr. Lobson. Do you have any written materials for the committee, sir?

Mr. Dave Lobson (Private Citizen): No.

Mr. Chairperson: You may proceed.

Mr. Lobson: Well, I think it changed a little bit. The language police here tonight—I find I'm more offended than when I walked in the door. I was kind of thinking of all the good things the NDP had done and I wanted to talk a little bit about that at first, but now the language—or police—I don't know if I can say anything that I—you know, can I speak at all, or do I need to hire a lawyer before something comes out of my mouth? It's ridiculous. I just can't believe this.

You know, we talk about untruths or whatever we're going to talk about, and now you're talking to him while I'm speaking and I'm being ignored by the Chair. I—why am I here? The same reason as anything else. It's ridiculous.

So I'll go back in time a little bit. There's a man up here, Duff Roblin—you can see him. He was today's NDP. We—he didn't get elected the next time. I think that's what's going to happen to you guys.

Anyways, I want to go back and talk about health care, and no more hallway medicine. I'm going to start there, really quickly. So I took a friend on about 10 occasions to St. Boniface, Health Sciences Centre, Concordia, all the hospitals in Winnipeg—no beds, no beds, no beds. This person is bipolar, manic, can't function. I have to babysit this person. I live in a country where I can't buy health care, so I have to have this. I'm not opposed to our system either. I'm just saying I have no choice. So what do I do? I'm sitting there struggling, trying to figure out what I'm going to do, and what do I do? I phone up Myrna. I'm not from the Conservative Party, and I phone up Jon, and I get a phone call about six hours later. Somehow, Jon, at the time, it was about 2003, I get a phone call right after that and

we got a bed for that person. Thank you very much. And we sit there and criticize people for making stupid statements, like rationed health care, when it's a fact—it's a fact.

So I started off with health care. My next thing, it kind of wasn't part of my speech, but can any of you speak or is Struthers the only guy who has a mouth here tonight, other than Tom? You know, I don't think—it sounds like none of you guys can talk. It's absolutely ridiculous.

If you want to spend the money, it didn't matter to me—\$300 million, 1 per cent, whatever way you want to spin the numbers, I know numbers, trust me; there's nothing to it. You need more money—that's fine. It was real simple, never embrace balanced budget legislation, first of all. I saw Selie, I saw Gary, oh, we gotta do this, we gotta do this—point at the sign. We talk about untruths again. My child, as he ages and we talk about politics, and I'm not a hard-core person. I would never walk over somebody. I don't think half these guys on this side, or all of these guys would do that either. And I don't think any of you guys want to do that either.

But let's go back to the truths, or whatever word I'm allowed to use here tonight. As the other guy said, what am I supposed to say to him about that stuff, politics is okay, because politics, whether it's this side or that side, I'm going to be fair for you, for all of you, it's not right, you know, how you go about what you're doing? It was real simple. You could've reversed the legislation way back. You had plenty of opportunities to reverse it. You could've had a referendum. You could've done all that stuff. You know that. I'm being redundant there. I'm not going dwell on that.

Is it a stimulus? Well, if it's a stimulus, you don't raise the PST; you borrow more money, have a bigger deficit. I'm not going to preach economics to you, which I can. I'm not going to. You throw more money in and it goes around, the multiplier effect. You build up your GDP, like you've been doing the last five years. I wonder what our GDP would be without that. Would be at 46 billion instead of 51 or two, or whatever, you know, roughly? Is that all we can do? Is this ever going to end? I'm scared. I, someday, do want to retire. Will that be the day before I die at 80? Maybe, you know, it's hard to understand that.

I'm not opposed to the money spending. It's got to be spent better and truthfully; just truthfully, we need more money. You could've done it before. I'm

looking at—Manitoba's rich, what little there is, from the Free Press, says there's about 5,000 people that earn \$181,000 or better. I guess you can't get the money from there; you already scared off guys like Gary—Gerry Schwartz and all that. They live in Ontario. They're beating us for the money that—you know, my family, four of us left here; 31 of them in BC. You know, the—it's not all you guys. It's nicer there, trust me, the weather and stuff. So it's not all you guys, but still, it's just—that's my family. If I go up to my father and go through the other chain, there's nobody left here; they're all going. You know, it's—we have a large immigrant population right now. I'm not opposed to them; they're great people, I love the Filipino people.

We look at our—you can spin all the numbers you want, jet to—debt to GDP and all that. It's not that bad. I just don't understand the PST. I'm looking at Health Sciences Centre—oh, here's our new bill, we just bought an MRI—8 per cent. So Winnipeg School Division 1, what's it going to be—8 per cent. They need more money now to cover this thing. It's absolutely ridiculous, the—how you went about this whole thing. Do they get a credit? No, they don't get a credit. I haven't heard anything about credits for those guys yet. Same game with the TIG and the grants that you did before too. Same thing. You knew exactly what you were doing.

Payroll tax—why does the school division pay a payroll tax? That's absolutely the most ridiculous thing I've ever heard in my life. And then you, you know, give and take back; it's just spinning it around. That makes no sense at all; I can't understand why anyone would do that.

* (21:30)

Do you guys ever represent the opposition? You know, I am—do I fear walking out of here? You have my name. You might want to do something. That's my other question, too, like, will you come back at some point and go, you know, I—there—I do need some of the—I have a daughter in a wheelchair.

I'm very much supportive of some of what you do. I think there's a lot of spin with the Children's Hospital that you're building on Notre Dame too. We didn't need a hospital. Don't tell me it's falling in a river. I'm going to see that thing shored up at—your guys or your guys, I don't know who's going to pay for it. You're going to shore up the riverbank, and that building will still be there. This new hospital—we didn't need a hospital. We need doctors. We need people that do the work. We do not need capital

spending on stuff like that. I'm in construction. Thank you very much for all that work. We were doing okay. We didn't need that. We need to have the people to do what they need to do in there, and you guys aren't providing that. It's not great government, guys, really.

You know, I'm looking at the numbers here. Erin-Southdale, I think you might want to go independent. St. Vital—not so much; you got a little chance there but not that great. St. Norbert—not very good chances there; I might run there myself as an NDP candidate, kind of like a left candidate, to split the vote, because I'm really irritated about the untruth and about what was said tonight. I wasn't that irritated before, but I'm really angry. Do I need to hire a lawyer to talk about what happened here tonight? I can't afford one. That's never going to happen. Doesn't matter—really doesn't matter.

Kirkfield—that's going to go away. Gimli—and Tom, your seat, it's gone too. I—you know, it's—there's not very much 'plurty' there. Dawson Trail, Assiniboia, Fort Richmond, Seine River—Jon—he's going to get River Heights back, or maybe Orlikow. Maybe Theresa Oswald—maybe she wants to leave and lead the Liberal Party; I'm not opposed to that. New blood—Swan—let's move him up. Fort Rouge—maybe Howard, maybe Hesse this time has a chance. I ask you guys not to run a candidate in that riding, to give him a chance. Lamoureux's old seat—let's help him get that back and have three Liberals, at least, in there.

Why do I know these things? Why should I give a crap about any of this stuff? Sorry about the word crap. Why should I care about this stuff? I should be at home looking at my kid. Well, I'm scared that when I die and I'm not on this planet, socialism will have expired. I am not opposed to socialism. I would never want to step over top of a human being. You probably are opposed to that. I'd like to give out cigarettes in that line over there when I do my work, and I'm not going to tell you where the work is, but right near the mission over there—that's what I do, once every three months when my contract in that building is there.

Those people—you say you want to look after them. You say these guys are just going to—I can't swear. I don't believe it, you know. I don't think they're that evil, and you guys haven't proved to me that you are actually in it for all the right reasons anymore. Parliamentary rules—I don't think they apply here tonight. I really don't. And the language

police, they—I'm just so offended by that. I can't, you know—it makes me want to run as a candidate. Do I want to be in the limelight? Absolutely not. Could I win an election? Absolutely. Trust me.

I got some advice for you guys. Gas station over there, Shell, the one on Corydon—Shell—the Petro-Canada on Grant—ask the gas station people what they think of the NDP; they're not impressed. That's your base. I was your base. I went to university—

Mr. Chairperson: One minute, sir.

Mr. Lobson: Cut off, eh?

I have two more minutes? One more minute.

So, guys, I'm going to give you a piece of advice here, and I know you've heard it a number of times over; it's called backpedalling. You can backpedal. You can have another at this. I believe you can have another turn, but I don't believe you can right now.

The independent—as I said, I'm not kidding you, Erin, your seat is done. It's done. Southdale Community Centre releases the books and there's something bad in there. I can't see it working out there—[interjection] I'm making that up? Yes, we'll see what happens in that.

You know, we look at St. Norbert, Kirkfield—we know they're done there. I don't know what you guys are going to be able to pull out of your hat—there's nothing. And, you know what—why I find it offensive is because the fundamental principles of the NDP is what I need most for my kid, and you lost it.

Mr. Chairperson: Your time has expired, sir.

The floor is now open for questions.

Mr. Struthers: I want to thank you for coming tonight and speaking with us. I was interested in what you had to say about health infrastructure. The one thing that this whole debate has produced is a lot of discussion about infrastructure and what's necessary, what's essential. I was interested in what you had to say about health infrastructure. Can you indicate to the committee your view on what is essential infrastructure that we need to be putting money towards?

Mr. Lobson: Doctors. I think Jon might have a best answer to that since he's the most qualified person. I mean, you know, a good idea would have probably have brought him into your Cabinet as the Minister

of Health. That's what I would've done. So I think he's got better answers than me.

Mr. Chairperson: Dr. Gerrard.

Mr. Gerrard: Thank you for the presentation that you've made. Just one question: how's your friend doing?

Mr. Lobson: They're doing absolutely fine. They have found the right medication. It took about two or three years.

The system is very broke and it doesn't look like it's getting better. If I'm hearing correctly, Grace Hospital's losing beds. Yes, we have a new, nice little place to admit you to get you somewhere. Great idea, that's a good beginning for that. I think we need to look after people with mental health problems, because who's else is going to look after them? I love paying taxes for people like that; 2 per cent, no problem, if you're giving it to them.

Mr. Graydon: Thank you for your presentation tonight, Mr. Lobson, and I agree that the word lying is not a nice word to be using. But if the NDP government would quit doing it, I'm sure that you presenters and the rest of Manitoba would quit saying it.

Now, have you personally had any regulation changes that might've affected the work that you do?

Mr. Lobson: I have, but I'm going to leave that to the side for the moment, that, you know, I've had some issues with the government and I am working with the government on that, and we are making progress.

I'm not going to natter, and that's what my comment about was before: do I speak freely here tonight or do I get penalized later for it? And if I do, I'm not completely broke. I do own a company in BC, and I will take some of the money and I'll put my own billboard up there and I'll call PAC—political advisory committee—as I don't know what the law is, but I'll find out what they are. So I will not be intimidated later. And I'm not opposed to the NDP and their policies. You heard that again, so it isn't about that.

Mrs. Driedger: Well, thank you, Mr. Lobson. You said earlier in your presentation that you're scared, and you were referring to, I think, whether or not you're going to be able to retire at a—you know, at a age where you can still enjoy life. Can you just expound on that a little bit more about what you're meaning about being scared?

Mr. Lobson: My scaredness referred more to I have a special-needs daughter. She's 10 years old. Someday I will not be on Earth. We will all expire and our kids will have to look after themselves.

Most people have able-bodied children that you have some gut feeling or much of a feeling that they're going to take care of themselves. I do have to rely on the good works of people on Earth. If Portugal's coming—that was today. If Greece is coming—I'm not trying to be rhetorical, but the news is just doing this to us every day. Is any of it true? Is it all lies? Can we run a GDP-debt ratio of this much? I don't know what the number is, but the way this is constantly presented to us in the media, and if you watch too much of it—there's way too much of it, that's what scares me.

Who's going to be there for her? Am I going to rely—St. Amant; I'm not hearing good things about that either. I'm not going to go in there.

But, you know, we need to look after those people. That's what scares me. I have to save money to do that because I can't trust that that system will be in place down the road the way things are going on planet Earth. It isn't all your fault. It's a mixed bag of the whole planet. Deleveraging—the boom falling off and deleveraging and taking that edge away. There's tons of money problems are coming. It's only beginning.

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

Mr. Lobson: Thank you.

Mr. Chairperson: Call Vicki Poirier, private citizen. Do you have any written materials for the committee, ma'am?

Ms. Vicki Poirier (Private Citizen): No, thanks.

Mr. Chairperson: You do not?

Ms. Poirier: No.

Mr. Chairperson: You may proceed.

* (21:40)

Ms. Poirier: Hi. So, I've noticed that the raising taxes illegally is not very honest, creative or impressive when there are other ways to gain revenue. You could give every home a prepaid gambling machine card to get them all hooked on gambling, because we all know you get about what—80 per cent of all that money. People aren't winning it back; they're losing it. But at least it's their choice,

just like raising the cigarettes—gas is double what it is in the States. Beer, for instance, it's their choice to buy it or not; they don't have to have it. So a 12-pack of beer here in Canada is the same price as 30 in the States, so it's more than double. That's crazy, okay, but it's their choice. They don't have to drink beer, so it's their choice if they want to give you that money, if they want to smoke, if they want to gamble, they want to drink beer.

But the PST, 14 per cent hike, because 1 divided by 7 is 14.3, is an illegal tax hike. And you don't want to hear lying; it's dishonest any way you want to say it. And it's just the hole in your ship that's going to make you come down, and every single person that votes in favour of this will go down with that ship. And, speaking of the visual of a ship, it reminds me of what people are calling the NDP on Facebook right now: it's the new drunken pirates. What does that tell you?

Anyways, there are lots of ways to make money, so you can give everybody a prepaid gambling card to get them to come out to gamble; that was one way. Another way is the Manitoba foster parent program, like UNICEF. We were all kids; people went and collected money on Halloween for UNICEF, right? Nobody does that anymore. Why? I phoned the foster parent program, and I said, what about if generous Manitobans wanted to give to, you know, poor kids here in Manitoba? Why should our money be shipped out of the province to go to some Third World country to help out some kids somewhere else? We have kids right here that could use our help from generous Manitobans like me. I would give to it if we had a Manitoba program, and I had some little picture and some little story of some kid somewhere and I could give them a dollar a day that helps with their school fund or whatever. It would lessen the burden on the government, which means more money back in your pocket. So that's another way, but it's not happening. And they said that with the foster parent program thing, they said the Premier has to ask for help in order for that to be allowed. So that was surprising, you know.

Anyways, there are so many things that bother me. What's going on with the NDP right now, like the disgraceful rent increases with Manitoba Housing. They pay—a woman and a child, let's say, they pay \$450 a month for rent, but, if she gets a job, it goes up to \$1,100. Why would they ever want to get a job, then? If all the money they make is just going to go to their higher rent; they can't afford that. So it just, basically, instead of getting another

taxpayer, you're just encouraging them to stay on welfare—not too impressive, again, not lessening the burden on the government and not very honest, creative or impressive.

Baby boomers, kids and the seniors are all going to be seniors in about 30 years. I don't see us saving up for that. What are we \$50 billion in debt? That's not impressive, creative or honest. It's just ridiculous. Shame on you guys. And, yes, vote against this, because, otherwise, you're going down with the ship. You got a big hole in your boat and you know it.

Okay, another way to make revenue, since you asked other people, well, how can we make money? Well, there's lots of ways. Here's the biggest way: legalize, regulate and tax marijuana. Be the first province to do it. There's a huge benefit for being first. It's sweeping across the US; state by state, it's happening. Right now you've got all these displaced wealthy people in Alberta that would flock to move here. Instead, you've got people planning on how to leave, including myself. I'm in talks with somebody to buy a house in Windsor right now. I'm thinking of getting the hell out of here. I'm really disappointed in you guys. Anyways, there is a huge advantage to being the first province to do it. You would have people moving here from BC, Alberta, wherever, Ontario, and you would have all those taxpayers moving here. You know, it's way less harmful than booze or cigarettes. You all probably know that, and I don't know why we're sitting on a fence just waiting for the US to do it first. Somebody's going to do it first, and, sadly, it might not be you guys and it should be.

Oh, yes. There's the new e-vapor inhalers are available in the States. It takes out all the impurities and you just—unlike cigarettes, it's 40,000 poisons in every tailor-made cigarette. That's what's causing the cancer for people who smoke. I don't smoke. I don't smoke marijuana. I don't smoke cigarettes. I do drink the odd beer though but I don't buy it from Manitoba. I buy it in the States. I go to the States lots. I'm a—I flag at pro-racing events, Detroit grand prix and Formula One and, you know what? We volunteer, and if all your jobs became volunteer jobs, you'd have people flocking to take those jobs. And like the hotel owner who says he gets paid last, you guys should be paid last. I could do your job. I'm a math major. I'm a math teacher. I volunteer rally director for Winnipeg Sports Car Club, I've rally—I mean I'm events director for the Manitoba Mustang club. I'm chief communicator, quarter marshal for

Formula One Detroit grand prix. Do we get paid? No. It's volunteer, because I can afford it. It's fun and I could do your job happily for fun and do it well.

I know how to balance a budget. I've done it for car clubs. It's just the same thing, only a bigger budget, bigger money, but it's all still the same thing, you know. You cut out the catered lunches to the trustees. You cut out the arts program. I mean we're paying women to hang dead rabbits from trees. My God, people. You know, it's like whether you're making a handbag or a shoe or a moccasin or art; you should sell your wares like anybody else. No, it's true, some woman got paid for that—I was going to say crap but I held it in.

Let's see what else I got on my ha-ha-happy list here. The floodway gates, the dams. Now, Hydro's being run very poorly by the NDP. Bipole III is going the wrong direction. Dams are being built half the size they could have been. The power's coming from the northeast. It's going to the southeast and yet we're going west. I mean, get some guy a map already. Make him stop for directions. You're going the wrong way. So ridiculous.

We should stop developing along rivers, you know. We—sure it was the mode of transportation a hundred years ago. It's not anymore, so we should stop building right on the rivers. It's ridiculous. Go out further. You know, we got cars, we got trains, we got buses. You don't need to be in your canoe anymore, worrying about your backyard. Instead they want to develop the bottom of the lake basin and this and that and yes, holding back the waters is a brilliant idea. Let the bulrushes pop up. They clean the water. Your wells aren't dry at the end of the season because you've drained it all as fast as you can.

This isn't a hundred-year flood; this is a flood that's going to keep happening all the time because all our drainages as quick as you can. Even in the spring, you see people getting it off their yard as fast as they can. Why? We've all trained them to do the wrong thing. I've got a little lake in my backyard. I leave it there. I hope it stays, you know, for as long as possible because I know then the water goes down to the table clean. The ground has cleaned it up, you know. The ditches—we should almost have a rule where everybody blocks every single ditch and hold back all your water 'til a certain date, you know.

Mr. Chairperson: One minute.

Ms. Poirier: I think I've pretty much covered anything anyways. Other than the, yes, that I already mentioned the new drunken pirates that are illegally stealing from us and you got a hole in your boat and you're going down.

Okay. Any questions?

Mr. Chairperson: Thank you.

The floor is open for questions.

Mr. Struthers: Thank you very much for your presentation, Ms. Poirier. I believe you said that you were a schoolteacher and I don't imagine you had trouble keeping your kids in your class. Thank you very much.

* (21:50)

Mr. Gerrard: Thank you. You've covered a lot of ground in a short period of time. The impact of raising the PST on people who have lower incomes—I mean, some have said that because they don't buy as much, there is not as much impact, but most people are saying that for those on low incomes what the situation is they have less marginal income and therefore they are impacted more than anybody else. So I—would you comment?

Ms. Poirier: Yes, the lower income people and the fixed incomes, they are going to hurt the most. I can afford to pay whatever you guys want to try take from me, but I'm cheap. I grew up very thrifty, I'm a direct descendant of Jean-Baptiste Lagimodière; we grew up on being extremely thrifty. And we don't like being gouged when we don't have to. That's why I buy my beer in the States, for instance, right. So, even though I can afford it, I'm so annoyed with it that I am not going to pay it whenever I don't have to. For instance, I've already told my family Christmas and birthdays are all cancelled this year because I'm going to spend as little as possible to make sure you get the least amount of it as I can make sure you get.

Mrs. Driedger: Thank you, Mrs. Poirier, for your comments and for giving us your views on this situation that, you know, you sat here for a long time, it's been a hot evening and you obviously care very much about this issue. And you don't want to be gouged, you said, and you don't want to have your money stolen from you. Do you sense that the government has really lost respect for people in Manitoba by doing what they're doing and doing it the way they're doing it?

Ms. Poirier: Yes, they've lost respect and I think this will be the—I was going to say icing on the cake but it's really the hole in the boat that is going to bring down this 14-year regime. It—I think it's time for change, most people know it's time for change and I think this time it finally will happen. And, if it doesn't, I'm moving—I might even move before then. I don't know if I can wait two years. I've had enough.

Mr. Graydon: Thank you for your presentation tonight, Ms. Poirier. You indicated that you grew up very thrifty and that this 14 per cent increase was going to affect the poor. And I'm wondering, it'll affect the poor—if I listen to your presentation right, you can afford to go to the United States and buy your beer, you can afford to go there and buy any big-ticket items—*[interjection]* But you can buy big-ticket items and bring them up here and not do that down there either and not pay PST on them. The poor will have to stay here. What do you think, then, is going to happen to the food banks? Do you think the food banks then, because of this PST increase, that there's going to be more and more people show up in the food bank?

Ms. Poirier: Yes, they will get more and more people and less and less food. But that's more of a trend that will increase globally. You see, the population is doubling every few decades and we are not going to have the food to support the world, okay; it's just not going to happen. The only thing that's going to control population in the long run is going to be disease or starvation. Okay. You have, what? You got 6 billion, 60 billion, you know it's doubling every few decades; you're going to have a hundred and fifty billion—whatever, how you going to feed that? It's not going to happen. That'll be how the roof is decided and it may start with seems like the little Winnipeg issue of, gee, we have less food and we have more people. That's going to happen globally, whether we like it or not, just because we keep multiplying.

Mr. Graydon: So, with—keeping in that train of thinking, and with this 14 per cent increase in the PST, taking away part of our democratic right, just a small chunk of our democratic right, to have a say in how our province is governed, to follow the law, to be law-abiding citizens, we've been eroding our democratic right, but in your training of thinking, 14 per cent increase isn't enough, then. So where's this going to stop? Where do you think there is enough? When is there enough?

Floor Comment: Sorry. Do you want to call my name first?

Mr. Chairperson: I'm waiting for Mr. Graydon to put his question, and then I'll recognize you for reply.

Mr. Graydon? *[interjection]* Ms. Poirier.

Ms. Poirier: I don't think it should be raised higher than the 14 per cent, so I don't want to imply that it should be anything other than what it was before July 1st. Okay. That's the only honest thing to do, is you balance your budget with what you have even if you have to take pay cuts or give your seats up to volunteers or whatever you got to do; legalize marijuana, tax it to death like you do tobacco and booze. Do whatever you got to do to make it work, but make it work without hurting the small people, the unfortunate, the elderly, the seniors, the children, the poor. We don't need—they don't need to be kicked in the shins by you guys and then in two years you're hoping they're going to forget and they'll vote for you again because you've thrown them a barbecue in their park or whatever.

Give me a break. You got a budget. You know how much money you have. Your out-of-control spending is ridiculous. It—huge announcements every week: biggest building in the world, the tallest in Canada we're going to build at Portage and Main. We're going to put up a new convention centre. We're going to do this. We're going to do that. Stop it. Live within your means like everybody else has to.

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

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

Mr. Jake Bergen (Private Citizen): No, I do not.

Mr. Chairperson: You may proceed.

Mr. Bergen: Thank you. I'd just like to say to Mr. Struthers, you're the MLA for Dauphin, I'd like to congratulate you on that. As a child, whenever we wanted to go bowling or we wanted to go to A&W, Dauphin was the place, and so it has a little bit of a soft spot with me.

A lot of the tax increases that the NDP has put in over the last number of years have gone under the radar and we've heard a lot of them. There are some that haven't—they're not tax increases, but things that

have gone under the radar, and for my business, I would just like to tell you about two of them.

When the economy got soft, I think it was 2008, somewhere in there, the inspectors were told: write more improvement orders. When you go out and you check workplaces, write more improvement orders. It had nothing to do with what was there, had nothing to do with whether it was good or it wasn't good. It was write more improvement orders because we have to stimulate the economy.

So, when the inspector came to my business, knowing this, I watched. And I have a business with—it's a building that's a one-use, one-purpose building. It's never been changed, never—nobody's ever done anything to it. It's always passed the inspections, everything like that, and I watched this guy come in and he made me put a door on a cupboard that was absolutely useless and still is useless because he was trying to stimulate the economy. You know what? He looked so foolish, if I could give him any advice, I'd say why don't you take your employer to the Labour Board. But that's kind of redundant or kind of stupid anyway.

But you know what? With some of the incentives that you have to get money out of people, you're making your employees look really silly.

Health inspectors, a year ago health inspectors were told, wherever you can fine businesses, fine them. We are no longer the good guys. And so, when a health inspector comes to my business, I know that he's looking for a way to fine me.

You know what? Why do you hate us so much? We're the ones that employ the people that vote you into office. Why do you hate us so much?

You know, I've never wanted—people come to my place for a job: they want a job; they apply for a job; I hire them. If they come to work and don't work, I still have to pay them. The Labour Board says so. If they make mistakes, I pay for their mistakes.

I've never wanted to work for the government. I've never applied to work for the government. I'm forced to collect their PST. I don't get paid for it and if I make a mistake you don't pay for it, I pay for it. And you know what their rates are? Starts at 10 per cent—10 per cent. If you are submitting \$4,000 and you're late by one weekend, your fine is \$400. That's minimum, and it goes up to 50 per cent. Those are your rates.

And I just heard that you didn't—Mr. Struthers, you didn't pay the Assiniboia Downs their \$5 million and so it went to court. Based on your rates you still owe them because you're late. You still owe them \$500,000 to \$2.5 million. Those are your numbers, not mine. I'm just—don't shoot the messenger. I'm just telling you.

* (22:00)

There's an old story, and you've probably heard it, so you don't have to laugh or you don't have to do anything, but I'll just give it to you so you have some reference. A missionary came back from the mission field, and she was raising money for her good adventure—her good work overseas. And I guess she was pretty good-looking, and one guy thought, you know what? I would love to spend a night with her, and he offered her a million dollars for one night of indiscretion. And she says, no way. But, as he followed her around where she was doing different presentations, he convinced her that one night of indiscretion would give her a million dollars and all the good things she could do with that million dollars. And finally she said, okay, I'll do it. And immediately he said, how about for a hundred bucks? And she said, what do you think I am? He said, oh, we've already established what you are; we're just haggling about the price.

And, you know what, the NDP government today has already established what they are. They hate democracy. They're taking my democratic right away, and I'm offended at that, but you've already established what you are. You do not like democracy. If the German nation knew in the '30s—early-'30s what they knew in the mid-'40s, their history would be very different today, and we would not be talking about the second World War as we do today.

It just starts with a little thing, and, you know what, we're sophisticated. It should never happen, but I don't want it to be said of this generation that the only thing they learned about history is that they don't learn from history.

You know what? We've got something to look at and let's learn from it. You're taking our democratic right away. The reason I'm standing here today is because I'm offended that you're taking my democratic right away. And I have to change my PST when I don't even know I'm supposed to, but you send me a letter that I'm supposed to, and it's not even a law yet, and I'm offended at that. And I

think you should retract the whole thing and do it the right way.

A four-year-old girl walks out of the ice cream shop with a one-scooper and—wouldn't you know—she gets outside the door and the scooper falls on the ground. Big crocodile tears and, of course, some adult, probably a parent, comes to the rescue: I'll get you another one. I'll get you another one. So they go inside, and then she sees a two-scooper. I want a two-scooper. Any responsible person would not give her a two-scooper if she can't handle a one-scooper. And, you know what, you've mismanaged our finances so much with a one-scooper, why would we ever trust you with a two-scooper?

I think, if you would look at Saskatchewan, for example, they've learned years down the road—years back, that they had to prepare for the future and not just spend their way into oblivion. If I would say to you, to the NDP—if I would say to you, I can make things happen much faster than they normally would, so, you know what, what's going to happen to my grandchildren and your grandchildren, because you're the party that can make it happen. If I would say, you know what, instead of it happening 20 and 30 years down the road, it's going to happen to you and to your generation now, would you be happy, or would you say, oh, heavens, no?

In Saskatchewan, I think they'd be happy, because they're looking to the future and allowing their people to keep their money so that they can save for retirement and do all those things. Whereas, you're causing us to spend all our money and take all our money and cause workplace safety and health to come and gouge us and all the other taxes that go under the radar; you're doing all that stuff for us now. If your children were to pay the price this generation for what you're causing us to pay and our children and our grandchildren and grandchildren's children to pay—you know what?—you'd think very differently. You'd be broke, as a matter of fact. But, you know what, that's your policy, that's your ideology.

And you know what, you need to stop, you need to back up, and you need to give us our democratic right, and, you know what, if the referendum says, raise the PST, then raise the PST. Do it, but why do you have to steal away our democratic right? I just don't understand that.

In conclusion, I think about politicians and what they do after they retire. Mr. Pawley went to Ontario. Mr. Doer, fortunately for him, he's in the States. Mr.

Filmon is still here. What are you going to do when you retire? I suggest you might go to BC where we hear that everybody smokes marijuana and you can forget about what you've done to Manitobans, or, if you want to keep your money, you might want to move to Saskatchewan—take your Manitoba pension and move to Saskatchewan where you can keep your money. But don't try to get a second job there, because they're cutting their civil service, they're not increasing it. Or you could do what's right and back off and call a referendum and do what's right, and then when you retire you could walk in Manitoba with your head held high and when you meet people on the street, you could look them in the eye and say: You know what? I'm a retired politician. You wouldn't have to be embarrassed or shame-faced or anything like that.

The one good thing about this whole thing is that you have little more than two years left.

Mr. Chairperson: One minute.

Mr. Bergen: And with those two years I have access to all my employees, and I can tell them how you stole our democratic right. Those are the people that always vote for you. I have two years to influence them, and I am so happy for that. Thank you.

Mr. Chairperson: Thank you, Mr. Bergen.

The floor is open for questions.

Mr. Struthers: Thank you, Mr. Bergen, for coming and speaking with us here tonight, and I especially want to thank you for working my hometown into the discussion right at the outset. I want to assure you that there's still lots of good reasons, bowling and A&W amongst them, to come up to Dauphin. Thirteen thousand people did this past weekend for Countryfest, so thanks for mentioning that.

What would your advice be to me in terms of apprenticeships, because I think small business and yourself and your colleagues in that field are key to our growing our economy and to working with us in terms of apprenticeships and education and training? What kind of advice would you give our government in terms of how we can be successful together with that—on that.

Mr. Bergen: Thank you for asking that. I have people that do some casual work for me that are extremely gifted or extremely knowledgeable in various fields, and they do wonderful work. It's half a day's work; it's very minimal amount. But they're

knowledgeable: they can do electrical, they can do plumbing. They're just good at that.

You know what they do? They enter some program where they're going to be retrained. You know what their issue is? Their issue isn't that they don't have skills; the issue is that they can't keep a job. So, if I could have a list of, say, you know, this person is very skilled but he can't keep a job. Don't go retraining him. He doesn't need retraining. And, if you had access to that kind of database where some people just don't need retraining, they need to learn how to keep a job. One particular person I am thinking of, he'll work for a place for six months and then he's not working. Why aren't you working? And there is always some really sick excuse. He just can't keep a job. He's very skilled.

And there's other people like that. They have all kinds of things: they paint, they do all kinds of things. And the government seems to think that retraining people will get them jobs. Lot of them—you know what? If you said, you know what? There's no social assistance and there's no retraining, make your way. You know what? The old-fashioned way was—they would learn very quickly, and I think you'd have a lot more productive people around.

I actually like retraining. I am not against retraining, but the kind of people that we're retraining, they're just—that's just a two-year stopgap for them, it's a one-year stopgap. They're just going there and sometimes, you know, one other person who worked for me went and got retraining, so she worked for five months, four months, and they found something on Facebook and then she's fired. And so, you know what, she's useless again. She can't be hired again, so now she will have to go for retraining, I guess. You know, those kind of things, there's such a waste of money there. If you had access to some good information, at street-level information, some people don't need to be retrained.

Mr. Friesen: I want to thank you for your presentation this evening, Mr. Bergen. You gave us some very important reminders not only about this tax increase and what it means to Manitobans, what it means to small business people, but also the fact that there have been so many taxes to—previous to this one that flew under the radar, to use your own words. As a party, we continue to send that message as well, that last year's tax increase is an expansion of the RST, amounted to \$184 million per year in additional revenues to this government.

I am on the far end of the table, so I was going to ask you to just repeat one thing. You talked about one particular challenge, a sliding scale of a 10 to 50 per cent fine. Was that for the purpose of—was that when there's a late remittance of PST collected? Could you explain how that works? I want to know in addition: When did that change-in start to increase more rapidly? When did you begin to feel it more severely in the workplace?

* (22:10)

Mr. Bergen: Thank you. I—thank goodness I don't know when it changed, but I have been late with my payments. You know, a weekend slows by and, all of a sudden, oh, boy, I was supposed to do the PST. And, just like that, it's a 10 per cent. So, if I'm remitting 3,500 bucks, it's 350 bucks just like that. You know, that's pretty stiff. That's pretty stiff. That's just unconscionable. I just can't see that. That's—I wouldn't do that to my worst enemy, and this is supposed to be government for the people, by the people. I just can't see it. I just can't see it.

The government against business, for the NDP, or I'm not sure how you want to word it. Some of these silent majority here might have a better word for it. You guys haven't said a word. Are you okay—still breathing?

Mr. Gerrard: Yes, thank you for your words of wisdom, and perhaps you could tell us a little bit about your business and how it would—give us some sort of examples of how it would be affected by the increase in PST. *[interjection]*

Mr. Chairperson: Mr. Bergen.

Mr. Bergen: I'll never get used to this protocol.

But, nonetheless, I have a coffee shop, and I'm not sure whether my business will survive this PST hike, in which case I would have people that would go on social assistance. And I expect social assistance will increase, which—in another year or two, then the government will say that they need to increase the PST one more time and they'll be caught totally off guard, because they had never foresaw the impact of the increase. But you know what? I'm not sure whether my business will survive this, but that's okay, whatever. *[interjection]* Well, it's not okay for me either, but, nonetheless, you know what?—it's the government, and I have to go by what the government does.

Mr. Chairperson: Okay. Time for questions has expired. Mr. Bergen, I thank you for your presentation.

I'll call Mr. Jack Keeper, private citizen. Mr. Jack Keeper. His name will be dropped to the bottom of tonight's list.

Mr. Lou Grouette. Lou Grouette. Mr. Grouette's name will be dropped to the bottom of tonight's list.

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

Mr. Brian Kelly (Private Citizen): Yes, I do.

Mr. Chairperson: Okay. You've given them to the Clerk—

Mr. Kelly: Yes, I have.

Mr. Chairperson: —or to the Chamber staff, and they will distribute them, and you may proceed when ready.

Mr. Kelly: Mr. Chair, honourable members, the first thing I'd like to do is not part of my written notes, but I would like to thank you very much, Mr. Chair, for your diligent efforts at maintaining parliamentary language and a civil environment. I think these proceedings are very appropriate for that. And I would like to thank everyone that's here and partakes in this process. I doubt many of you want to be here at 30 degrees at 10:14 at night again, and it's your honourable intentions to do good for the citizens of Manitoba is why you're here, and I thank you very much for that.

I am speaking as a private citizen. I would like to make four points. One is, the balanced budget law created an advantage, which will be destroyed by Bill 20. Bill 20 creates a breach of public trust and is—has not followed a sound democratic process. The information to the public around Bill 20 has been misleading, and I will request a delay and/or halt to the process.

First, the Manitoba advantage: Balanced budget laws were a commitment by several Manitoba governments not to increase significant taxes without a referendum that gave the people of Manitoba an opportunity to directly address the question. Manitoba's balanced budget legislation gave Manitoba an advantage, because individuals could plan ahead, knowing they would not be surprised by a significant tax increase. Businesses were attracted to Manitoba, whether it be new ones coming here or

existing ones deciding to stay as opposed to leave, because they could plan for the future, knowing they would not be surprised by a significant tax increase without a referendum. The NDP government's action to destroy the balanced budget advantage will hurt Manitoba for a long time in the future.

Breach of public trust: Not only does Bill 20 remove the advantage I just spoke of, but, if you proceed as planned, the sudden manner in which it's done sets a precedent, such that no future government will be able to bring back such an advantage to Manitoba, even if they reinstated a balanced budget legislation, because everyone would know it could be quickly and immediately removed.

What you plan to do, in my opinion, is much worse than just an increase in PST with its negative impacts. If you'd announced during the last election that you intended to make a strategic change to how taxes would be managed, and had indicated that it would include removing the balanced budget law, people would have had a chance to decide whether to vote for or against that particular issue. But that is not what we heard, and many times, Premier Selinger's quote from the last election, I'm sure, to ad nauseam for many of you has been repeated. And it was a very clear statement, with the obvious implication that the balanced budget law would be continued.

Now Manitobans are surprised, and I think it's surprise that's bringing a lot of the people out and a lot of that reaction. It's not just with the significant tax increase, but also with the even worse destruction of the Manitoba advantage that was created by the balanced budget law. Your government's action to impose the PST increase prior to passing the legislation which removes the balanced budget law is, in my opinion, and I hope a court's opinion, illegal. It is one thing to implement a tax increase prior to the legislation having been passed; there are numerous precedents for that at the federal as well as provincial levels. But this situation is entirely different.

As of now, today, tonight, Manitoba has a law saying that a significant tax increase cannot occur without a referendum. But, two days ago, you forced and, as others have mentioned earlier tonight, consumers to start paying the tax increase which is contrary to that law. And I'm sure there's lots of lawyers that will argue over my point, but for me and I think for many Manitobans, it is simple. The law says you can't. But you did. The law was not

followed. Apart from the legal aspects, which may well be fought over, unfortunately, at length, this has created a breach of public trust. And, rather than even wait until after the public was heard from in these committee meetings, you imposed the tax increase. I believe for many, including myself, it's like a slap in the face.

Under the heading of misleading, and I recognize that that title, in my opinion, is rather aggressive, but it is used and not used lightly, the initial government media coverage, when Bill 20 was introduced, indicated and implied it was to be added funding for increased infrastructure spending. The title to Bill 20 implies that as well: the Manitoba building and renewal fund and fiscal management act. But as much of the later analysis has shown, that is not where most of the money will go—to incremental increases in infrastructure spending. Correspondence from the Minister of Finance, and I thank you, Mr. Struthers, for replying, and from my NDP MLA both make claims about the funding being for infrastructure but then quickly shift to the funding—sorry, quickly shift to funding the key operating costs of the Manitoba government for health care, education, et cetera. And those are high priority, and certainly agree with them. But they are ongoing operating expenses and not incremental increases in infrastructure spending.

If the new tax revenue was actually intended to fund added infrastructure spending, I ask that the government do what, to me, seems entirely logical: No. 1, delay the introduction until after a referendum. A few months' delay in addressing our long-term infrastructure will not make a difference 10 years from now. And, No. 2, agree to the conditions set by the business organizations that a number of you say support the PST increase. Those conditions are entirely reasonable. They are that the new tax revenue, (a) be only for an increase in infrastructure spending, (b) be kept separate with regular reporting to create transparency, and (c) be spent only after planning the strategic infrastructure investments.

* (22:20)

Since the government has refused to do those, it seems logical to me that the analysis is showing that much of the money is going for operating costs is correct, i.e., the claims that Bill 20 is for added infrastructure spending are not designed to inform the public. The request I have, and I make a heartfelt request, it is not too late to halt this or at least delay

Bill 20 and follow a proper process. And I ask you to do so.

I thank you for hearing me, and I thank you for all of your work on the citizens' behalf in Manitoba.

Mr. Chairperson: Thank you, Mr. Kelly.

The floor is open for questions.

Mr. Struthers: Thank you very much, Brian. It's good to see you again and hear from you. You're always very clear and specific in your presentations and your requests. I appreciate that.

I do want to point out that earlier this evening we were criticized for not going far enough in totally getting rid of the balanced budget legislation, and now you're in front of us presenting that we have got rid of the balanced budget legislation and that that is—well, I guess it's like being in government, you know, you'll be criticized from both extremes.

What we have done is we've put in place a temporary waiver of the requirement for a referendum on that specific tax. It's not getting rid of the balanced budget law completely. Having said that, do you still believe, though, that that's—that that is a matter of trust with Manitobans even if—it's not just getting rid of the balanced budget legislation, it's particular to this tax?

Mr. Kelly: Yes, and the reason I believe that is what occurred two days ago. It is a significant tax increase, and the details of—technically and legally what the status is is not what matters. What matters is that the public understood, and it was the intent of the legislation, for the balanced budget legislation, which, I know, has technically another name, that a significant tax increase could not occur without a referendum. It is occurring, and that, in my mind, the details don't matter. It is as simple as that.

Mrs. Driedger: I thank you very much for your presentation, Mr. Kelly.

And I just want to indicate to you that we've asked a number of times for the government to provide us with a specific list of their—those specific infrastructure projects that they would fund with this \$277 million. And I note that, in one of your recommendations, you're asking for the government to be able to have a separate list with regular reporting to create transparency and, although that's a language they're using, the Minister of Finance (Mr. Struthers) refused to provide us with that list, saying that, at the end of a year, then the public will be given the list. But we all know that money's going

into general revenue, so at the end of a year they can just cherry-pick whatever infrastructure projects they want.

How important is it that—and I like your suggestion on regular reporting. How important is it that the public know where that money's going and know upfront, because we're the taxpayers paying it? How important is it?

Mr. Kelly: I believe it's very important for the public to be able to understand the information. My concern with the provisions, as I understand them in Bill 20, with the annual reporting that is required in the legislation, my reading of it is that it looks at all of the gas tax revenue and 25 per cent of the 8 per cent, effectively 2 per cent PST, and looks at all of those funds relative to all of the infrastructure spending. And I'm generalizing a little bit, but effectively that's what it is. The dilemma with that is that it does not address the question of the incremental change, and that's why the business organizations, I believe, specified what they specified so that it could be a monitoring of the increase in tax revenue, the extra 1 per cent, and that dollar amount relative to the increase in infrastructure spending. I know there's some challenges in recording exactly that and year-to-year rollover et cetera, but an attempt to do that would, I believe, be far clearer than looking at all of the existing, as well as the increase, going forward.

Mr. Friesen: I also thank you for your presentation this evening, Mr. Kelly, for your thoughtful analysis, and I think that your term misleading is very appropriate, and I know you don't use it lightly, but I think it fits the situation. And I wanted to comment on the fact that, I mean, you were talking about what would actually flow to infrastructure and what would flow to operating costs. That's an argument that we have tried to make as well, as an opposition party.

I wanted to just to ask you quickly about—I'll make one comment and ask you a quick question. The comment would be that, within infrastructure, of course, we need to also realize that the government's first argument was that the money would go toward flood mitigation. The first argument they made in lots of the budget speech went towards flood mitigation, and then it was uncovered that the government had actually spent less than half of 1 per cent over 14 budgets, as a comparison to overall revenues generated in 14 years. So it wasn't an argument to be made. So now they've lumped it all together under infrastructure spending.

When we see a lot of projects going forward right now, there seems to be a really generalization about what is meant by infrastructure. We see some very boutique kind of projects going forward. We see municipalities calling for a more focused approach toward hard infrastructure projects. This grew—this government includes things like schools and hospitals. Can you just clarify for us, are you talking about a focus on hard infrastructure projects as well?

Mr. Kelly: I—in times of austerity, such as what we are in generally for most governments—and, in fact, most governments in the world, but certainly in the developed world, and in Manitoba—the focus, I don't think, should be hard-soft as much as it should be on infrastructure that will be an investment rather than a consumption. In my mind, there's a fundamental difference between the two, and the focus should be on investments that will generate increased economic activity, increased jobs and increased tax revenue for the future because, if it is well spent, infrastructure has huge paybacks. And you just think of roads and many other things that, if we didn't have them, well, we know where we'd be, and it's not—we're dealing with optimizations. In times of austerity, it's times—it's time to invest in those things that will increase tax revenues, preferably in the short term but at least in the long term, and those create jobs in the short run from the spending but they also create jobs and tax revenues for the future and make all of the citizens of Manitoba better off, as well as the government.

Mr. Chairperson: On that note, sir, time is well over on questions and answers and I thank you for your presentation.

Floor Comment: Thank you very much for this opportunity, and thank you to each of you for being here. I really do commend you for going through this process as I listened to it earlier.

Mr. Chairperson: I now call Mr. Dennis Nault, private citizen. Mr. Nault, do you have any written materials for the committee, sir?

Mr. Dennis Nault (Private Citizen): No.

Mr. Chairperson: You may proceed.

Mr. Nault: Good evening.

I've got a question. I've got a bunch of questions, but I'm going to be a little over the map. Is this government planning on selling Manitoba Hydro? I'm employed there. This worries me, that our Premier (Mr. Selinger), yes, I'm going to say it,

lied—flat out said, we will not raise the PST; pretty sure that just happened a couple days ago. Sorry, that's a lie. I—Webster's Dictionary—call a spade a spade.

Mr. Chairperson: Order, sir. [*interjection*] I called for order, and I'm just—[*interjection*]

Your microphone is not on, sir. [*interjection*] I just called for order.

* (22:30)

We've had this discussion before, and I'm just cautioning you on the use of your choice of language and asking that you try and present in a respectable manner. I'm asking you this, so on that note—[*interjection*]

Mr. Friesen—excuse me, sir.

Point of Order

Mr. Chairperson: On a point of order, Mr. Friesen.

Mr. Friesen: Mr. Chair, I'm sorry, with respect, I need to challenge what you're saying. I know that this is our third night of committee. I've had a chance in the meantime to go back and check Hansard from the first night of committee, and I thought there certainly must be a precedent. Surely, this cannot be the first time in three nights of committee that the accusation of lying has been attributed to the government.

So I went back and I stepped away from the table, as previously agreed, and I found numerous indications in the public record that is now published in Hansard where the term lie was actually attributed to an individual member. I bring my BlackBerry to the table only because that's where the Hansard is recorded. I'm looking at Hansard from the Thursday night proceeding where a Mr. Woodstock states, you lied, Greg, Premier, you lied, you lied.

Now this is in Hansard. So what I'm questioning is the Chairperson's ability, now, on the third night of committee, to determine—[*interjection*]—on the fourth night of committee to determine that now, suddenly, terminology that was previously allowed to the speaker, is not extended to him and that his—the way he can express his opposition to these measures is curtailed. And I would say, some of the best evidence was presented just now at the microphone by the presenter who said he is not a member of the Legislative Assembly. He is not subject to parliamentary privilege, as we are. We understand the Chair's position and I would support it, that we

could not use the same terminology without being asked to retract those words. I believe that the freedoms we extend to our presenters and the courtesy that we extend to them are wider than the ones that we enjoy ourselves.

And so I would encourage the Chair to allow, as was done, clearly, by Hansard on the first night of committee, this same freedom to this presenter to express, in strong terms, his opposition to the government's action.

Mr. Chairperson: Order.

In response to Mr. Friesen, first of all, he does not have a point of order, as I'm advised by the Clerk's assistant.

As to his comments about language earlier on, on previous days in the committee, he's correct. That type of language was being used and, yesterday, somebody used profanity in this committee and I didn't call him to order because of special circumstances, as we're all aware. The man was suffering from cancer and was obviously very upset, so I let that pass. But that does not mean that that sets a precedent, where I am obliged to allow that to pass indefinitely in this committee, and, as I said before, my objective is to try and maintain decorum within this committee and have it conducted in a respectful manner. And the rights of free speech, you know, apply to all of us here but, you know, there is a limit and in my attempts to maintain decorum, I called it to order this evening. And I've explained to all of us here that if a member of the committee were to use this type of language—and I should clarify the language when you say, the Premier (Mr. Selinger) lied, or Minister Struthers, you're a liar—if a member of a—committee did that, that would be extremely out of order.

If you want to use words like the government lied, that is not out of order, and I think rulings in the Legislature would support that. So, as the Chair, my objective, once again, is to try and maintain decorum and, again, I asked the member presenting to try and keep his language respectful. I didn't order him to do so. I cautioned him.

In reference to discussions earlier that I would be cautioning, and, once again, I will caution the—this presenter or any future presenter coming forward to try and use respectful language and so forth. So, you know, if that clarifies it for all members of the committee and members of the public, that's my position. I want a respectful committee with decorum

here; that is what I'm seeking. And they can present in whatever form they want to, in order to maintain that. So those are my remarks.

Now, before I recognize the speaker, Mrs. Driedger.

Mrs. Driedger: A clarification, Mr. Chair, are you now indicating that the word lie is considered profanity?

Mr. Chairperson: No, I'm not, and I didn't say that.

An Honourable Member: Can you clarify?

Mr. Chairperson: I said that when a member of the committee uses language like, the Premier (Mr. Selinger) lied, or, you are a liar, a direct reference to an individual, as is the case in the Legislature, that type of language is unparliamentary for a member of the Legislature or a member of a committee to use.

Now, I'm extending to the public my advice that we would like a respectful committee, and I'm asking members of the public to bear that in mind when they present. So that's all it is at this point, is myself, as Chair, cautioning the members to please speak respectfully and asking them to try and conduct themselves in a respectful manner.

Mrs. Driedger: Mr. Chair, about a hundred people have been here already and spoken, and probably 99 per cent of them have used that language. Are you now going to deny other members of the public? It's not us, and we totally support what the Chair says, in terms of our behaviour here—no argument there—but we are talking here about members of the public, and it's been allowed for four evenings.

Are you now, Mr. Chair, changing the rules?

Mr. Chairperson: I'm not changing any rules. Once again, I am asking members of the public to be respectful and to try and refrain from using language that, if it were used by a member of the committee, would be deemed unparliamentary.

* * *

Mr. Chairperson: So, if that's all the commentary, perhaps we could return to the presenter. And, Mr. Nault, is it? Mr. Nault, to continue your presentation, please.

* (22:40)

Mr. Nault: Oh, I can continue now. Thank you. That's great.

I honestly don't know what you guys can and can't say when you sit over there. If you can't say the word liar, that's too bad. In my book, where I come from, if someone promises something and they don't do it, that's basically lying. I said I was going to do this; I didn't. That's lying.

Our Premier, Mr. Greg Selinger, said he was not going to raise taxes, in his attempt at getting re-elected. I might be wrong. Three days ago, taxes just went up. That's a lie. I'm sorry. That's a lie. You want to throw me out, handcuff me? Go ahead. I don't care.

Now, I would like to know what type of increases have MLAs had in the last 10 years, percentage per year. I'll guarantee you, at Hydro, I didn't get what you guys got. Now, as a Hydro employee, yes, I'm afraid that you guys are going to sell Hydro. You said you're not going to raise taxes; that's done. What next?

How many years does an MLA need to get a full pension? I believe it's eight. I might be wrong. Maybe somebody can clarify me.

Floor Comment: Twelve.

Mr. Nault: Twelve? Oh, 12 years. I guess you guys are all sitting pretty now, because you guys are done. NDP's not getting re-elected, and I sure as heck hope not—I'm pretty sure I can say that word. Mr. Struthers, I certainly hope you don't do accounting at home like you do here, because it's terrible. And I think maybe you should go and take a few accounting courses, because I manage my house a lot better than you manage your house.

Why can you people not manage the tax money you already get? You raise it. If someone could tell me the last year that a tax wasn't raised some way or shape or form, I'd love to know—pretty sure it's been going up every year. So you guys are championing the fact that you've raised the minimum wage; it's great for the people that, you know, need that money. That's great. However, I would dare any one of you to try to live off that for one month, and I'm not saying in your present house. Look for a place to live, look at how much food costs, groceries, gas, everything. You see if you can live off minimum wage for one month.

Why can we not raise the basic income level? We're behind Saskatchewan, we're behind Ontario, we're behind everybody, really. And you guys are trying to say that our economy's great. Hey, we're doing fantastic. No, we're not. You guys don't live

like average people. You don't. You think you do, but you don't.

So I would really like to thank the NDP for committing political suicide because I'm pretty sure you have. I would say that you could probably expect a whole lot more cross-border shopping, because you've pretty much guaranteed that people are going to go and do that.

In your thought process, Mr. Struthers, in the budget process, did you ever once consider a mandatory pay cut for everybody? Pretty sure that didn't come up.

I'm just curious to know if anybody has a number for how much money the CEO of the Winnipeg Regional Health Authority made last year. I realize he's a doctor. Maybe, Mr. Gerrard, you can answer me. If I'm not mistaken, it's in the 400-plus thousand dollar mark. How many single doctors and nurses is that?

So, to recap, just to throw the voter tax—ridiculous. And I don't know if any of you ever wonder why we have such a low voter turnout. Maybe it's because people don't care, because people are tired of you guys doing whatever you want to do anyway. And how many people are not voting because of the vote tax; me, for one.

Has anybody ever thought about a voter recall? I believe there's one in BC, is the only province that has it; I was reading the paper today. I dare you to bring that in because I'd be pretty much—I could pretty much guarantee that a lot of you would not be here for very long.

So thank you very much for your time. Thank you, Mr. Speaker, for cutting me off, and I'm sorry, Greg Selinger's a liar.

Mr. Chairperson: The floor's open for questions.

Mr. Struthers: I want to thank you very much, Mr. Nault, for coming in and speaking with us tonight. Thank you for taking the time.

Mr. Gerrard: Thank you. I just want to get a little bit of clarification on the first statement that you made, that—are you going to sell Manitoba Hydro—I think directed to the NDP, and I think what you were implying was that right now, with what the NDP have done and lying about the PST, we don't know the answer to that. Is that right? *[interjection]*

Mr. Chairperson: Mr. Nault.

Mr. Nault: How can we trust anything that comes out of—I don't want to say any politician's mouth because I've spoken to a few. I'm 42 years old, I've spoken to a few politicians in my day. And, how do we trust any of you? Sorry to direct at the people in here who are honest; those would be the non-NDPs, in case anybody's wondering.

Mrs. Driedger: Thank you, Mr. Nault. Just—you raised an issue that is actually quite interesting, and that is with the vote tax that the NDP are taking, and that for, you know, the number of votes they get, they get a certain amount of money. And right now all of them have been given \$5,000 for their own political slush fund, and yet they are going to increase the PST which, you know, we know where all of this is going.

Do you think there's going to be a lot more people become more disillusioned about voting when they become much more aware of the government taking the vote tax and that it's going to be for a political slush fund? *[interjection]*

Mr. Chairperson: Mr. Nault.

Mr. Nault: Sorry. Yes, I do.

Mr. Friesen: I want to thank you also, Mr. Nault, for coming this evening to give this presentation. You've waited a long time. Sitting here in this room for this amount of time shows the level of your commitment and your determination and your desire to be heard on this issue.

You've said a lot of things that I jotted down and will take note about. I share your concerns with respect to where this all leads, in terms of Manitobans spending their consumer dollars. Whether that amounts to more people taking trips over the border, whether it amounts to more online shopping or trips to Saskatchewan, and we worry, as well, as a party about what the implications are for this in terms of people moving out of province.

You made a comment, though, that I took note of, and I would just caution you on it, or just give you something to think about, and that is you mentioned that all of this is producing in you a level of disillusionment which might get you to not vote. And I would say to you, you know, what you're doing tonight, demonstrating by your presence and your presentation here, a very strong commitment to basic democracy. I'd say do not allow the actions of this government to dissuade you from voting. Make sure to be active, however you cast that vote. Do it with the courage of your convictions. Take the ideas

you expressed tonight forward to that ballot box and make your decision there. And then I would say that you've really covered all your bases. Thank you for your presentation tonight.

Mr. Graydon: Thank you, Mr. Nault for your presentation tonight. And being as you're a Hydro employee, we've debated many, many hours in the House about the east side versus the west side for the bipole.

Being an employee, what would you suggest would be the logical route when the hydro's being produced in the northeast, sold in the southeast, is there line loss to be considered, extra miles, extra billion dollars? What's your opinion as an employee? I mean you work for a living, you get paid by the hour, does it make a difference to you that hydro will go up 3.5 per cent every year for 20 years?

Mr. Nault: Well, you know, being an employee, I don't know what kind of conversations you guys hear from business managers and what they tell us. I'm basically a worker bee. I'm a power line technician journeyman. I don't—I couldn't tell you the exact line loss of the amount of miles that it's going around. From a few people that I know, who work in around Portage la Prairie and the farmers that they've spoken to, it's a big issue. As to the exact voltage loss of, I believe it's in the neighbourhood of 500-plus miles longer, I might be wrong. It's a DC line, so it's direct current, it only goes one way. You'd have to ask electrical engineers, who really know the nuts and bolts of that but definitely there is still line loss. So, would it make more economic sense to run it on the east side? Without a doubt. And if you don't think that, you really should not be in any type of business whatsoever.

Mr. Chairperson: Time for this presentation has expired. Thank you, Mr. Nault.

Mr. Nault: Thank you for your time.

Mr. Chairperson: Call Mr. Thomas Novak, private citizen. Mr. Novak, do you have any written materials for the committee, sir? You do not? You may proceed.

* (22:50)

Mr. Thomas Novak (Private Citizen): So I'd like to thank again all of you for being here so late tonight, honourable members and all the people that come to present. I've said it before and I think we all know, we're, I think, the only province in the country that has this kind of a forum where citizens

can come and make known their views and I really appreciate listening to all kinds of views, even the ones that I might not agree with, because there's often something really interesting and important in what everyone has to say.

Tonight, I'm here like almost everyone else because I don't like taxes. And I don't like looking at the cash register receipt when I look at it and I see that there's 8 per cent and 5 per cent. And I'm also here because, as much as I don't like taxes, I still can appreciate the fact that I can go to the hospital when I'm ill, go to the doctor when I'm ill, and I don't have to check my wallet to see if I have enough money to pay. I can appreciate the fact that there's new facilities being built in the province, new programs being opened for my friends that have mental health problems. I really appreciate the fact that a new facility has been opened in Selkirk. When I used to go a few years ago to see the old facility for people with head injuries and geriatric problems, I cried I every time I went in—every time I went in. Now, I know a mental hospital is not a highway, is not flood mitigation, but there's something called human capital as well, and there's infrastructure for human beings that has to be considered. I appreciate that we've, as a government, as a people, have done something also about that.

I appreciate the fact that our bridges are well maintained. And that we pay people to make sure that they're inspected so they don't collapse. I appreciate that we're finally in the city of Winnipeg getting a rapid transit system, the last major city in the country to have a rapid transit system. I appreciate the fact that our taxes pay for schools, courts, policing and the beautiful parks that I love to enjoy. I appreciate that in Manitoba Housing projects there are now security guards and there's now recreation projects for the children, so that they have—that children and young people in Housing projects have an alternative to gangs for recreation, and the people in the major projects have a sense of security. This is all paid for with the taxes that I don't like to pay.

I'm not an economist, so I'm sorry if I sometimes don't make economic sense. I'm a pastoral worker that works primarily with the least privileged and most desperate among us. For 25 years, since I've been living in this province, I've spoken out regularly to governments of all stripes, year after year as they have cut taxes and cut taxes and cut taxes, predicting a lot of the problems that we ended up having—the gang problems, the

problems in the inner city, the problems with people that are on the margins. And, as we cut taxes, we were cutting programs, especially for the people on the margins.

It's easy to cut taxes. It really is. It's popular to cut taxes. But we have found it's a lot harder when we have to cut our needs. And what are our needs? When we cut taxes on all levels, what we're really doing, because we don't want to cut our needs, we end up cutting transfer payments to other level of governments and essentially transfer payments to the most desperate, the poorest among us.

The federal government, as it was mentioned earlier this evening, has cut taxes to programs that monitor the environment. They have cut—they are planning to cut for—and they have in the past, taxes that were collected—or transfers for health and education. They have cut health-care benefits for desperate refugees that have flee—come here fleeing genocide. And as provinces struggle to maintain health, education, health benefits for refugees, we have to cut. We cut tax—we cut transfers to municipalities and we end up cutting subsidies to the most desperate among us.

So members on all sides of this table and all of us in this room, we have a responsibility, as Manitobans, all of us as Manitobans, how do we address this challenge before us? How do we balance over the long term our budget and, at the same time, how do we look after our needs? How do we complete the flood mitigation projects? They need completing. How do we provide decent shelter allowance for people on social assistance? How do we provide new treatment programs for people with cancer, with MS or for diabetes? How do we provide subsidies for farmers in years of drought or national—natural disasters? How do we provide training programs for our Aboriginal population and for our growing immigrant population? How do we develop programs to provide alternatives for—to gangs for our young people in the inner cities and in the rural areas? How do we complete the transit way to the new stadium?

We live in a really wonderful province—a province with great assets and with great challenges. And so I believe we can either join the race to the bottom and continue to cut taxes as fast as we can, or we can swallow hard and we can risk some public disapproval and we can do what we need to find the cash to meet the desperate challenges that lie before us. Thank you.

Mr. Chairperson: Thank you, Mr. Novak.

The floor is open for questions.

Mr. Struthers: Thank you very much, Mr. Novak, for coming in and speaking to us. I take from your presentation that you would favour the second part of your recommendation, the swallowing hard and getting the cash and investing in the things that you talked about, the infrastructure that you had mentioned. Is that correct?

Mr. Novak: Yes, we've been cutting. We forget that for 20 years we cut taxes, we cut taxes and we cut taxes. We cut really important programs and we did harm to the fabric of society. Maybe—I don't believe that maybe a GST is the best way to raise revenue—maybe income tax would be. As someone said earlier tonight, after a time, the wealthy leave the province if we raise income tax. Maybe—I would love that we would tax marijuana. I wish our federal government would move on that, so we could tax marijuana. We do desperately need other sources of revenue. I'm really glad when people say, this is really practical, let's tax marijuana; let's legalize and tax marijuana so we could have a better source of revenue than an income tax hike or GST. We don't have that option right now, so we have to find revenue somewhere.

Mr. Gerrard: Thank you. I mean, I appreciate what you're doing as a pastor, and caring and helping people. And I think part of what you speak to is the difficulty of figuring out what is, you know, in a sense, an optimum level of tax; that not every problem is addressed necessarily by just throwing money at it; that there are a lot of other ways that we have to, in fact, tackle some of these issues; and that, very often, we have to focus on answers which don't mean additional financial resources. At the same time, when we're looking at a PST, for example, and if you raise it to a certain point, people are going to shop elsewhere and you're not going to get the revenue that you hoped you would get or your businesses are going to go out of business.

And I think it's pretty important that you're recognizing that there is a balance here. And I think that one of the things that we're hearing from a lot of people is that, you know, we've gone, provincially, in terms of the PST, at least to the point where we're really stretching things; that we may have businesses going out of business; we may have people shopping elsewhere, and that the results are not just simply getting more money. The results are some inherent problems for employment or in other areas, and maybe you would comment.

* (23:00)

Mr. Novak: We have fiscal deficits and we have to balance the budget. We also have to balance the human deficit. We have people fleeing the downtown because we've failed to address adequately the human problems that are there. It costs money to address that. We have a wonderful project in the Bell Hotel, where people I know were on the street and are now housed there, getting themselves slowly sober, not standing on the street corners and begging. But it costs money to run the Bell Hotel; it costs money to put security guards in Gilbert Park; it costs money to build mental-adequate mental hospitals for people; it costs money to treat people that have mental health problems.

You can be—can say, well, a lot of the—a lot of what we've cut over the years is funding for people with mental health problems, and now we see the consequences are standing on the corners. And we—so, what do we do? The answer is, well, we need more police to attend to them. But it costs money to hire police, so at some point we have to say—we have to just stop saying there's solutions that don't cost money. Most of the solutions, unfortunately, cost big money.

Mrs. Driedger: Thank you, Mr. Novak.

I just want to say, you know, as a pastoral worker, I do give you a lot of credit for the work you do. I came to value that level of worker during my many years at St. Boniface Hospital, looking after body, mind and spirit, and just do want to acknowledge the work that you've done.

Question for you, though, is, do you really trust that the money that the NDP are going to be taking in from all of us on this PST hike is actually going to be used for what they say it's going to be used for, because they aren't coming forward with the information that would give me any sense of comfort in that?

Do you trust that they're going to do what they say they're going to do?

Mr. Novak: I'm not here to make an advertisement for any party.

We have elections—we have an election, and I think it's important in four years' time that we take a look and see, is the—are things better in the province than they were four years previously in terms of the—of terms of the fiscal budget and in terms of the

human budget? Are things better for people and are—is our future better? That's why we have elections.

Mr. Chairperson: Thank you, Mr. Novak. Time for your presentation has expired. Thank you.

Call Mr. George Harris, private citizen.

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

Mr. George Harris (Private Citizen): No, I don't.

Mr. Chairperson: You may proceed.

Mr. Harris: I want to thank you all for this. This is past 11. I hadn't expected it was going to be this long, but that's okay.

I want to begin with just a little bit of background. You probably don't know me, but it's because I've been in and out of the province for quite a number of years, spent a good portion of my life in east and East Africa. And I've seen countries where taxes could not be raised because there's no tax base, and I've seen the consequences.

This is—and I feel particularly, I guess, in a way, sad that we are conducting this conversation in this kind of a venue, because the issues of taxes and developing a tax system that's fair is, for me, a very important thing. And—so I'm talk—I'm going to just address—and I hope I won't take too much of your time; I won't take all of this 10 minutes.

There's two things: one is the issue of taxes and there's the issue of poverty. And I'm—I personally am very, very concerned about poverty and addressing poverty. So, one of the things that I'm reminded of in all of this is Oliver Wendell Holmes, who is reported to have said that taxes are the price we pay for a civilized society. And then I remember my father commenting, when I was growing up on the farm, that he'd had a good year because he had to pay more taxes. My late father believed in a civilized society, and I think—I certainly hope that all of us around the table here and in the room would like to have a society that is civilized, that we're—where all are cared for. I am very concerned that when we talk about cutting taxes, we are not given the full picture as to what that will mean.

I, occasionally—and I, to be very frank, as a matter of disclosure, is I get tax breaks. I'm a senior and I get tax breaks. But for me to get those tax breaks, what are the consequences of that? I'm certainly not asking for more tax breaks, not that I'm wealthy, but I don't want that. But if we raise taxes

we are—and rightly, and I'm not saying this is wrong—we are rightly asking where is that money going to go. That's—it's important for us to know where that's going to go, as the general public. It's the accountability thing.

So I'm—I am concerned when it comes to poverty, that lower tax—lowering taxes tends, and it doesn't always, but it tends to increase the disparity in the society. And disparity in society breeds all kinds of problems. I've seen this in Africa where I've been spending a good portion of my working life.

Increasingly, we are depending on the market to make our decisions, and I'm a bit, to be very frank, I'm a bit cynical about the market, And things like the housing market, for example, is quite bizarre at times. It's just—it's terrible what's happening in the housing market, particularly when it applies to poor people. If you're doing very well and you have assets, I mean, that's—you can flip property and you can do all this kind of thing. That's not going to be something that the—that that's not going to be something that poor people—more affluent people can take advantage of that, but poor people certainly won't. In fact, they're generally exploited by the market.

And I come to housing because—and you may have heard a bit about Make Poverty History's campaign to try to increase their rental allowance. And I was, quite frankly, I was a supporter of that and active in trying to address some of the rental allowance issues. We are—we're doing so little still to address the needs of people living in poverty. And if you ask people to, say, well, where can we find the money? You can raise taxes, that's one thing. Some people say, well, there's things—you can save money somewhere.

I like the suggestion—*[interjection]*—oh, she's gone, I think—I like the suggestion of taxing marijuana. Not that I ever use marijuana, but I—it's a revenue source. So it's a—these are things which people are looking for ways to raise money with taxes.

But there's also this suggestion, people say, well, you can cut here and cut there. But I really am very cautious about that because you sometimes see things being cut and then find out later that it was cutting something you didn't know was more important. I—and I—there are a few issues, and I don't know them all. I haven't been here throughout many years to know all of the ins and outs of the different things which are being cut.

* (23:10)

So I'm—I understand the dilemma of governments today because we are living in a global economy where we are being forced to go down to the standard, rather than up to a higher standard. I'm very concerned about that. I've—if I'm to compare to the African experience, is that there are African wages there, that there's no way that we could compete with them. People being paid about \$100 a month; there's no way that we're going to be able to compete in this global economy. And we've seen what's happened in the garment industry in Bangladesh with the conditions people work in, and so on.

So I'm very concerned with this, the pressure in the global economy for us to keep pushing things down. But those are my concerns. It's—I came because I heard a lot of opposition to an increase in taxes. I heard it on the—through the media. It's not something that I—like, I think is one. And other people said you don't like paying more taxes, but it's—I—

Mr. Chairperson: One minute, sir.

Mr. Harris: Part of me is trying to understand what my taxes do. And I do think that for those who are unhappy with the way the money is being spent, that's an important criticism and an important thing that we have to do in maintaining our governments at all levels accountable for the revenue which they gather.

So—and so, I just want to leave it at that. I'm sorry I've taken that much time; I thought I was going to take five minutes, but that's all I have to say right now.

Mr. Chairperson: Thank you, Mr. Harris.

The floor is now open for questions.

Mr. Struthers: Well, I'm glad you did come and take part in this today, Mr. Harris. I want to thank you for advice. We've been—we know that we're going to realize about \$277 million, once the 1 cent on the dollar annualizes over the whole year. We've indicated that through Bill 20, that that will be dedicated to infrastructure and schools and hospitals and roads, and such things.

What would be your advice on where we should spend that money?

Mr. Harris: I have to say that I'm—I would consider myself an amateur on this, so I don't want to go too

far. But one thing—particularly, since I spoke about poverty, many people have done studies on it and they've indicated that when you're dealing with poverty, housing first. And that's—maybe it's a bit of a mantra, maybe you can all pull out your—get your researchers looking into the impact of housing on poverty, you know, getting proper housing. That might be one area. But I want to say that I presented that as an amateur, so take it at that.

Mr. Gerrard: Thank you, and, you know, I appreciate what you are doing with—and supporting Make Poverty History, because I'm also a very strong supporter of the need to raise the shelter rate as part of a package that will help people who are less well off.

I'm also a strong supporter of housing-first approach, because it's now been demonstrated that it can make a big difference and, in fact, save money, right, for those who are—have serious mental illnesses. So—and I think that one of the things that we've got to do is to be very careful about how we spend the dollars that we have. And so I appreciate your contribution to the discussion, and thank you.

Mr. Graydon: I want to thank you for your presentation tonight, Mr. Harris, and for being as diligent as you have for sitting through a fairly long evening. It's probably less than comfortable.

And you touched on three things, two of them you made a point of, one of them you haven't made a point of. But you said you lived in Africa for many years, and I'm sure that living in Africa you have a great deal of respect for democracy. Democracy in this particular instance of the PST being raised has been trashed. There is a law that's being broken by this government, and it's very precious. Democracy's precious to all of us in all of the world. The accountability, we all agree there has to be accountability. We've asked for accountability and transparency for a long time. And you're right, that PST is going to hurt the poor.

But would you agree that democracy is one of the founding blocks of any country?

Mr. Harris: You've mentioned about sitting through this. It's—this heat is okay. This is fine. The weather is fine.

Democracy, that's, for me, a big challenge. Like, we're—we hold up our democracy, at times, here in Canada, as somehow having some superiority over elsewhere and I'll give you one example before I fully answer your question.

I lived in Zambia for quite a long time and saw the elections there. There were elections. There was a one-party system. Is—it was considered not to be a 'nocracy'—democratic. But I watched the elections and in each—in the constituency where I was working there were 11 candidates and all the 11 candidates got the same support to go and canvass. They were all together, basically; they canvassed together. You might consider that not democratic. The people there felt it was very democratic.

I'm—I have a bit of a concern. I shouldn't say maybe on a bit—I have a concern about when we endorse legislation that—I mentioned about the world's economic circumstances changing and we have legislation in place that puts a government in a box that they cannot act. They're not able to act because the—and I'm not a—I guess I've become a little bit more cynical about our democracy, too, because I don't—I remember just after the last election people were saying, well, in terms of popular votes, the government was not more than 50 per cent, you know, that's—which is true. Federally, we got the same situation. So we talk about it as being democratic. Some people say, well, maybe that's not so democratic.

So—but I, getting to the legislation, the legislation that prevents a government, any subsequent government from taking different steps because one of the things is that one of the previous speakers said he didn't like the taxes. But I would say that it's—to get a population in Manitoba as a whole to raise the taxes would not just take a referendum, it would take a huge education campaign. I mean a huge one, because the number of people who are aware of the realities—like, I'm—I confess, I don't know all the realities. To get me fully on side, to—like, the thing is, I believe like my father, that when you're—we're paying taxes, we're paying for a civilized society, and then I try to—I try my best to hold a government accountable. But to prevent a government from acting, I—any government, simply because it needs to go to a referendum, my guess would be that we'll never have a tax increase again, never, no matter how bad things get. Because there's too much education that would be required. It would cost a huge amount for the education.

* (23:20)

Mr. Chairperson: We're now over eight minutes for question-and-answer period, so time has expired in that regard.

I thank you very much, Mr. Harris, for your presentation—[*interjection*] Yes.

Call Shirley Lord, private citizen.

Ms. Lord, do you have any written materials for the committee, ma'am?

Ms. Shirley Lord (Private Citizen): I don't.

Mr. Chairperson: You may proceed.

Ms. Lord: Okay. Well, thanks. It is getting late, but I just really wanted to go on the record as saying I've always opposed the referenda legislation, and I think that we should just abolish it. I think that referenda are based on unrealistic assumptions that they are simple yes or no answers to complex questions, and taxation is a complex question. And that they do set up confrontations between their supporters and opponents, as we can see here.

The results also can be so skewed by those that have the resources to influence the outcome, that we end up with democracy of the dollar, not a democratic process.

I really believe that referenda is a mechanism for tyranny of the majority. We will never—we would never enjoy minority rights with—if we'd gone to referenda.

This legislation was designed to tie the hands of future governments. And a referendum, when it's held or it—and it fails or is not held on the issue of tax increases, results in governments having to make some drastic decisions. They either have to make drastic cuts in services or they have to sell the MTS to balance things, to make it look like things are in good financial shape. And that gives us a false impression of what's happening in the economy.

So I just really wanted to go on the record as saying I don't think you're going far enough on the referenda legislation. I'd like you to just get rid of it. As for the PST hike, I love the games with numbers. But I also see citizens advocating for new stadiums, new arenas, immediate compensation for flood damage, new roads, new bridges, new services, more drugs and testing for medical conditions, et cetera. There's always more and more demands on government. Personally, I've been a strong advocate for more social housing and for an increase in EIA rates.

On a personal level, I have a hard time figuring out when I might go to the new stadium. Sorry, but it's not my interest. I've been to the MTS Centre

once, and I might go once in the next 10 years. I have no serious health conditions so I'm not demanding all—some of these new programs that are necessary for many others. And I have an employer and a union that negotiated a decent pension for me, so I'm living fairly comfortably in retirement.

But I also believe that I have to make a contribution to society as a whole. And I've been advocating for tax increases, modest ones, over the last 10 years, so that we can do the things we need to do to address the issues of poverty and build a more civilized society in this province for those who have the least.

So this small PST hike is not going to have a huge impact on me or my family. We can well afford it. And I want to commend the government for having the courage to finally acknowledge they need to raise the revenues and that that's because they have a commitment to improving the lives of all. Thank you.

Mr. Chairperson: Thank you, Ms. Lord.

The floor is open for questions.

Mr. Struthers: I want to thank you, Shirley, for coming this evening and hanging in there right through to the end. Thank you for patience and your advice.

Ms. Lord: I've been pushing for a long time for this to happen, so I'm—I think it's important to get on the record that when I've been critical, I've been here. I want to be here to say it's important to do this.

Mr. Gerrard: Thank you for coming and presenting. One question for you—we have a referendum, not just on—legally required on the PST, at the moment it's still—but we also have a referendum required before Manitoba Hydro would be privatized. Would you get rid of the referendum for—before you privatized Manitoba Hydro, too?

Ms. Lord: I don't believe in government by referenda, and I can't pick and choose.

Mrs. Driedger: Ms. Lord, thank you for being here and for sitting here the whole evening, waiting to do your presentation, and I appreciate your comments, that you felt it was important to have a voice, you know, at various times in your life, and that you felt you needed to stay here and stick it out through the evening in order to make a presentation before the committee. So I just want to thank you for your presence.

Mr. Chairperson: Ms. Lord. Okay, well, seeing no further questions, I thank you for your presentation.

That gets us to the bottom of the list. So now we will do a second call for people who are dropped to the bottom of this evening's list. Begin with Mr. James Aisaican-Chase. Mr. Aisaican-Chase's name will be dropped to the bottom of the global list.

Mr. Jack Keeper. Mr. Keeper's name will be dropped to the bottom of the global list.

Mr. Nicholas Vey. Mr. Vey's name will be dropped to the bottom of the global list.

Mr. Leo Grouette. Mr. Grouette's name will be dropped to the bottom of the global list.

That concludes our list of presenters for tonight.

The hour being 11:28 p.m., what is the will of the committee?

Some Honourable Members: Committee rise.

Mr. Chairperson: Before we rise, it would be appreciated if members would leave behind the copies of the bill so they can be collected and reused at the next meeting.

On that note, committee rise.

COMMITTEE ROSE AT: 11:28 p.m.

WRITTEN SUBMISSIONS

Re: Bill 20

Honourable Committee Members and NDP Committee Members,

My name is Jay Myshkowsky, husband, and father of two boys, Winnipeg resident.

Until July 2012 my family lived in the Greater Vancouver area and I had a front row seat of that Provincial leadership introduce an HST that was in short order shot down in a referendum. This was after they too promised no new tax increases. The HST in BC coming days after they won a provincial election was arrogance at its highest...that is, until earlier this year when the Manitoba Provincial NDP Party announced an increase to the PST when its own leadership, Greg Selinger, promised no increase to the PST in the last election.

What sets Manitoba apart from BC, and why it is such an arrogant move is that the BC government actually worked within the letter of the law. This tax hike is illegal, bottom line. No spin changes that fact.

You need to set a better example for the citizens of this province; you have let us down ethically and morally. Shame upon you Manitoba NDP. I cannot commit a crime and say it is ok because it will be legal in the near future. We are held to the letter of the law, what sets you above the law?

I can only liken your actions to an Autocracy - ...An autocracy is a system of government in which a supreme power is concentrated in the hands of one person, whose decisions are subject to neither external legal restraints nor regularized mechanisms of popular control (except perhaps for the implicit threat of coup d'état or mass insurrection). ...encyclopedic definition of from Wikipedia

It seems Mr. Selinger and Mr. Struthers are above the law. Referendum be damned, we can circumvent or outright ignor legal statute. Sounds like an autocracy to me.

This province lured my family from BC not because of your political and economic policies; it was for the lifestyle, and amenities that the business community has initiated. Winnipeg and Manitoba is succeeding in spite of you, not because of you. The power of rule has gone to your heads; you have lost your way. You believe you are immune from laws and the rule of it. The right thing to do, what you would do if you were a stable parent, would be to admit your mistake, and retract the PST increase. Be humble and not defiant. Reign in your bloated bureaucracy, stick to a budget, then put the onus on the taxpayer if those measures don't work. No more spend first, think later, policies.

PS I loved how you went immediately in to distraction mode by announcing new infrastructure projects i.e. the new Sage Creek School. This and other projects have been earmarked for years.

Your spin doctoring won't work. I do believe the mayor Winnipeg called you out on this yesterday. You are announcing infrastructure projects that have already been announced. Kudos to Mayor Katz. Manitoba NDP, do you think we are fools, idiots? You are not making the hard decisions for our benefit; you are making the lazy decisions for yours.

What do you get when you combine lazy with autocratic tendencies? ...The Manitoba NDP Party.

Thank you.

Re: Bill 20

Opposed to PST Hike

I would like to thank the members of the Legislature for allowing me the opportunity to email my response to Bill 20. I was unable to attend last night and I apologize for that. With that I would like to say shame on you Premier Greg Selinger, shame on you for not giving the people you actually work for an opportunity to vote on this bill.

It blows my mind how some politicians think that they are above the law, and when you find out your not you change to law to make it fit your needs and not the needs of the public. I really don't believe that this is a way to win friends and influence people. This tax hike maybe peanuts to you, but to a lot of people in Manitoba it's huge. People with low income are sure going to take this hard. For myself personally I think enough is enough.

I work every day and when I get my paycheck I am lucky if I can buy twenty dollars worth of food

for two weeks, and you want to take more! Are you kidding me? Rent prices are insanely high, the cost of food is outrageous.

Everything seems to be going up except for wages and full time work. I'm sorry but to me this PST hike seems to be robbery. The Premier promised not to raise taxes, yet this will be the second time correct? The first time was when he broadened the scope of the PST. Hair cuts, house insurance, pet insurance none of which you can claim on your taxes. Nothing this Government does makes any sense to me.

I just think it is ironic that Bill 20 and Bill 18 are going to the table at the same time. Bill 18 is the Bulling Bill, and Bill 20 the PST 1% increase, that is being forced on us by the Premier. Isn't that bulling? No one likes a bully. So I vote NO to the tax hike, as well as I would like to vote out Premier Greg Selinger.

Thank you

Claire Cooper

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