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FROM THE PRESIDENT

The carbon tax is dead, long live the carbon tax

Scott Hennig
shennig@taxpayer.com

The Canadian Taxpayer Federation is a federally incorporated not-for-profit and non-partisan organization dedicated to lower taxes, less waste and accountable government. Founded in 1990, the Federation is independent of all partisan or institutional affiliations and is entirely funded by free-will, non-tax receiptable contributions.

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Le Roi est mort, Vive Le Roi! (The King is dead, long live the King!) was first declared in 1422 when King Charles VI died and his son King Charles VII ascended to the French throne. The phrase announced the death of one monarch and signaled continuity of the monarchy with the new king.

It looks like the federal carbon tax is dead or on its death bed. But those of us who hate carbon taxes can't let up, because, I promise you, proponents of the carbon tax are already working on reviving it.

It's hard not to be giddy when looking at the polls. A Leger poll conducted for the Canadian Taxpayers Federation found 69% of Canadians are opposed to the Trudeau government hiking the carbon tax. Another recent poll by Angus Reid found 40% of Canadians want the carbon tax scrapped, 11% want it lowered, 22% want it frozen.

The Conservative Party of Canada is heavily campaigning on scrapping the carbon tax and the party is way, way up in the polls because of it.

Eight-of-10 provincial premiers begged the prime minister to cancel the April 1 carbon tax hike. This included the only remaining Liberal premier, Andrew Furey of Newfoundland and Labrador, and Manitoba New Democratic Premier Wab Kinew.

Given all this momentum, it's tempting to dance on the carbon tax grave.

However, anything could happen in the eternity before the election in October 2025. The Trudeau government could slash the carbon tax or dramatically increase rebates. Both moves could impact the drive to scrap the carbon tax.

Even if the carbon tax is finally killed in 2025, carbon tax proponents won't just give up and die.

After former Liberal leader Stéphane Dion's crushing defeat at the polls in 2009, his green shift carbon tax looked dead. But it wasn't. It was hibernating.

Already carbon tax fans are circling the wagons.

The Ecofiscal Commission launched an open letter signed by economists begging the government to keep the carbon tax. Left-wing pundits are calling for Trudeau to kill the carbon tax now, so the 2025 election isn't fought and lost on a carbon tax, thereby poisoning the well for the future. Undoubtedly, in the bowels of the David Suzuki Foundation, someone is working on re-naming, re-framing and re-working a carbon tax into an "industrial price on pollution" or a complicated cap-and-trade system, so the policy of making heating your home and driving your car more expensive can live on.

A tax on the very basic necessities of life, like heating your home and driving your vehicle, is immoral. And we can never forget this point. Maybe they wouldn't be such a necessity if we didn't live in one of the coldest, largest countries in the world. But we do.

Electric vehicles and solar panels might be a nice addition for some folks, but they're out of grasp for most Canadians. Punishing Canadians and making them poorer because they already can't afford to buy a Tesla is cruel and wrong.

No matter what happens between now and 2025, stay vigilant. The carbon tax is bad policy, no matter the size of the rebates or the level of the tax.

the taxpayer

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ADVOCACY & OPINION

THE PROVINCES

LETTERS TO THE EDITOR

Federal workforce growth justified

A good article (Unofficial Opposition in Ottawa – lead editorial, The Taxpayer Winter/Spring 2023) was diminished by referring to a day off for a cat's birthday and staying awake at work. Although an obvious exaggeration, it's not endearing to the writer.

We know statistics can be manipulated to support almost anything, but Canada's population has increased since 2015 by 12%. The workforce increase may be excessive, but reflects the need for the federal workforce to keep up to the increased demand for services.

David Kolbuc
Whitecourt, Alta.

CBC programming is not reporting, it's brainwashing

I really appreciated your article ("Do We Really Need a State Broadcaster?" The Taxpayer Winter/Spring 2023). You suggested CBC CEO Catherine Tait's claim that the CBC is "one of Canadians' most-trusted sources of news and information" was "questionable." It is much worse than that – it is delusional.

Beyond the dismal viewership statistics you presented, that prove the irrelevance of the CBC and the completely unwarranted government funding it receives, is the fact Tait is paid $436,000 per year, plus expenses and bonuses. The CBC has 143 executive directors, including eight directors of finance, nine directors of legal services and 26 directors of "technology and infrastructure."

The biggest criticism of the CBC is that it has become the mouthpiece for Prime Minister Justin Trudeau's government. Veteran political commentator Paul Wells says the CBC is "the government's most spectacular public relations asset."

In February 2022, the CBC reported that Russia was behind the Freedom Convoy truckers' protest in front of Parliament Hill. According to *Blacklock's Reporter,* the CBC said, "There is concern that Russian actors could be continuing to fuel things as this protest grows, or perhaps even instigating it." The CBC had to retract this fake story. It had to clarify that assertion was not factual, but it was five days after the broadcast aired.

Attorney-General David Lametti confirmed the government relied on false CBC reports when freezing the bank accounts of Canadians who supported the protest.

The CBC is failing for many reasons, but the top reason given by many ex-viewers is it no longer tries to honestly hold the government accountable to the people, but now holds the people accountable to a dishonest government.

Jim Pigott
Burnaby, B.C.

Need for a strong Governor-General

I am surprised at how trivial you seem to see the governor-general position ("Do we really need a full-time governor-general? The Taxpayer Winter/Spring 2023). I think it is critical that it be restored to a position of authority.

The pattern for stable democracies is two independent levels of governance – a government, led by a prime minister on one side, and a governor, president or king on the other. Each has enough authority to hold the other to account. Failed countries such as Argentina, Chile and Venezuela do not have a strong division of powers.

Canada was strong when we had a strong constitution enforced by a governor-general appointed by the monarchy. Sadly, in recent decades, our constitution has grown weaker, but the big change was the governor-general being appointed by the prime minister and not the monarchy. It's sort of like the prisoners getting to appoint their prison warden. The position has lost all power to enforce the constitution. Now we are just like Venezuela.

I believe we need a governor-general with the authority to stop the government from violating the constitution – for example, by dissolving Parliament, if need be. The current situation is a formula for slipping into a dictatorship, and it might be coming soon.

Mel Fisher
Dryden, Ont.

Everyone is concerned their after-tax dollars don't stretch far enough today – and they don't, but those dollars would stretch further if there were more of them left after taxes are paid. Too many Canadians have come to accept government spending can't be reduced and, instead, seek to get a cut of the expenditures. There is plenty of room for government spending to fall, without affecting transfers to low-income individuals (e.g., privatize CBC), and to use those savings for deficit reduction or tax cuts. But this gets little attention other than from the Canadian Taxpayers Federation.

We need to find a way to get Canada's attention and I can't think of a better way to do so than turning off the tax tap by encouraging those who pay the most income tax to go on a taxpayer strike. That's what I'm trying to do on DefundGovt.ca – get the government's attention by withdrawing funding until smaller, more efficient government is implemented. Otherwise, institutional inertia will keep government growing until it runs out of other people's money and, potentially, uses more drastic means to stay in power. Hopefully taxpayers will join this campaign.

Warren Klassen
Calgary

I appreciate the hard work the Canadian Taxpayers Federation is doing. Being a donor makes me feel like I'm doing something to make life better for my grandchildren in the future. Being from Western Canada, I feel hopeless in the fight against the federal government.

I do try to email politicians and let my opinion be known. I'm even more likely to sign the petitions the CTF sponsors. It's fast and easy. Additionally, it shows I'm in favor of the CTF's position, even if I'm not necessarily up to speed on the details and long-term effects of bad government policy. Keep up the great work.

John Hardes
Paradise Hill, Sask.

Civilization is a self-correcting system and the proof of that is it continues to exist, despite our best efforts. This fortunate truth provides politicians with their most effective problem-solving tool. Whenever difficulties arise, they can simply raise taxes and spend the money on themselves, secure in the knowledge the muddle will eventually work itself out. They can then step in and accept the accolades for the solution to a problem they often created and someone else resolved.

Given that, is anyone surprised the government's response to climate change was to tax carbon?

Harry Lauder
Windsor, Ont.

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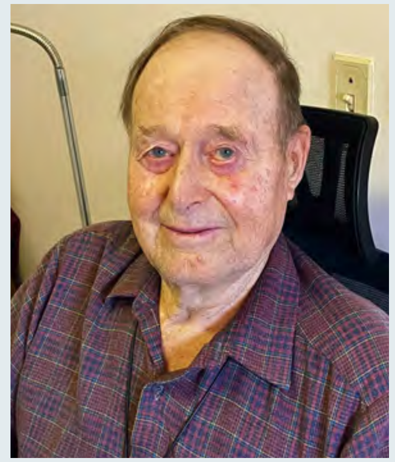
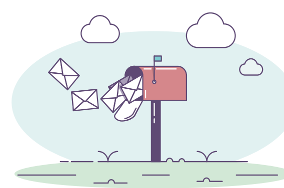


REED FRANCIS

Reed Francis started farming around Tofield, Alta., (located 70 km. east of Edmonton) in 1954 and moved north to a farm near Ardrossan, Alta., in 1956, where he still resides. Reed and his wife, Evelyn, (née Attewell) were married for more than six decades. Just a few days short of their 65th wedding anniversary, Evelyn sadly passed away after a short illness. Reed turned 91 this past September.

He has faithfully supported the Canadian Taxpayers Federation for more than 32 years.

LETTERS TO THE EDITOR



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Written and compiled by **Ryan Thorpe**, *Investigative Journalist*

CTF EXCLUSIVE

Governor-General bills taxpayers for $71K "Icelimo"

Taxpayers were forced to pick up the tab for a $71,000 bill from "Icelimo Luxury Travel" during Governor-General Mary Simon's four-day visit to Iceland last fall.

The cost to taxpayers was more than $1,000 per hour during the 69.5 hours Simon and her entourage spent in the country, according to a CTF review of her official itinerary.

Icelimo specializes in "genuine luxury travel life experiences… crafted with flair and finesse entirely around your dreams," according to the company's website.

Simon spent Oct. 12-15, 2022, in Iceland to attend the Arctic Circle Assembly, where she gave a 15-minute keynote address, followed by a 10-minute question-and-answer session.

All told, the trip cost Canadian taxpayers at least $298,000. Included in those costs was the $71,000 spent at Icelimo Luxury Travel.

The main conference hall was located about 700 metres, or less than a 10-minute walk, from the Hotel Borg, where Simon and 15 others stayed during the trip.

Simon brought along her husband, her secretary, her director of communications, her manager of strategic communications, two "aides-de-camp" and her official photographer.

To put things in perspective: the bill from Icelimo would have covered the cost to purchase – outright – an eight-seat, 2022 Chevrolet Suburban Premier SUV.

SOURCE: SGT MATHIEU ST-AMOUR, RIDEAU HALL

Governor-General Mary Simon on a plenary panel discussion on Gender Equality and Diversity in Arctic Leadership in Iceland on Oct. 14, 2022.

CTF EXCLUSIVE: Feds make it rain: bonuses, pay raises, sunshine list spike under Trudeau

The policies of Prime Minister Justin Trudeau have been a boon to the bank accounts of federal employees.

In 2022 alone, the Trudeau government dished out at least $198 million in bonuses, according to records obtained by the Canadian Taxpayers Federation through access-to-information requests. That comes on top of $171 million in bonuses in 2020 and $190 million in bonuses in 2021.

The feds also rubber-stamped 802,043 pay raises since 2020, with roughly 90% of government employees receiving at least one. As a result, more than 100,000 staff took home more than $100,000 in salary in 2022.

All told, 102,761 government employees received a six-figure salary last year, costing taxpayers $13.4 billion. Since Trudeau was first elected in 2015, the number of federal workers making more than $100,000 annually has increased by 136%.

The average compensation for each full-time federal employee is $125,300 when pay, pension, benefits, shift premiums and other perks are considered, according to a report from the Parliamentary Budget Officer (PBO).

For context, the average annual salary among all Canadian full-time workers was about $64,000 in 2022, according to Statistics Canada data.

A March 2023 report from the PBO found less than 50% of federal government performance targets are consistently met each year.

CTF EXCLUSIVE: Inside the feds' branded merch shopping spree

Pizza cutters and webcam covers. Credit card sleeves and survival knives. Bookmarks and ballpoint pens. Toiletry bags and licence plate frames. Polo shirts and unisex quilted vests.

It appears there is no product the federal government won't brand with the logo of a department or Crown corporation, and no price too high to pay for the privilege.

The CTF obtained a 445-page document detailing all branded, promotional products purchased by federal departments and Crown corporations from Jan. 1, 2021, to May 2, 2023.

The document was created in response to a parliamentary order paper question submitted by John Brassard, Conservative MP for the Ontario riding of Barrie-Innisfil.

The Business Development Bank of Canada spent $17,600 on golf balls with their logos on them. Invest in Canada shelled out $12,500 for custom-made candles. Farm Credit Canada dropped $10,600 on branded air fresheners.

The Canada Development Investment Corporation spent $18,000 on knitted wool socks, while BDC spent $3,700 on branded mints.

One department spent $9,000 on charcuterie boards, while another spent $1,400 on Rubik's Cubes and yet another spent $800 on pizza cutters.

Justice Canada spent $3,300 on stress balls, while Export Development Canada ordered a $4,100 climate change trivia card game.

Want to know exactly how much money the feds spent on branded items? Too bad, Canadian taxpayer. The government can't say, as numerous departments and Crown corporations confirmed they purchased promotional products but didn't track the costs.

CTF EXCLUSIVE: Turn off the hiring machine: Liberals balloon bureaucracy

The federal government added more than 98,000 employees to its taxpayer-funded payroll since Prime Minister Justin Trudeau came to power in October 2015.

In March 2015, during the final year of former Prime Minister Stephen Harper's time in office, the federal government had 257,034 individuals on staff. Since then, the number has risen every single year, and it shows no signs of slowing down anytime soon.

The feds now employ 357,247 workers, meaning the size of the bureaucracy has spiked by 38% since Harper left office.

In 2022 alone, the federal government hired 21,290 new employees, according to the latest data from the Treasury Board of Canada Secretariat (TBS).

There are now so many people employed by the federal government that no one can keep track of where they're "working" from. In May 2023, the TBS confirmed, "it is not possible to determine the number of [employees] working from home versus those working in the office."

Trudeau racks up $61,000 hotel bill during New York anti-poverty summit

Prime Minister Justin Trudeau and his entourage racked up a $61,000 hotel bill during a two-day, anti-poverty summit in April, according to a report from the *National Post*.

The Global Citizen Now summit was held on April 27-28, 2023 in New York City. It was pitched as an opportunity for celebrities, activists, politicians and business leaders to unite and take "urgent action" to end extreme poverty.

During the New York getaway, Trudeau was spotted hobnobbing with celebrities, including actor Hugh Jackman and singers Billie Eilish and John Legend. The prime minister's entourage included his official photographer and videographer.

Fourteen rooms were booked at the Intercontinental New York Barclay Hotel in Manhattan during the trip, costing taxpayers $61,000. No word yet on how many people were lifted out of poverty due to Trudeau's attendance.

SOURCE: HUGH JACKMAN'S TWITTER ACCOUNT

Prime Minister Justin Trudeau with actor Hugh Jackman at an anti-poverty summit in New York

Written and compiled by **Ryan Thorpe**, *Investigative Journalist*

CTF EXCLUSIVE: Ex-MPs bill taxpayers for ivy league educations

SOURCE: THE CANADIAN PRESS/JUSTIN TANG

Will Amos, a former Liberal MP who is perhaps best known for twice exposing himself on-camera during Parliamentary sessions, was among those tapping into the transition support slush fund for professional development.

Welcome to Canada, where losing re-election is like winning a prestigious scholarship.

MPs who lose or do not seek re-election are eligible to expense taxpayers for up to $15,000 for post-secondary education or professional development.

That's due to a little-known federal slush fund, officially called "transition support."

Since 2019, at least 12 ex-MPs tapped into the fund for education or professional development, expensing $90,303 to taxpayers.

Brad Trost, a former Conservative MP who represented the Saskatchewan ridings of Saskatoon-Humboldt and Saskatoon-University from 2004 to 2019, expensed the full $15,000 to attend Harvard University.

Murray Rankin, a former NDP MP who represented the British Columbia riding of Victoria from 2012 to 2019, expensed the full $15,000 to attend the University of Toronto's Rotman School of Management.

Will Amos, a former Liberal MP who represented the Quebec riding of Pontiac from 2015 to 2021 (but is perhaps best known for twice exposing himself on-camera during Parliamentary sessions), expensed $11,500 to attend the Institute for Corporate Directors.

On top of the $15,000 in "transition support," MPs also receive generous severance packages (half of their annual salary) and pensions (if they have served a minimum of six years), alongside a slew of other benefits and perks.

Governor-General bills taxpayers for clothes

Canada's last two Governors-General expensed more than $88,000 in clothing purchases to taxpayers since 2017, according to a report from the *National Post*.

Governor-General Mary Simon and her predecessor, Julie Payette, combined for nearly 200 items of clothing on their taxpayer-funded expense accounts. The purchases ranged from a $3,000 "black velvet dress with silk lining" to custom-made suits to shoes.

SOURCE: FLICKR/MICHAEL SWAN

Governor-General Mary Simon meeting with Pope Francis on July 27, 2022 in Québec City

The existence of the governor-general's clothing expense account was made public following an official request for information by Kelly McCauley, Conservative MP for the Alberta riding of Edmonton West. Following the release of the records, McCauley characterized some of the purchases as "obscene."

Governors-general are allowed to expense up to $130,000 in clothing purchases during their five-year mandate. That's down from the $200,000 expense limit in place prior to 2021.

The governor-general's current annual salary is $351,600. In 2021-22, taxpayers contributed nearly $34 million to fund the operations of the Office of the Governor-General.

CTF EXCLUSIVE: MPs ignore will of Canadians, accept pay raise

Anyone who complains Canadian politics is too divisive should take note of the sudden unity that occurs in the House of Commons whenever the question of MP pay is voted on.

On April 1, 2024, Canadian MPs rubber-stamped their fifth pay raise since the beginning of the COVID-19 pandemic.

The base salary for a backbench MP is now $203,000, while Prime Minister Justin Trudeau's annual paycheque rings in at $406,000.

Meanwhile, data from Statistics Canada suggests the average annual salary among all full-time workers in this country is less than $70,000.

Polling commissioned by the CTF, which was released publicly before MPs voted on their latest pay raise, indicated 80% of Canadians opposed the MP pay hike.

On April 1, the same day MPs gave themselves a raise, they also picked more money from the pockets of their constituents by raising carbon and alcohol taxes.

CTF EXCLUSIVE: Bank of Canada rubber-stamps $20 million in bonuses

Bank of Canada (BOC) employees received $20 million in bonuses in 2022, while taxpayers got seven interest rate hikes and 40-year high inflation.

The average bonus among staff was $11,200, with 80% of the workforce receiving one, according to records obtained by the CTF through an access-to-information request. The Crown corporation also paid out $6.5 million in raises in 2022.

All told, the BOC rubber-stamped nearly $72 million in bonuses and raises for staff since the beginning of 2020, while not a single employee had their pay cut.

The BOC's mandate is to keep "an inflation target of 2% inside a control range of 1% to 3%." In November 2020, BOC Governor Tiff Macklem told the federal finance committee "inflation is projected to remain less than 2% into 2023."

But inflation was 6.8% in 2022, representing a "40-year high, the largest increase since 1982," according to Statistics Canada. Despite failing to meet its mandate, the BOC still handed out $26.7 million in bonuses.

CTF EXCLUSIVE: Grits and Tories mislead public: MPs bill taxpayers for home internet

Dozens of Canadian MPs were caught expensing taxpayers for their personal home internet bills after the Conservative and Liberal parties publicly promised the practice would end.

In late-January 2023, the *National Post* reported 57 MPs were claiming home internet expenses through their office budgets – 28 Conservatives, 20 Liberals, eight members of the Bloc Quebecois and one independent.

After the story broke, the Conservative Party was quick to say its MPs would no longer bill taxpayers for their home internet, with the Liberals soon following suit. By Jan. 26, 2023, both parties were on the record stating their MPs would end the practice.

But when the CTF reviewed the most recent batch of Parliamentary expense reports, it discovered a few MPs failed to get the message from their party leaders. One Conservative MP and two Liberal MPs continued expensing home internet bills to taxpayers from Jan. 31 to March 11, 2023.

The guilty parties were Gerald Soroka, a Conservative MP representing the Alberta riding of Yellowhead, John McKay, a Liberal MP representing the Ontario riding of Scarborough-Guildwood, and Hedy Fry, a Liberal MP representing the BC riding of Vancouver Centre.

Soroka charged taxpayers $160, while McKay and Fry combined for $613.

As of March 31, 2023, the Board of Internal Economy, the body responsible for overseeing MP expenses, officially outlawed the practice of charging taxpayers for home internet.

CTF EXCLUSIVE: CMHC staff rake in bonuses and raises as housing crisis deepens

Federal director Franco Terrazzano posing with a novelty cheque representing the bonuses paid to CMHC employees.

The Canada Mortgage and Housing Corporation (CMHC) paid out six-figure salaries to 931 staffers in 2022, as the country battled a housing affordability crisis.

All told, 42% of CMHC staff took home more than $100,000.

The CMHC is a federal Crown corporation that "exists for a single reason: to make housing affordable for everyone in Canada," according to its website.

Recent polling shows nearly 70% of Canadians feel the CMHC is failing to fulfil its one and only mandate, stating home ownership in this country is "only for the rich."

The Crown corporation also dished out nearly $34 million in bonuses and pay raises in 2022, with 2,292 staffers receiving a bonus and another 1,895 getting a raise. The average annual bonus was $11,722.

That brings the total amount of money CMHC handed out in bonuses and raises since the beginning of the COVID-19 pandemic to $93 million.

Meanwhile, internal CMHC records, obtained by the CTF through an access-to-information request, reveal no employees received a pay cut during that period.

MASSIVE COURT WIN for taxpayers in Manitoba

by Ryan Thorpe, CTF
Investigative Journalist

Taxpayers will soon recover tens of millions of dollars in connection with the controversial construction of Winnipeg's police headquarters in the city's downtown core.

In 2020, the City launched a civil lawsuit against a slew of defendants connected to the infamous municipal capital project, which came in more than $70 million over budget and sparked a multi-year fraud investigation by the RCMP.

In March, Caspian Construction, the main contractor on the project, alongside numerous other defendants tagged in the lawsuit, reached an out-of-court settlement with the City, requiring them to pay back more than $20 million.

Depending on the length of time it takes the defendants to return the money, they will be required to pay anywhere from $21.5 million to $28 million to taxpayers.

The construction of the police headquarters was the biggest scandal during the reign of former Winnipeg mayor Sam Katz (2004-2011), whose tenure at city hall resulted in a rash of controversies, over budget and delayed capital projects and questionable real estate deals.

One of the key players in the police headquarters project was Phil Sheegl, Katz' close personal friend and handpicked chief administrative officer.

In March 2022, Manitoba Court of King's Bench Chief Justice Glenn Joyal ruled that Sheegl accepted a $327,000 bribe, which he split with Katz, during the contracting phase of the project. Sheegl appealed the ruling soon after.

In July 2023, Sheegl lost his appeal, meaning he now must pay back the City $1.1 million, which includes the price of the bribe, his severance package and hundreds of thousands of dollars in court costs, damages and interest.

"The conduct of Sheegl was so serious and so reprehensible that the bounds of rationality could have justified a much higher award of punitive damages," Appeal Court Justice Christopher Mainella wrote in his 40-page decision.

"The evidence of Sheegl's dereliction of duty is nothing short of staggering... The bribery scheme here impacts not just one or even many victims, but public confidence in municipal government generally."

The police headquarters construction project was initially approved by Winnipeg city council in 2009 at a price tag of $135 million. By the time the building opened in 2016, years behind schedule and with numerous structural deficiencies, the cost had ballooned to $214 million.

The RCMP's five-year, multi-million dollar fraud investigation into the project closed without criminal charges in 2019.

The Mounties also launched a separate criminal probe into municipal real estate transactions during the Katz era, which also closed without criminal charges.

Winnipeg Mayor Scott Gillingham declared the court decisions "a victory for the people of Winnipeg."

United Conservative Party stiffens taxpayer protections in Alberta

A major election promise from the United Conservative Party (UCP) has increased protection for Alberta taxpayers and enshrined it into law.

The Alberta Taxpayer Protection Act (TPA) has been in effect since 1995, mandating a referendum be held before a provincial sales tax (PST) can be imposed.

The TPA is a key reason why Alberta is the only province in Canada without a PST, which saves taxpayers thousands of dollars every year.

During the run-up to the 2023 general election, Premier Danielle Smith vowed that, if re-elected, the UCP would make an expansion of the TPA the new government's first piece of legislation.

On May 29, Albertans took to the polls, with Smith returning as premier and the UCP securing a reduced, 49-seat majority government.

Smith made good on her promise, expanding the TPA with Bill 1. As of Dec. 7, 2023, a referendum will also have to be held before any future government can raise personal or business taxes. Importantly, the Smith government didn't just require a referendum before rates could be changed, but even requiring it if personal income tax thresholds were reduced or basic and spousal tax credit amounts were lowered.

An expanded TPA has strengthened Alberta's fiscal firewall, deepening protection for taxpayers under future governments with less prudent fingers on the provincial purse strings.

King government puts the breaks on bracket creep in Prince Edward Island

Prince Edward Island (PEI) Premier Dennis King announced plans in May 2023 to index the province's tax brackets next year and review them every year after.

The reform is aimed at fighting against "bracket creep" and should save taxpayers up to $263.

Bracket creep happens when governments fail to index income tax brackets to the rate of inflation. This results in taxes effectively being raised as people are pushed into higher brackets.

The King government also raised the basic personal exemption from $12,000 last year to $12,750 this year, with plans to bump it up to $13,000 in 2024.

Income tax rates have also been reduced in PEI for all money earned at or below $140,000, while a new, fifth bracket has been introduced for anything earned above that threshold.

All tax brackets were also given a one-time threshold increase to offset the impact of inflation.

Progressive Conservatives deliver tax relief in Manitoba

There was some good news for taxpayers in Manitoba's 2023 Budget.

Former Premier Heather Stefanson of the then-ruling Progressive Conservatives increased the tax-free portion of income Manitobans are entitled to from $10,145 up to $15,000.

The move will save taxpayers up to $524 this year.

In 2024, the lowest tax rate will apply to the first $47,000 of income, while the second, higher rate will apply to earned income between $47,000 and $100,000.

The two reforms will save individual taxpayers up to $1,399 in 2024.

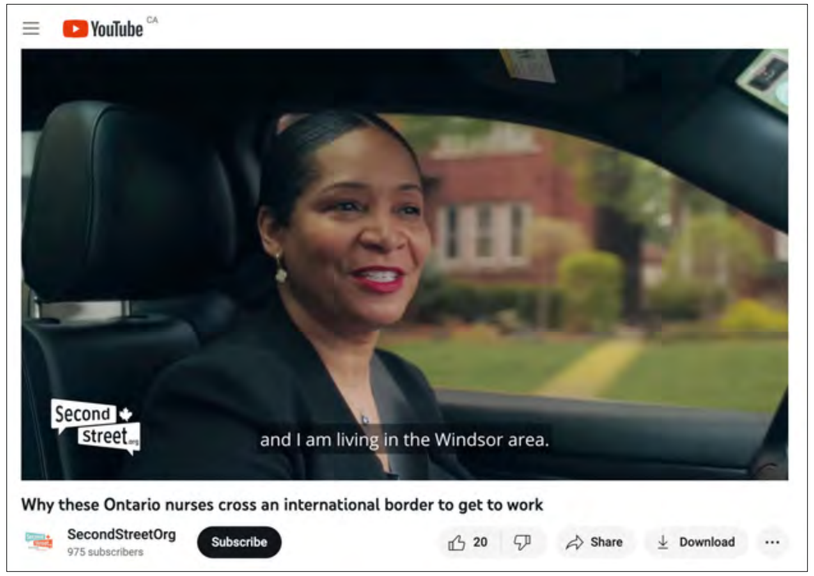
CANADA CAN FIND MORE HEALTH CARE STAFF IN… CANADA

by Colin Craig
President,
SecondStreet.org

Imagine you were hit by a car and rushed to the emergency room. You fade in and out of consciousness, finally awakening to find the hospital's janitor helping with your operation. While you lay there confused, he winks, smiles and says two words: doctor shortage.

Canada's health care system isn't quite at this stage, but we routinely hear about staff shortages. Nationwide, six million Canadians don't have a family doctor. Provincial governments routinely report on nurse shortages. The situation is severe and shortages harm patients.

Governments talk about solving this problem by training more doctors and nurses, and recruiting more staff from abroad. But there's another solution to consider: hiring Canadian health care workers who commute to the United States, and retaining those thinking of leaving to live and work south of the border.



SecondStreet.org interviewed Windsor, Ontario nurse Angela Henry about why she chose to work in Detroit. (Visit YouTube.com/secondstreetorg to watch this clip)

Recently, SecondStreet.org contacted states along the Canada- U.S. border to find out how many licenses they've issued to nurses and doctors with Canadian mailing addresses. It turns out the answer is about 10,000. For perspective, that's more than half the number of people you could fit into a typical NHL arena.

In Ontario, 6,655 nurses and doctors have licenses in border states, mostly in Michigan and New York. This is not surprising as Canada's largest province has multiple cities near the U.S. border, including Windsor, Niagara Falls and St. Catharines, to name a few.

Data from Michigan's state licensing board made it easy to survey nurses in Ontario who have licenses in the nearby state. It turns out 63% live in Ontario and commute to Michigan. Another 8% said they hope to work in Michigan in the future. (Others had retired, moved to Michigan or no longer work there).

One interesting aspect of the data from New York state was they issued nursing licenses to workers with mailing addresses in every Canadian province and territory – reinforcing the point that Canadian health care staff have skills in high demand.

It was also interesting to see survey responses when SecondStreet.org asked Ontario nurses why they decided to work in Michigan. One might assume higher pay, but the top response was "availability of work." Many indicated they wanted full-time jobs, instead of part-time roles in Ontario where they must accept extra shifts to reach the equivalent of a full-time wage. Compensation was the second-most common response, with "working conditions" a close third.

There are two important conclusions to draw from this research:

First, governments could recruit some of these commuting workers and convince thousands of others to stay in Canada, instead of leaving. Doing so would require listening to the concerns of health care workers and modifying job offers, in terms of hours, compensation and other factors.

Second, more and more provinces are hiring private clinics to provide surgeries to patients waiting in the public system. These clinics could also recruit the health care workers commuting to the U.S., or who are thinking of leaving Canada. After all, private clinics have less bureaucracy, aren't typically unionized and are more receptive to the needs of workers. For workers, that means more choice in terms of where to work.

CHARTER SCHOOLS AN OPTION FOR CONCERNED PARENTS

"Controversial" is a good word to describe Canada's K-12 public education system of late.

Across the country, media have reported on parents upset at what schools are teaching, how the curriculum is taught and other aspects of school life. Fortunately for taxpayers, Alberta's charter school model offers a proven solution that could give parents more choice when it comes to children's education.

Stem Innovation Academy is a charter school in Calgary that focuses on science, technology, engineering and math. Visit YouTube.com/secondstreetorg to watch this clip on K-12 issues in Canada.

A bit of background: polling procured by SecondStreet.org in October 2020 found 32% of Canadians felt the public school system had gone in the wrong direction over the last 20 years. While this figure is concerning, more recent SecondStreet.org polling from May 2023 found 51% of Canadians now feel the system has gone in the wrong direction.

It's not clear what's driving the growing dissatisfaction, but if you spend a few minutes on Google, you'll find news stories about public schools embroiled in controversy.

In Calgary and Ottawa, parents protested gender and sexuality-related content being taught in schools. In Toronto and Waterloo, parents and activists raised concerns about race-related content in schools. How schools teach mathematics has even come under scrutiny.

To be sure, some parents side with the school boards in these controversies. Like anything, you'll find people lining up on both sides of the issue. Governments should, however, aim to improve parental satisfaction when it comes to K-12 education offerings, and one way to do that is by giving parents more choice.

Alberta's charter school model does just that.

Like other provinces, parents in Alberta can send their children to public or private schools. But unlike other provinces, they can also send their children to charter schools. These are non-profit schools teaching the Alberta curriculum, but they tend to specialize in what they teach or how they teach it. For example, one school might spend less time on gender studies and more time on science and math. Another school might focus on teaching different trades to students, English as a second language (ESL), or focus on classics.

Best of all, parents don't have to pay tuition to send their children to charter schools, as they are funded by the government (with tax dollars, of course).

According to the think tank Cardus: "In the 2021-22 school year, there were more than 10,500 children enrolled in charter schools, yet there are approximately 20,000 children waiting for a spot in one of Alberta's 17 charter schools."

Charter schools provide parents with more choice in their children's education. The long wait lists suggest parents like what they see. For policymakers wondering how they can navigate growing concerns with the public school system, charter schools are a solution that can increase parental satisfaction without increasing costs.

Colin Craig is the President of SecondStreet.org. If you have an interesting story to share or thoughts on these columns, send an email to colin@secondstreet.org

BROWN ENVELOPES

Mission Cultural Fund no more: **FEDS AXE WEIRD, WASTEFUL SLUSH FUND**

by Ryan Thorpe, CTF
Investigative Journalist

This is the story of the rise – and demise – of a little-known federal slush fund and the fed-up taxpayers who killed it.

In the months following Prime Minister Justin Trudeau's election in the fall of 2015, federal bureaucrats at Global Affairs Canada put their heads together to come up with an idea to expand the country's capacity for "cultural diplomacy" on the world stage.

They wanted to restore several programs axed by the government of former Prime Minister Stephen Harper in a round of cost-saving measures. Their solution: the Mission Cultural Fund (MCF), which was launched in 2016.

With a $1.75 million annual budget flowing through diplomatic missions abroad, the MCF was given a mandate to leverage "Canadian cultural initiatives to promote our artists… while advancing foreign policy priorities."

And for the next several years, the MCF attempted just that, largely under the radar.

That changed in 2019 when *Blacklock's Reporter* got its hands on government records showing the MCF had been using taxpayer cash to fly chefs around the world so diplomats, select VIPs and the foreign press could enjoy meals prepared by a Canadian.

For example: the MCF spent $15,000 flying an unnamed Canadian chef to the Dominican Republic to cook for a Canada Day banquet in 2017. That year, $4,600 was also spent flying a second chef to Miami to prepare "signature Canadian dishes" for another July 1st bash.

The *Blacklock's Reporter* article is what first brought the MCF to the attention of the Canadian Taxpayers Federation. The CTF wasted no time filing access-to-information requests to learn as much as it could about the little-known federal slush fund.

Soon enough, the CTF was able to obtain a complete list of every funding initiative approved by the MCF since the program launched.

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Ottawa axes controversial cultural diplomacy 'slush fund'

The Mission Cultural Fund program, which operated under Global Affairs Canada, aimed to support 'cultural diplomacy' activities to help advance Canada's foreign policy priorities.

Published May 29, 2023 at 5:00am

Teresa Wright

This provided the CTF with plenty of fodder when crafting a campaign to cancel it.

The CTF dug up ridiculous examples of MCF waste and broke investigative stories, fed information about the program to the press, released a video to raise awareness about the fund and even awarded Global Affairs with a prestigious Teddy Waste Award.

Most importantly, CTF supporters hounded their elected representatives, letting them know what they thought about this unacceptable use of tax dollars.

Internal government records obtained by the CTF show the feds had good reason to keep the program's existence hush-hush.

As it turns out, Global Affairs has some very strange ideas about what "promoting Canadian values abroad" and "advancing foreign policy priorities" looks like in practice.

In February 2017, the MCF got off to a quick and wasteful start by spending $13,000 throwing an Oscar's party to promote and celebrate Canadian screen talent. To that end, they had someone live tweet the awards show.

"Live tweets of the Oscar ceremony itself got high viewership and engagement, topped by one single tweet with 81 retweets, 264 likes and 30,000 impressions," reads a report on the event, which was characterized as "partially" meeting its target goals.

In 2016-17, the MCF burned through a little more than $2 million, meaning it came in about $388,000 over budget.

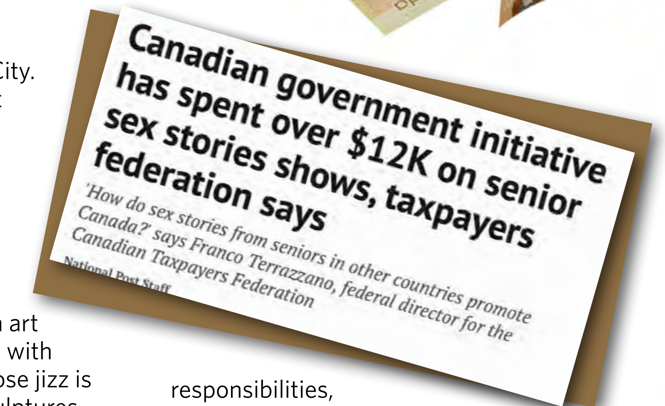
In May 2017, the MCF spent $51,000 throwing a glitzy red carpet photo extravaganza for multimillionaire rockstar Bryan Adams. The photo exhibit, entitled "the Canadians," was made up of pictures Adams had taken of his famous Canadian friends.

Included in the exhibit was a large black-and-white portrait of none of other than Justin Trudeau, alongside photos of NHL legend Wayne Gretzky and singers Joni Mitchell and The Weeknd. The event also included a cocktail reception, a "majestic" dinner and live performances.

In 2017-18, the MCF spent $5.2 million, meaning it came in about $3.5 million over budget.

In 2018, the MCF spent $17,000 to fly a chef from Canada to India to cook Indian food during Trudeau's infamous 10-day trip to the country.

The next year, the MCF spent $10,400 throwing Canadian author Margaret Atwood a birthday party in New York City.



Canadian government initiative has spent over $12K on senior sex stories shows, taxpayers federation says

'How do sex stories from seniors in other countries promote Canada?' says Franco Terrazzano, federal director for the Canadian Taxpayers Federation

National Post Staff

In 2018-19, the MCF spent $4 million, meaning it came in about $2.25 million over budget.

Things took a strange turn in 2019, when the MCF approved $8,800 in funding for the visual artist Peaches to organize an art show in Hamburg, Germany, with the provocative title of "Whose jizz is this?" The show featured sculptures, prints and videos, alongside a series of giant, mechanical sex toys dubbed "the Fleshies."

But it turns out "Whose jizz is this?" wasn't the only kinky funding initiative approved by the MCF. The program had been funding sex-related live events since its founding.

In 2017, the MCF funded two performances of "All the sex I've ever had," created by the Toronto-based performance group Mammalian Diving Reflex. The show features a handpicked collection of non-Canadian senior citizens sharing true sex stories in front of a live audience.

That year, performances were held in Vienna, Austria, and Melbourne, Australia, at a combined cost of $8,500. In 2019, the show got another run, with the MCF dishing out $4,000 for a performance in Taipei City, Taiwan.

All told, taxpayers were on the hook for $12,500 for the live senior sex story shows.

Eventually, the feds launched a review into the MCF, which found the program had no formal governance structure, unclear roles and responsibilities, significant accountability concerns and difficulty measuring outcomes.

Nevertheless, the review determined there was an "ongoing need" for the MCF's "cultural diplomacy." Predictably, the overspending continued.

SOURCE: FLICKR/TSARKASIM

Recruitment poster for the Mammalian Diving Reflex on a post in Toronto in 2009.

In 2019-20 the MCF blew through more than $6 million in taxpayer funds, despite its ostensible budget of $1.75 million.

In the last year of the MCF's existence, the program overspent its budget yet again, with more than $2.4 million going out the door before its cancellation in May 2023.

So why did the feds suddenly decide the MCF's time had come? Because the more taxpayers learned about the slush fund, the more they spoke out and pushed back – signing petitions, emailing politicians and spreading the word among family and friends. This helped turn the MCF into a public relations nightmare for the Trudeau government.

"It's our supporters who were leading this fight against the MCF and the government's wasteful ways and it's our supporters who deserve the credit for this big win for taxpayers," said Franco Terrazzano, CTF Federal Director.

One slush fund down, many more to go.

BROWN ENVELOPES

COMMISSIONAIRES CANADA

The federal government has rubber-stamped hundreds of millions of dollars in single-sourced security contracts to a private firm in open violation of its agreement.

Commissionaires Canada (CC) is a non-profit security firm formed in 1925 to secure jobs for veterans. Since 1945, CC has had a "right of first refusal" (RFR) on all federal contracts for guard services, primarily for government buildings in Ottawa.

In 2021-22, CC received $104 million in single-sourced contracts from the feds; in 2020-21, the total was $101 million.

But since at least 2016, CC has been in open violation of a key requirement in the longstanding agreement: that 60% of its workforce be made up of veterans. As of 2023, about 21% of CC's workforce are veterans.

The agreement states if the percentage of CC's veteran workforce drops below 60%, all new contracts should be put out for competitive bidding until corrective action is taken by the company.

"The failure of a Corps Division to meet the requirement that a minimum of 60% of the hours worked by the Corps on contracts awarded in each fiscal year under the (RFR) is performed by veterans, will result in the need for… corrective action," reads the agreement.

"The Corps will not be offered the (RFR) on new requirements for guard services until it achieves the 60% requirement. The Corps will be free to compete for contracts where a sufficient veteran population is unavailable."

Nevertheless, the feds have continued to rubber-stamp hundreds of millions of dollars in contracts to the non-profit, despite evidence suggesting the anti-competitive deal is not delivering good value for taxpayers.

In 1982, 100% of CC's workforce were veterans, with about 10,000 on staff.

The government's decision to single-source significant contracts to the firm was justified as a jobs-creation program for Canadians who had signed up to serve their country.

But by 2014, the number of veterans employed by CC had dipped to 8,000 and, as of last year, the number sits around 4,400.

Speaking to the House of Commons veterans affairs committee, Paul Guindon, the chief executive officer of CC's Ottawa branch, cited a 20% decline in Canadian troop numbers during the past three decades as a factor in the drop in veterans employed by the firm.

In response to this trend, the feds amended their longstanding agreement with CC in 2006, mandating that 60% of its workforce be made up of veterans. Prior to this, it was taken as a given that CC's workforce would be primarily comprised of ex-service men and women.

From 2006 to 2015, the feds accepted an "attestation" from CC that it was meeting the hiring target. Every year during that time period, CC reported the 60% veteran hiring target had been met and the government took the company at its word.

Beginning in 2016, the feds required CC to submit a third-party audit confirming the hiring target had been met. Every year since the audits began, CC has fallen well short of the mark.

"We are using all the tools that you can think of in order to attract and recruit veterans," Guindon testified to the committee.

In 2014, a review into the longstanding RFR contract concluded CC was, at times, more expensive than other security firms the federal government could use.

Vincent Robitaille, a senior director with Public Works and Government Services Canada, suggested "the cost is approximately 15% more than what the private sector provides."

A 15% premium on security contracts awarded to CC would have cost taxpayers about $15 million in unnecessary costs in 2020-21 and 2021-22, respectively.

Despite these avoidable, unnecessary costs, the 2014 review recommended the agreement be maintained, citing the fact the money flowed to veterans and their families. But as the number of veterans employed by drops year after year, that rationale holds less and less water.

As of March 2021, Veterans Affairs Canada estimated there were 617,800 veterans in the country. Given that CC has about 4,400 veterans on staff, that means the firm employs less than 1% of Canada's veterans.

In other words, a non-competitive federal government contract that's been in place since 1945, ostensibly to secure employment for veterans, is increasingly benefiting non-veterans, while also delivering sub-optimal results for taxpayers.

Last fall, the decades-old arrangement saw opposition from a group of private security firms organized under the banner of "Update the RFR." They penned an open letter to the feds calling for an end to the anti-competitive agreement.

"Opening up Government of Canada contracts for security guard services would not only allow all Canadian security companies to bid in a transparent, equitable contracting process, it would significantly improve employment choices for our veterans," the letter reads.

"Rather than giving one private security company the RFR, why not incentivize all Canadian security companies to hire veterans?"

"Opening up Government of Canada contracts for security guard services would not only allow all Canadian security companies to bid in a transparent, equitable contracting process, it would significantly improve employment choices for our veterans"

The letter also cited recent polling from Ipsos that found strong support among Canadians for an open and transparent contract process (89%) and the best service at the best price to taxpayers (88%) as important factors for the government to consider.

The world no longer looks the way it did in 1945. It is time for the feds to scrap this anti-competitive, sweetheart deal, as it fails to deliver the best value for taxpayers.

The Teddy's: A quarter-century of THE BEST OF THE WORST OF GOVERNMENT WASTE

by Franco Terrazzano
Federal Director

by Ryan Thorpe, CTF
Investigative Journalist

The politicians and bureaucrats were identified, the misspent money tallied up and the nominees whittled down to a prestigious few when the Canadian Taxpayers Federation gathered for the 25th annual Teddy Waste Awards.

Given that a quarter century of "celebrating" the best of the worst of government waste is a special occasion, the CTF decided to do things a little differently. The organization hosted the satirical awards show in front a live audience for the first time.

Nearly 200 CTF supporters packed into a downtown Calgary spot on May 11, 2023, to mock and ridicule Canada's out-of-touch, spend-happy politicians and bureaucrats.

The golden pig-shaped trophies were polished, the tuxedos and formal attire were pressed into service and the drinks were flowing by the time CTF President & CEO Scott Hennig began his opening remarks.

Hennig's message to the crowd was simple. Politicians and bureaucrats can handle outrage. They're used to that. What they can't handle is mockery. He gave all those in attendance one simple task: laugh so hard they can hear it back in Ottawa.

Given that a quarter century of "celebrating" the best of the worst of government waste is a special occasion, the CTF decided to do things a little differently. The organization hosted the satirical awards show in front a live audience for the first time.

With that, CTF Federal Director Franco Terrazzano and Alberta Director Kris Sims, alongside Porky the Waste Hater (dressed in his finest tuxedo), took to the stage and got the festivities underway.

As usual, the nominees for the best of the worst in government waste were divided into four categories: municipal, provincial, federal and lifetime achievement.

MUNICIPAL

Nominee: City of Saskatoon

In an effort to gin up tourism, the brain trust at city hall in Saskatoon saw fit to spend $100,000 putting up decorative LED lights in a back alley, behind a bar, right next to a dumpster.

SOURCE: R.D. BARRY/FLICKR

Nominee: City of Montréal

Politicians and bureaucrats in Montréal saw Calgary's infamous blue ring – the much hated $470,000 public art project – and said: tiens ma bière. The City of Montréal spent $2 million building a copycat giant ring of its own. Apparently, Montréal forgot that a cheap knockoff is supposed to cost less.

Nominee: City of Calgary

Calgary spent $250,000 building an outdoor, self-cleaning toilet downtown. It cost $50,000 per year to keep the toilet running. The toilet is now shut down, but it's still costing taxpayers $5,000 per year.

The CTF often criticizes governments for flushing money down the toilet. It looks like Calgary city council took us too literally.

Nominee: City of Winnipeg

The public works department in Winnipeg wasted millions of dollars on frivolous make-work projects over a decade, unnecessarily installing, repositioning and reinstalling traffic infrastructure at intersection after intersection all around the city. It would have been cheaper to change the bureaucrats in charge of this mess than change the traffic lights year after year.

MUNICIPAL
WINNER

Alanna Jankov,
Charlottetown City Councillor

Jankov expanded the driveway at her Charlottetown home, repositioning it right in the middle of a utility pole that had stood on the side of the street for decades. No matter, Jankov stuck taxpayers with the $4,600 bill to have that pesky utility pole removed.

PROVINCIAL

Nominee: Donna Harpauer, Saskatchewan MLA and Finance Minister

If you had a chartered plane, where would you go? Las Vegas? Los Angeles? New York City? Not Saskatchewan Finance Minister Donna Harpauer. She took take a chartered flight from Regina to…North Battleford.

The CTF isn't sure what's worse: the $8,000 tab or the fact Harpauer used a chartered plane to travel to North Battleford, which she could probably see from her house.

Nominee: Government of Quebec

Politicians always talk about investing in innovative technology. To that end, the Government of Quebec chose to dump $55 million into…zeppelins.

Yes, zeppelins, those flying gas-filled blimps. There's no joke here. The investment speaks for itself.

Nominee: Government of Ontario

A lot of people complain politics is too divided these days. But here's something all parties in Ontario can agree on. Is it a new hospital? No. Is it tax relief? Wrong again. It's taking more tax dollars to fund their political attack ads!

Ontario Premier Doug Ford promised to end political welfare. Instead, he gave political parties $50 million, including a $10 million payday advance, to make election attack ads.

Ontario political parties set their partisan instincts aside, buried the hatchet and bellied up to the trough for more welfare.

PROVINCIAL
WINNER

Société de l'Assurance Automobile du Québec

Here's something not everyone knows about Québec: it's the only jurisdiction in Canada where drivers have to renew their licences every single year.

The provincial government wanted to streamline that process. Did they do the obvious thing and cancel the requirement? Of course not. Instead, the government created a $458-million app, which it hoped would reduce the number of bureaucrats needed.

Did it work? Of course not. The app created so many problems, the government had to hire an additional 150 bureaucrats just to clean up the mess. Québec's unique new jobs program: setting out to cut government jobs.

FEDERAL

Nominee: Volkswagen

Trudeau gave international auto giant Volkswagen a $13-billion corporate welfare cheque to build a $7-billion electric battery factory in St. Thomas, Ont.

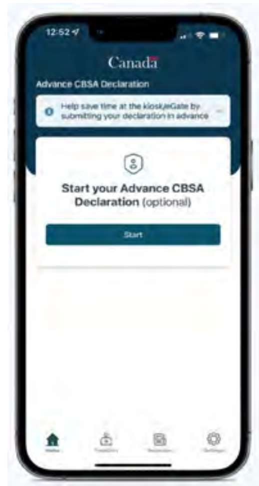
A good negotiator buys one, gets one free. Trudeau buys one, pays for two!

Nominee: The ArriveCan app

The feds spent $60 million building Canada's much-hated ArriveCan app.

A couple of independent tech developers couldn't believe it cost so much (presumably, they're not close watchers of this government's spending habits), so they recreated it over the Thanksgiving weekend at a price tag of $250,000.

While it's obviously questionable how effective the ArriveCan App was at achieving its stated goals, one thing is absolutely certain: it socially distanced Canadians from their tax dollars.



SOURCE: APPLE APP STORE

Nominee: Prime Minister Justin Trudeau

This nominee was the biggest mystery in Canada for months. No one knew who stayed in the $6,000-per-night luxury hotel suite during Queen Elizabeth II's state funeral in London, England, featuring multiple bedrooms, a marble bathroom and complimentary butler service…

Except, of course, for 40 million Canadians.

Nominee: Isabelle Hudon, CEO of the Business Development Bank of Canada

Have you ever overpacked for a trip? Did you pack too many shoes, swimsuits or hair products? Don't worry, you're not alone. Isabelle Hudon also tends to overpack.

Flying from Montréal to Vancouver, the CEO of the Business Development Bank of Canada took one too many personal drivers. Instead of shelling out for an Uber, Hudon brought along her personal chauffer – not once, but twice!

Nominee: Global Affairs Canada

Global Affairs Canada spent $4,000 on a live stage performance where Taiwanese senior citizens shared real life sex stories. Yes, you read that right.

The Canadian government spent $4,000 on a show where senior citizens shared sex stories. And they weren't even Canadian seniors. The government is outsourcing sex stories to Taiwanese seniors.

A better use of our tax dollars: paying seniors to talk about something else… literally anything else.

FEDERAL
WINNER

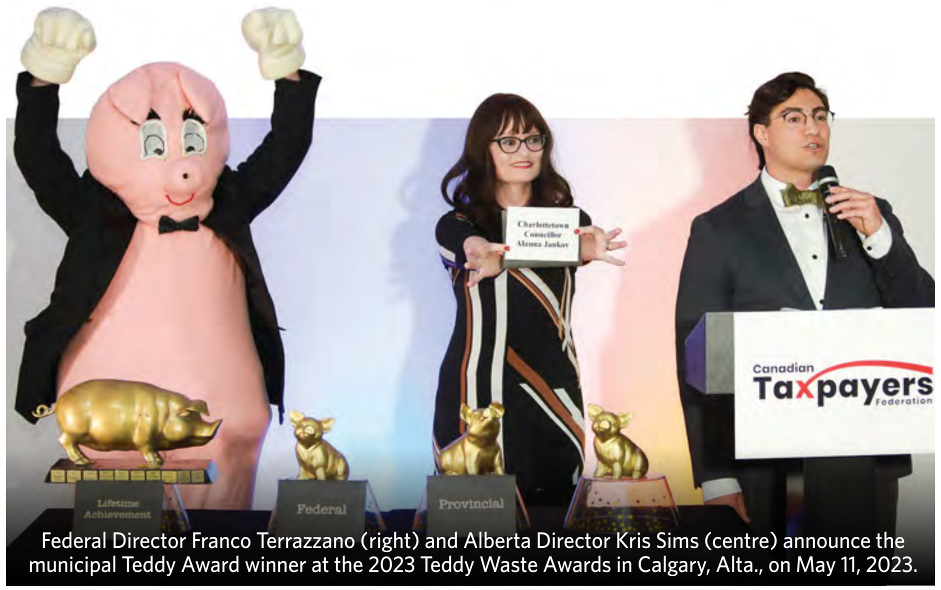
Governor-General Mary Simon

You know what's hard to do? Outspend Prime Minister Justin Trudeau. But Governor General Mary Simon said: hold my beef wellington.

Simon and her 29-person entourage managed to outspend Trudeau's annual grocery bill during a week-long trip to the Middle East…on airplane food. Simon claimed the food was "pretty much like" normal airline food. You be the judge. They had beef wellington with red jus, pan-fried chicken scallopini in a wine reduction sauce and apple-and-cranberry stuffed pork tenderloin.

All told, Simon and company spent nearly $100,000 on in-flight catering.

SOURCE: PROVINCE OF BRITISH COLUMBIA/FLICKR



Federal Director Franco Terrazzano (right) and Alberta Director Kris Sims (centre) announce the municipal Teddy Award winner at the 2023 Teddy Waste Awards in Calgary, Alta., on May 11, 2023.


The assembled crowd in Calgary had lots of government waste to laugh at during the awards ceremony

THE 2023 LIFETIME ACHIEVEMENT AWARD FOR WASTE

The Lifetime Achievement Award is the most prestigious golden pig-shaped trophy the CTF hands out. Past recipients have included everyone from premiers and prime ministers to Bev Oda and Bombardier. This year's winner gives us the answer to the following question: What do inmates, dead people and teenagers all have in common? They got the Canada Emergency Response Benefit (CERB) during the COVID-19 pandemic.

The federal government gave COVID subsidies to 1,500 people in jail, 400 people under the age of 15 and 391 dead people.

Usually, if you take money that doesn't belong to you, you might end up in jail. In Justin Trudeau's Canada, first you go to jail, then the feds send you money you're not supposed to take.

Canada's Auditor General Karen Hogan identified more than $32 billion in ineligible or questionable COVID payments. And the good folks over at the Canada Revenue Agency say it's not worth the time or effort to investigate fully.

Because it sent buckets of taxpayer cash to dead people, inmates, questionable businesses and teenagers during the pandemic and can't be bothered to fully investigate it, the Canada Revenue Agency is a worthy recipient of the 2023 Lifetime Achievement Award for Waste.

THE 2023 TEDDY WASTE AWARDS WINNERS

MUNICIPAL:
Alanna Jankov, Charlottetown City Councillor

PROVINCIAL:
Société de l'Assurance Automobile du Québec

FEDERAL:
Governor-General Mary Simon

LIFETIME ACHIEVEMENT:
The Canada Revenue Agency


Then-Federal Director Walter Robinson and hostess Stephanie Bauder at the very first Teddy Awards in 1999.

We put up the live video on our YouTube page. You can find and watch the video by searching our YouTube page (Canadian Taxpayers Federation) or visiting: taxpayer.com/teddys

WHAT'S IN A NAME?

The annual Teddy Waste Awards are named after Ted Weatherill, one of Ottawa's most prolific partakers of fine dining on the taxpayer dime.

Weatherill was fired as head of the Canada Labour Relations Board in 1999 after years' worth of dubious expense claims were flagged in an auditor general's report.

The bureaucrat's food bills totalled nearly $150,000 over eight years, including an eyebrow-raising $700 lunch for two in Paris.

Mark Milke is an author and the founder and president of the Aristotle Foundation for Public Policy. He's also the former Alberta and British Columbia Director of the Canadian Taxpayers Federation, and the man who first came up with the crazy idea of giving pig-shaped trophies to politicians and bureaucrats who waste taxpayers' money.

The following Q&A has been edited for clarity and length.

Ryan Thorpe: Do you remember when you first got the idea for the Teddy Waste Awards?

Mark Milke: I remember thinking we needed a way to make government waste not funny exactly, but to lighten it up a bit. We were already hearing: yeah, governments waste money, big surprise. We needed to be clever about it and, at least once a year, bring attention to it in a slightly different way.

I felt we needed an awards show gently mimicking the Grammys and Oscars. I was in Edmonton at the time and I had to go get three golden pigs made up. We did a provincial award, a federal award and a lifetime achievement award.

I sent the three pigs that I'd found and had painted over in gold to [then-CTF federal director Walter Robinson] in Ottawa and said: "Rent a tux, get a model to present the awards just like it was a real awards show and call the press."

RT: You were in Calgary this year where the Teddys Waste Awards were done in person before a live audience for the first time. What was it like seeing it take this new form for the 25th anniversary?

MM: Kris [Sims] and Franco [Terrazzano] did a marvellous job. They hit it exactly right. In one sense, this is part entertainment. You're trying to emphasize government waste, which is a serious topic 364 days a year. But this is another way to illustrate the absurdity of how governments waste money and spend tax dollars. I thought it was perfectly carried out and they hit the exact right notes. They're both terrific performers and terrific advocates for taxpayers.

RT: I'm curious as to your thoughts on the importance of humour when it comes to criticizing government waste. How do you think of humour as a tool in the toolbox when it comes to the CTF's advocacy?

MM: I think humour is a tool. I think gentle mocking – not meanness, but gentle mocking – is precisely what you want to do, sometimes. I think that's true in politics in general. Once people start making fun of you, you've lost power.

Governments have a tremendous amount of power. Some humour and mocking of their screw-ups is exactly what needs to be done. We can't always be serious. You need to be able to breathe once in a while and take a step back and have a sense of humour.

A good example of this was several years after the Teddy Awards were underway. I was the CTF's B.C. Director


Mark Milke

at the time. A reporter called me up and asked about a grant the federal government had given to a professor to study strippers. I gave a very serious, informed answer about how outrageous this was.

But, two minutes later, I thought, I'll give a better answer. I phoned the reporter back and said, "I think here's what you're looking for." I gave the reporter one line about this grant awarded to a professor to study strippers. I said, "What, strippers don't get studied enough as it is?"

The reporter loved it and it turned out to be the first line on the first page of the *National Post* the next day. Sometimes 15 pages of analysis and study can have an impact and sometimes the one-liner that encapsulates the problem, or an award show that illustrates the absurdity of the problem, is another way to fight for taxpayers.

REMAINING VIGILANT AGAINST NEW MUNICIPAL TAXES

By Anthony Furey

Once the battle over one city budget concludes, it's not long until the next one ramps up.

Not only is the fight continuous, it's also getting more complex, as bureaucrats and spendaholic politicians propose not just excessive tax increases but the creation of entirely new taxes.

I experienced this first-hand during my campaign to become mayor of Toronto. As a longstanding advocate for taxpayers, I was not only determined to keep property taxes low in Canada's largest city, but also wanted to ensure there would be no new taxes created.

It's my hope municipal taxpayers won't be tempted by the argument cities are inherently underfunded and need new "revenue tools." Instead, the old refrain remains true: we don't have a revenue problem, we have a spending problem.

MUNICIPAL SALES TAX

One of the most popular and costly proposals that won't go away is the push for a municipal sales tax (MST). Over the years, it's cropped up across the country, in municipalities large and small.

Right now, not a single Canadian city has such a tax. And the best way to make sure it doesn't come to your city is to make sure it never comes to any Canadian city.

In 2018, Mississauga Mayor Bonnie Crombie led the charge for such a tax when she corralled more than 400 Ontario mayors to call on the province to give municipalities the power to levy their own sales taxes. The Association of Municipalities of Ontario also backed the idea, although then-Toronto Mayor John Tory didn't join the chorus.

Crombie is currently the leader of the Ontario Liberal Party. If she becomes premier, will she create a third sales tax? She should be pressed on the matter.

In the recent Toronto mayoral by-election, all city councillors on the ballot had recently voted to authorize City Hall staff to proceed with studies probing new revenue tools, including the creation of an MST. This is worrisome. If you're not planning to implement it, why order a report on it?

In 2015, 62% of Metro Vancouver residents voted against a 0.5% MST to fund expanded public transit. Between the two dozen municipalities and the regional transit authority, taxpayers were forced to shell out $7 million in an attempt to sway voters into accepting the tax.

ROAD TOLLS

In 2020, Vancouver's then left-wing mayor, Kennedy Stewart, set in motion the creation of road tolls as part of the city's Climate Action Emergency Plan.

Theatrical rhetoric around climate change was used to justify the new tolls. "We need to come together and recognize that we are on the precipice of this catastrophic change to our planet, and we have opportunities to make a difference," Green Party councillor Pete Fry said.

The plan would have included "mobility pricing," where tolls were put in place to limit the way people move about Vancouver's downtown. While council voted to proceed with these plans at the time, they clearly weren't gauging public sentiment well.

During the 2022 municipal election, outsider mayoral candidate Ken Sim campaigned heavily against road tolls and his ABC Party candidates swept to victory.

Soon after taking office, Sim and like-minded councillors voted for city staff to cease all planning and expenses related to tolls. It was a clear victory for taxpayers and fiscal common sense in a city previously governed by an unapologetic left-wing agenda.

But the push for road tolls has not gone away. Many candidates in the last Toronto mayoral election signalled support for tolls. And while Toronto's talk of tolls largely focused on revenue to pay for repairs, the Vancouver example shows they can also be enacted in the name of environmental ideology. Whatever the pretext, we can't let them come to pass.

SPECIAL LEVIES

In 1986, then-United States President Ronald Reagan told a small business conference that "government's view of the economy could be summed up in a few short phrases: If it moves, tax it. If it keeps moving, regulate it. And if it stops moving, subsidize it."

Almost 40 years later, this sadly still captures an attitude held by too many bureaucrats and politicians. There are a variety of niche taxes and special levies that continue to be under consideration, which taxpayers must be on guard against.

Another proposed tax during the last Toronto mayoral race was a commercial parking levy. Council previously voted to study the issue and one leading candidate championed it in his platform.

City staff had been licking their lips for years at the prospect of such a levy, which they estimate would raise hundreds of millions of dollars a year. How would the levy work in practice? Commercial property owners would be charged a yearly fee of $500 for each parking spot on their property.

Anthony Furey is a former Postmedia editor and columnist, an executive at True North Centre and a recent Toronto mayoral candidate.

Property owners likely wouldn't eat the costs. Instead, they'd pass it on to their tenants, who would pass it on to their customers. Another consequence is that locations previously providing free parking would now start charging for it.

HOW TO FIGHT BACK

There is no shortage of new taxes waiting in the wings that spendaholic politicians and activists would gladly introduce. Taxpayer advocates need to reject these schemes and push back.

In April 2023, Vancouver mayor Ken Sim announced a mayor's budget task force, comprised of auditors, accountants and other financial professionals tasked with reviewing the books to find savings. Every mayor should launch such an annual review using private sector professionals.

Politicians should also direct staff to review eliminating taxes, as opposed to studying the creation of new ones. In 2021, Regina city staff encouraged council to scrap an intensification levy charged to developers, which was seen as an impediment to getting housing built.

Instead of talking about ways to shake down businesses and residents for more money, which could cause taxpayers and investors to leave the jurisdiction, let's push to broaden the tax base by growing the local economy and attracting more investment and jobs.

How Things Turned Around – Part 3

Alberta's Miracle on the Prairies

Ralph Klein declaring that Alberta has set aside money to pay off its remaining provincial debt on July 12, 2004.


by Scott Hennig, *President*

Alberta's finances were a mess in the late 1980s. For years, the provincial government increased spending when oil prices rose. When prices dropped, government revenues dried up, but a corresponding cut in spending never occurred. The Progressive Conservative government of Premier Don Getty was awash in red ink, running large deficits in place of previous hefty surpluses. Public opinion began to turn against the government's big-spending, big-deficit ways. As is often the case in Alberta, this anger fuelled the ire – and platform – of opposition parties.

In 1988, the budget-cutting, fiscally-conservative mayor of Edmonton, Laurence Decore, left civic politics to lead the Alberta Liberal Party. While the Liberals had formed the first government of the province in 1905, they had since been relegated to also-ran status, last rising to the post of Official Opposition in 1963 and capturing only four of 83 seats in the 1986 election.

Under Decore, government debt became public enemy number one, as he berated the Getty government for its tax-and-spend ways. In the 1989 provincial election, the Liberals doubled their seat count. Fiscal responsibility was a primary theme of their platform. At campaign stops, Decore would pull out his wallet and wave it at the crowd, reminding angry voters of the province's fiscal woes.

For the next four years, Decore's Liberals hammered Getty for his string of money-losing, taxpayer-subsidized "economic diversification" projects. Estimates peg the overall loss of tax dollars on these projects between $2.3 and $5 billion. Decore also berated Getty's questionable revenue forecasts and growing debt. By 1992, the Alberta government was running annual deficits of $3.3 billion on a budget of $17.6 billion, increasing the debt to more than $20 billion. The Liberals' talk of a return to fiscal sanity resonated with Albertans, pushing the third party to 45% in the polls and dropping the governing PCs to a low of 18%.

In 1992, Getty resigned, opening the door for Ralph Klein to run for the leadership of the PC Party. Klein was the former mayor of Calgary. By 1992, Klein realized the Alberta Liberal Party was making significant gains in the polls with its fiscally conservative positions, and that began to shape his own platform.

During the 1992 PC leadership race, Klein promised to deliver a balanced budget and implement a balanced budget law, reduce the size of cabinet and form "partnerships with the private sector" to deliver government programs and services. Klein won the leadership of the PCs and immediately set a new tone by reducing the size of his cabinet from 26 to 17. He followed it up by convincing his caucus to eliminate the contentious "gold-plated" MLA pension plan. Then Klein introduced the Deficit Elimination Act, requiring balanced budgets within four years.

After only six months at the helm, Klein called a provincial election. Decore kicked off the campaign by unveiling his briefcase "debt clock." As the numbers spiralled upwards by the second, Decore repeatedly attacked "The Conservative Debt."

Ray Martin, leader of the Official Opposition NDP, decried that Alberta politics had become "almost a macho contest between brutal-cut Liberals and massive-cut Conservatives." Martin opposed cutting spending, instead advocating business tax hikes to balance the budget.

Policy-wise, Klein and Decore agreed on virtually every point. Both leaders promised balanced budgets and spending cuts to non-essential programs.

On Election Day, the PCs won 51 of 83 seats with 44.5% of the vote. The Liberals took 32 seats with 39.7% of the vote. Arguably, both parties pulled off victories. Klein kept his party in government when it was poised to lose the election only a year earlier, dubbing the win "the miracle on the Prairie." Decore took his caucus from eight seats to 32 and returned the party to Official Opposition status after a 26-year absence. Left out in the cold were Ray Martin and the NDP, who lost all 16 of their seats, going from a high of 29.2% of the vote in 1986 to only 11% in 1993.

Following the election, the "Klein Revolution" took shape. Klein immediately cut spending. During the summer of 1993, he set a 20% spending reduction target over four years. MLAs were the first to take a hit, slicing 5% off their salaries. At first, bureaucrats balked at making significant cuts, offering up widows' pensions and Alberta Income for the Severely Handicapped payments as possible victims. When Klein called their bluff and accepted these recommendations, the shocked bureaucrats came back with alternative budget cuts. This was followed by negotiations with government unions that resulted in 5% wage rollbacks.

In early 1994, Klein went further. The government trimmed health care spending by 6.3%, cut kindergarten funding in half, reduced grants to municipalities by 47%, removed university tuition caps and told social services to axe 30,000 recipients from the welfare rolls. Recipients unhappy with losing their benefits were offered a one-way bus ticket out of the province.

Just prior to the 1993 election, Klein's first budget cut spending by 4.6%, while his first post-election budget further reduced spending by another 9.2%. Klein then privatized government liquor stores, land titles, vehicle registration and driver testing, provincial campgrounds and highway maintenance. He also made good on his pledge to trim the bureaucracy. Between 1994 and 1996, government departments saw average staff reductions of 20%.

In February 1995, the province tabled its first balanced budget in a decade. Albertans rewarded Klein with a 73% approval rating in a March 1995 opinion poll.

But not everyone agreed with his policies. Klein often said that between 1993 and 1996 his "day was not complete without a protest or two, or three."

In 1995, the Deficit Elimination Act was replaced with a stricter, Balanced Budget and Debt Retirement Act. The new act legislated balanced budgets and a schedule to pay off Alberta's $22.7 billion debt. The 1995 budget cut spending by 5.7% and the 1996 budget trimmed spending by 1.4%.

The Canadian Taxpayers Federation was instrumental in the passing of the Business Financial Assistance Limitation Act of 1996, which mostly ended the practice of government assistance to private enterprise.

While a few other notable actions took place over the next term, such as the introduction of a 1999 law mandating 75% of surpluses go to debt repayment, 1996 essentially marked the end of the "Klein Revolution." Yet, Klein fulfilled his commitment to taxpayers and eliminated Alberta's provincial debt in 2005, which also marked the province's centennial anniversary.

Klein followed through on exactly what he promised. And voters rewarded Klein's fiscal resolve with an even larger majority in the 1997 election. Klein's PCs won 63 of 83 seats with 51.2% of the vote. Klein went on to win an even larger majority in 2001, with 74 of 83 seats and 61.9% of the vote. This again proved you can campaign on spending cuts and fiscal sanity and still win elections.

LET IT BURN

"Good riddance, let it burn. The time has come for the Canadian news media, in its traditional form, to be razed to the ground, so something new and better can take its place. Fire need not only be destructive, it can be purifying, too."

by Ryan Thorpe, CTF
Investigative Journalist

Imagine a principled press corps and you will have imagined everything the Canadian press corps is not. Our national news media is a national disgrace: insular and vain, servile and shrill, with a sense of self-regard utterly breath-taking in its self-delusion.

The press loves to self-mythologize as civic-minded firefighters, setting self-interest aside to run toward a blaze. In reality, they have more in common with arsonists, and above all, what they've set fire to in recent years has been their own credibility. As a result, the industry is now engulfed in flames.

Good riddance, let it burn. The time has come for the Canadian news media, in its traditional form, to be razed to the ground, so something new and better can take its place. Fire need not only be destructive, it can be purifying, too.

For more than a century, owning a newspaper was a licence to print money. But by the mid-1990s, the bottom was falling out of the business model. The rise of the internet, a true existential threat, only hastened the decline.

In the face of this crisis, publishers were paralyzed. Across countless media outlets, innovation efforts amounted to little more than the answer to a single question: to paywall or not to paywall? Newsroom leaders, having tried nothing, were plumb out of ideas.

Except for one, that is. Canadian news publishers turned out their pockets and petitioned the feds for handouts like some soot-ridden character in a Dickens novel. And the government was all too happy to comply.

First there was the $595-million newspaper bailout, followed by the $50-million Local Journalism Initiative; then came the $10-million "special measures" top-up, on the heels of the $60 million the industry got in pandemic support.

In November 2023, the Trudeau government announced it was dumping another $129 million into its subsidization of the industry. All told, the feds have promised the private press more than $840 million since 2019, not to mention the $1.2 billion the CBC takes from taxpayers annually.

Journalists say the money comes without strings attached. Maybe that helps them sleep at night, but it's not true. Not only do the feds rubber-stamp rules for who qualifies as a reputable journalist, they also mandate a right of rebuttal from any news outlet taking taxpayer cash.

In 2019, news publishers, doing their best pauper impressions, pinkie promised they only wanted temporary charity from big government. This is what Bob Cox, then-newspaper-lobbyist-in-chief and publisher of the *Winnipeg Free Press*, told the federal finance committee:

"The program itself is envisioned to be for five years and I felt that was an appropriate period of time for the transition because, of course, there will be news outlets, newspapers, that fail the transition and you can't give them forever."

But as soon as that taxpayer cash dried up, publishers – predictably – went back for more.

There's only one problem: the subsidies aren't working and the government knows it.

In a briefing note for then-Heritage Minister Pablo Rodriguez, department staff wrote that subsidized newsrooms continued to slash jobs and shutter shops across the country, while the only significant industry growth came from unsubsidized digital start-ups.

And then there was Bill C-18 and the pay-for-links scheme, where the feds did their best to pawn the problem off on Big Tech. Newsrooms have even stooped so low as to outright lie to their readers regarding the content, and context, of the legislation.

The reality is that without consistent, long-term financial support from the federal government, the vast majority of Canada's traditional media will die. The time has come for the feds to step aside and let nature take its course.

This is the same industry where reporters spent decades puffing out their chests while proclaiming they wouldn't so much as dare accept a free cup of coffee from a source; the very same industry that preached avoiding perceived conflicts-of-interest, on top of actual ones.

If taking hundreds of millions of dollars from the government you cover isn't a conflict-of-interest, then there is no such thing as a conflict-of-interest. And if you're willing to discard your ethical convictions the moment it becomes expedient to do so, then you never really had any serious commitments to begin with.

To make matters worse, by propping up dying outlets, the feds are distorting market forces and stifling the innovation needed to birth a viable 21st century media ecosystem in Canada. In other words, the government medicine isn't curing the disease, it's just prolonging it.

Even if the handouts were working, by accepting buckets of taxpayer cash on an industry-wide scale, the Canadian news media has utterly discredited itself. It should come as no surprise public trust in the press is falling as fast as industry stock prices and profit margins.

Canadian journalism forgot that its first loyalty is to the citizenry, and that independence, both real and perceived, is a cornerstone of credibility. As long as the government is signing the paycheques of journalists, the public will never, and should never, trust the press.

Journalists should not be paid by government – full stop. The fact this even needs to be said shows how far the Canadian news media has fallen. A free society needs a free press, but the press can never be truly free while on the government's payroll.

Thomas Jefferson wrote that if he had to choose between "government without newspapers or newspapers without government," he would "not hesitate a moment" to choose the latter. Why? Because he knew the press, properly ordered, was "the only safeguard of public liberty."

Canada has managed to split the difference in the worst way. Thanks to our politicians and news publishers, we've landed on a third option: newspapers, yes, but ones castrated and compromised by government in the eyes of vast swaths of the public.

Canadian journalism must stand on its own two feet again. Newsroom leaders who purchased temporary security at the cost of undermining journalistic independence don't deserve to be saved. The time has come for the Canadian news media to die. Let it burn.

Ryan Thorpe is an escapee of the government-funded Canadian newspaper industry where he publicly criticized his bosses over their lobbying for, and acceptance of, federal subsidies. Despite his loathing of the current state of the industry, Ryan was nominated three times for a National Newspaper Award and twice for a Canadian Association of Journalists Award during his six years in the traditional media. Ryan now works to expose government waste as the Investigative Journalist for the Canadian Taxpayers Federation.

Q&A WITH DANIELLE SMITH

Danielle Smith is the 19th premier of Alberta. Outside of politics, Danielle has been a newspaper columnist, a business advocate and owner, a property rights advocate and a radio talk show host. As an elected official, Danielle has been a school board trustee, a start-up party leader, an official Opposition leader and now premier.

The Canadian Taxpayers Federation's CEO Scott Hennig recently sat down with Danielle to talk about her journey to the premier's office and some of the issues brewing nationally and in Alberta.

To watch the full interview, visit the CTF's YouTube page: youtube.com/taxpayerDOTcom

Scott Hennig: I'm going to start off with covering some of your history. Where did you grow up? Where did you go to school and what did you study?

Danielle Smith: I was born and raised in Calgary. I went to university, got an English degree, realized that qualified me to be a waitress, so I went back to school for economics. So I have a joint degree in English and economics. Then I went on to the Fraser Institute as an intern, which really launched my career in public policy.

SH: You got the political itch early on in life and ran for the school board in Calgary. What was that very first campaign like and what drew you to education?

DS: I got involved in the political club's office at the University of Calgary, where we had all of the political groups in one office. I had NDP friends and Liberal friends and Reform friends. I was a Progressive Conservative at that time. But, through my Reform friendships, my first boyfriend, Sean McKinsey, who actually is an alum of CTF, was working for a new politician at the time by the name of Jason Kenney. Jason Kenney's constituency assistant, Peggy Anderson, was very keen to try to bring some more free enterprise principles to how the school board operated. More parental choice, with charter schools and more accountability. That really appealed to me. She and I ran as a team and we shook the trees a little bit.

The board was ultimately disbanded after nine months, but it was a good political experience. Even though I have a great deal of comfort with conflict, I learned conflict isn't always the best way to solve problems. Trying to find common ground was probably the biggest lesson that I learned from that experience.

SH: You went on to be the Alberta Director for the Canadian Federation of Independent Business (CFIB). We worked on some campaigns together when I was the Alberta Director for the CTF. Working with all those small businesses across this province, what was the main thing that you learned?

DS: Governments like to have relationships with other large entities. So that's part of the reason why you often see policy written for very large corporations.

There has to be some recognition that businesses with less than 50 employees represent the lion's share of our job creators. You can't have the same approach for a small business that you do for a company that has a full-time regulatory compliance department. That's what I hope I can bring to government. I recognize there's a streamlined approach to dealing large entity to large entity, but we always have to make sure that, when we're bringing in new regulations or new tax policy, we have that small guy in mind.

SH: You went on to be the first leader of the Wildrose Party and then leader of the opposition. What were the early days like when you were just starting out as the leader of the official Opposition?

DS: I love being involved in startups. The Canadian Property Rights Research Institute was also a bit of a startup. My former boss from the Fraser Institute, Michael Walker, said I was a socio-political entrepreneur. There is an entrepreneurial mindset you can bring to the non-profit world.

The Wildrose was a bit of a startup when I got there, too. At the time, it didn't have any elected members of office, it had very few memberships and it had a very small bank account. Through the process of leadership, we were able to get enough excitement and energy that we won our first seat in a byelection. Then we had a couple of PC members of the legislative assembly (MLAs) who crossed the floor to join us so we got official party status.

One success led to another. We started getting more media attention, having more profile in the legislature, being able to move a number of issues along and looking pretty good going into the 2012 election. It didn't quite go our way. But being able to go from an entity that was really on life support to being official Opposition in the space of two-and-a-half years, I feel pretty proud about that.

SH: Speaking of your time as Opposition leader, what's one victory you achieved that you think still stands the test of time?

DS: It's very hard to have a victory on anything in politics. It's difficult to move something when you're in an outside position. I've seen that in lobbying and advocacy, and also in opposition. But one of the things that I really began to appreciate is the role of the individual MLA. You can have a ton of success every single day by taking a call and helping somebody who's having a difficult time getting an AISH (Assured Income for the Severely Handicapped) payment or on a difficult workers' compensation file.

In my case, we had the devastating floods of 2013 in Calgary and High River, and one of the programs that was not working at all was the disaster recovery program. As an MLA for High River, I was able to take that on. It's interesting because we've just had another major calamity in our province with the fires, and I was able to meet some of the folks involved now in the disaster recovery program. They said, "The work you did helped us fix the program. Thank you." No one will ever give a person credit for that, but at least I know.

Then the other one was on flood mitigation. When you have a disaster like that, you have to make sure that doesn't happen again. I think Calgary is still only 30% protected from the last floods, but I was also able to work collaboratively with my local mayor and the county to change the scope of our project for the protection of High River, and now we're 100% protected.

I believe High River is the safest community in all of Alberta.

Anytime I talk to somebody about running for office, I say, "You have to want to do the work of an MLA. That is the most important work that you can do."

SH: Politically, how would you describe yourself? There are different types of conservatives, what type are you?

DS: I've described myself as a libertarian-conservative and no one knows what that means.

SH: Why don't you define it for us?

DS: I always thought it was natural to think of libertarian's root word of liberty, so I believe in freedom on both sides. I believe in personal freedom and civil liberties, but I also believe in economic freedom and free enterprise. That's why it is complicated when you ask yourself, "How do my aspirations and desires support freedom and individual rights when we have to make collective decisions in government?"

That's always been the challenge

because I'm so attracted to public policy and so attracted to figuring out how to move things through government. But you always have to make sure you're doing it in a way that gives maximum deference to the individual, to the family, to the community and to the individual business.

SH: Who were some of the authors or individuals that influenced you as you were forming your political identity?

DS: Ayn Rand and John Locke. John Locke talked about life, liberty and property as being the foundation of what the role of government is, to protect those things. And Ayn Rand took that to a different level. She's a little cruel. She is not a very altruistic person. So that got tempered by some of the other reading I did when I went to the Fraser Institute.

Having finished an economics degree, I was greatly disappointed that we didn't learn about the Austrian economists there. So that's when I got introduced to Friedrich Hayek and his concept of spontaneous order. It's one that I just see in action all the time, whether it's in the public sector or the private sector.

Joseph Schumpeter as well, and his notion of creative destruction. It's very difficult to see legacy businesses go under, but when those legacy businesses go under it's because some scrappy startup could figure out a way to use resources better.

So when I look at those influences on my thinking, I'm trying to figure out how can we bring a little bit of that creativity, innovation, internal markets, competition choice and customer-focused approach to the services of government. The education I had along those lines is very influential in the way I approach government.

I don't believe central planning is the right answer. I don't believe the job of government is to find smarter central planners. When you have a complex entity like a provincial government, which has essentially 27 departments, most of them billion-dollar departments, there's no one person who has the scope to be able to manage a $70-billion enterprise like that.

Alberta Premier Danielle Smith on stage at the Calgary Influential Women in Business event on April 13, 2023.

CREDIT: CHRIS SCHWARZ/GOVERNMENT OF ALBERTA

What you have to do is create a thousand decision makers so that every single day you get a thousand incremental choices that keep on moving you towards better and better outcomes. That's how my political philosophy is being played out in this new role. It's part of the reason why I've given my ministers mandate letters and said, "Go and execute on this and, if you have any trouble, let me know." They don't call me that often. They're able to get a lot done, and I think that's important. I think it allows us to be very effective as a government.

SH: After spending some time in public life, you were a radio host and a business advocate again. But you then re-entered the political fray by running for the leadership of the United Conservative Party (UCP). Was there a moment or some event that just set you over the edge to say I'm back in?

DS: Well, I'll blame Derek Fildebrandt because I was at the-

SH: We blame him for a lot of things.

DS: Oh, I know. He's also a former CTF alum, isn't he?

SH: Yes, he is.

DS: I was on a panel in 2021, and we were talking about what might happen with the UCP leadership because there were some troubles at that time. I made some comment, "Well, if the job came open, sure I'd run again, but so would so-and-so and so-and-so." I listed about ten different people and that became sort of a blaring headline that I had launched my leadership campaign. It wasn't quite how I intended it, but those kinds of things have their way of creating their own momentum.

I know there were groups that were organizing to get the outcome that happened, and when the previous premier (Jason Kenney) decided he didn't have a strong enough mandate and stepped down, I'd already locked myself in because I'd said if the job came open, I'd run for it.

Part of it was that I was really concerned about what happens when you split the conservative movement. I mean, I played a role in splitting the conservative movement in the past, and I've watched what happened at the federal level with the conservative movement split. It is always so hard to stitch it back together. I give Brian Jean and Jason Kenney great credit for doing that. I just didn't want to be part of a group that would've caused that divide to happen again. I felt like I didn't know if I could win, but I knew at least I could keep the people who supported me staying in the fold and knowing that the UCP is a vehicle that is worth supporting and a project worth backing.

I felt gravely concerned that we were at a point with the consolidated left under the NDP, that if the conservative movement split, there was no way we'd win re-election.

SH: Was there a moment in time or event that made you believe you were going to win the leadership?

DS: I think the moment that I knew we had won was when we got down to the third ballot, and it was me and Minister Toews and Brian Jean on the ballot, in that order. I thought, OK, I think I've got enough support from Brian Jean supporters that this would take me over the top, but it was a nail biter all the way through to the end.

SH: You're an advocate for eliminating the federal carbon tax, yet we see Justin Trudeau continue to increase it every year. Why do you think he is continuing to push that tax up when we can see people struggling with the high cost of living?

DS: It goes against all reason. There have been some academics on our side, like Ross McKitrick, who has said the carbon tax rate is well below the level that might result in enough behaviour change. Yet, we're already, I believe, at a point where the carbon tax on home heating is higher than the actual cost of the natural gas you're using. So I look at the knock-on effect, as well as the impact it's having on our power grid, because our electricity is mostly generated by natural gas. Plus, when we get into the deep winter when it's -30C or the heat of summer when it's +30C, people need to turn on their air conditioning and their furnaces, so it's causing real hardship for people. I don't know how the federal government can continue to be so disconnected from that.

We are supportive of an industrial pricing program, which we've had in this province since 2007, because that's where you're going to make major change. The large industrial operations can find ways to capture CO_2 and store it or capture it and turn it into useful products like Heidelberg is doing with its net-zero cement facility. Or the investment that Cenovus wants to make in small modular nuclear to be able to decarbonize. Or direct air capture, which is being pioneered with Avatar Innovations. If your number one concern is how do we reduce emissions, those are the kinds of things that are going to work in addition to LNG (liquid natural gas) export.

One of the things I keep hearing every time I go to an international conference is how concerned the poorer nations of the world are about energy poverty and, that if we do not make sure they've got a secure supply of LNG, they're just going to continue to accelerate their coal plant development, which will continue to accelerate emissions.

The federal government has lost the plot. It's not about punishing a fixed-income senior in January and making them choose between having a lower grocery bill or being able to stay warm. It's about doing what we can to support the large companies that can make progress. That's the message we've been giving to the federal government. Let's get rid of the retail carbon tax, stop punishing consumers and let's just work on how we can use technology, innovation and export to be able to achieve national and international goals.

SH: I'm not sure why they aren't listening.

DS: What I don't understand is why the Trudeau Liberals don't connect the fact that they plummeted in the polls with how concerned people are about the affordability crisis. They've lost a lot of ground with young people because young people want to be able to pay a decent price for rent and be able to afford their utility bills, as well as be able to afford groceries. Some of the TikTok videos of people losing heart for the potential of a good quality of life in Canada are pretty heartbreaking. That's on the federal government and they should own that.

SH: You'd think a government that governs by polls like the feds do, is strangely ideological on this.

DS: We're trying to get them to be realistic. We're injecting reality every chance we get. We're in the process of trying to figure out a pathway where we can align our interest to 2050, which I think is a reasonable time frame. We're not there yet, but we're still going to work on it.

SH: Good for you. Talking about a long-term plan, you mentioned during the UCP leadership race about an old study the CTF did 20 some years ago, looking at building up the Alberta Heritage Savings Trust Fund and using the investment income every year to replace provincial income taxes. Do you think that's still an achievable goal?

DS: Everybody pulls up all my old columns that are controversial. No one ever pulled out my old column where I was celebrating the CTF plan. Because I'm trying to remember what the numbers were at the time.

But I can tell you that former finance

CREDIT: CHRIS SCHWARZ/GOVERNMENT OF ALBERTA

Alberta Premier Danielle Smith with her finance minister Travis Toews unveiling the 2023 provincial budget on Feb. 28, 2023 minister Travis Toews said if we had just invested the investment income from the Heritage Savings Trust Fund from the beginning, that fund would be well over a $100 billion dollars right now. That, to me, is very compelling.

What's the saying? The best time to have started would've been 30 years ago. The next best time is now. So one of the things I was so pleased to work with him on was the fiscal framework that we put in place. It's going to be very powerful and I don't know if people realize just how powerful it's going to be.

We've committed to limiting year-over-year increases to inflation plus population growth from the previous year. That was one thing that was really important because, often times, you'll see these projections about what inflation and population growth is going to be. They're always wrong. Then you end up overspending two or three or four percentage points. We'll be basing our year-over-year spending growth on actuals, which means our revenue should always be outpacing our expenses. That's going to be important because then we'll create an avenue for surpluses. We're also keeping all of the investment income from the Heritage Savings Trust Fund in the fund, so it's going to be able to grow and compound over time.

The finance minister surprised me by adding an extra $2 billion just to top it up, because we had such a large surplus last year. We have a new model when we have surpluses. Half has to go to debt repayment and then the rest can go to either more debt repayment, savings in the Heritage Savings Trust Fund or one-time spending that doesn't increase operations. I think that'll stand the test of time.

I can't wait to see a couple of terms out where we find ourselves, but I'd love to see it get to $50 billion by 2030 and then it will be well on its way to getting to $100 billion dollars because that allows us to wean ourselves off our reliance on resource revenue. I think resource revenues are going to be an essential feature of our economy and our budget for a long time, but why not plan for a future where, if for some reason we aren't able to enjoy the same amount of revenues, it can be replaced with investment income.

SH: I've got to tell you, I beat my head against the wall arguing for this 15 years ago when I was the Alberta director. When I saw this year's budget, I was overjoyed to see that in there.

Then CTF-Alberta Director Scott Hennig presenting the CTF's pre-budget recommendations to Wildrose MLAs Rob Anderson (left), and Guy Boutilier (right) and Wildrose leader Danielle Smith on Dec. 6, 2010.

DS: Look at the influence you have.

SH: If I had any influence on it, we would've have had it 15 years ago.

DS: It took us both a long time to get there, but you and I have been in sync on that for a long time.

SH: Let's talk about the Alberta pension plan idea. What's the best argument in favour of Alberta moving to its own pension plan, and what's the biggest argument against doing it?

DS: One of the things that people should take away is just how much Alberta contributes to the wealth of the entire country. Under legislation, we'd be entitled to 53% of the benefit based on our overpayment of premiums and the resulting compound interest. People should be asking themselves, is that fair? Is it fair that Alberta, with four-and-a-half million people, continues to underwrite the CPP?

Every single federal program is structured in a way where we pay more in and we get back less. It's not sustainable, especially when you have a federal government that continues to attack us, continues to talk about emissions caps on oil and gas, emissions caps on fertilizers, emissions caps on methane, carbon taxes that are going up unsustainably, talking about regulating the number of combustion engine vehicles we're allowed to sell and regulating whether or not homes are allowed to be hooked up to natural gas. The hits just keep on coming to our industry and they keep on asking us to pay.

Alberta did a referendum on equalization. We said we want to renegotiate this relationship that we have with the rest of the country and they shut the door in our face.

So we have to look at another way to keep some of those dollars here. The Alberta Pension Plan is one way. We have the right under the Canadian constitution to have our own plan. There's a formula for how we would exit, and now it's going to be up to Albertans to decide.

When I was running in the leadership

Then UCP leadership candidate Danielle Smith signing the CTF no PST and no tax hikes pledge with Alberta Director Kris Sims on Aug. 30, 2022.

with Travis Toews, he was very committed to this. I thought, I wonder what he knows that I don't know. Now, everybody knows that if we got the $334 billion we're entitled to, that would allow us to reduce our premiums on employees by $1,425 and employers by $1,425, for a total of $2,850. Or we'd be able to increase the benefits for our citizenry.

As former Alberta treasurer Jim Dinning, who's leading the panel doing the review, has said, we'd be able to create an ecosystem here that would be able to support a large amount of additional investment dollars coming into Alberta. So there's a lot of great reasons why we should pursue it now.

SH: So why shouldn't we?

DS: I think the emotional argument would be that Albertans love Canada and Albertans want to be a constructive part of Canada. I think it saddens Albertans to know we're not treated the way we should be. I think Albertans still aspirationally hope we can create a better relationship with the rest of the country and be respected for what we have to offer. Albertans are so generous. We've always wanted to just be left alone, let us do well and then everybody does well.

I've got a parallel track that I think is responsible for people to know just how much they can benefit if we go to a provincial pension plan. But I'm really hoping the rest of the country knows Albertans really are strong and proud Canadians. We just have a federal government that hasn't been treating us well.

SH: You're getting some feedback now from Albertans. Will you hold a referendum if the feedback is positive?

DS: I'll get that advice from Jim Dinning and his panel, which includes Moin Yahya and Mary Ritchie. Mary Richie was on the CPP Investment Board, and Moin Yahya was part of the original panel that came up with the Alberta strategy. I'll take their advice. It'll be pretty clear by the time we get to May whether or not people want to have a vote on this. If they don't want to have a vote on it, we won't. If they do want to have a vote on it, we will and I will respect the outcome.

SH: I know we're running short of time here, so let me just give a couple last quick hit questions just to get to know Danielle Smith. What's your all-time favourite book?

DS: Every few years I read Atlas Shrugged, but I actually prefer Ayn Rand's other book, We The Living.

SH: Yes, that's the correct answer. It's such a great book. All-time favourite movie?

DS: A little bit more frivolous, there's a few of them. I like Scrooged and I like French Kiss and I like Groundhog Day...

SH: French Kiss, what's that one?

DS: Oh, with Meg Ryan. Who doesn't love Meg Ryan? She's got a new movie out with David Duchovny. I can't wait to see it.

SH: Any podcast recommendations?

DS: Let me give a couple of suggestions. Sean Newman is Alberta's Joe Rogan. I did a number of podcasts with him in my former life. I do enjoy that long-form interview style and he deals with Canadian issues. I would recommend him. Bruce McAllister, who used to be on Global, has now launched an Alberta podcast because, with the federal government making all of these changes and Facebook and Google not offering Canadian news, we feel that we've got to be able to get our message out. So we've got an Alberta podcast that you can follow on my YouTube page.

SH: That's a shameless plug.

DS: Very shameless.

SH: What app on your phone gets the most use?

DS: I still want to call it Twitter, but X. Then secondarily, iMessage. That's the best way to reach me. People email me, but I've got hundreds if not thousands of emails, but I always monitor my texts.

SH: OK, last question. What was the first concert you ever went to?

DS: Duran Duran.

SH: Oh, that's a good one.

DS: I think it was the last one I went to, too. I'll go again when they come again. I was a Simon Le Bon fan.

SH: Thanks so much for joining me, Danielle.

DS: My pleasure. Thanks so much, Scott.

New Zealand's Firearms Ban and Purchase Plan:

A MISFIRE IN POLICY AND TRUST

by Jordan Williams

Politicians all too often fall into the trap of the sexy sound bite over the sensible policy, particularly in the aftermath of tragedy, when international media focus is intense.

Case in point: changes to New Zealand's gun laws following the terrible events of March 15, 2019, when an armed, white supremacist gunman entered two mosques in Christchurch and murdered 51 people.

In response, former New Zealand Prime Minister Jacinda Ardern chose the sound bite.

First, some context. New Zealand has many gun owners (about 250,000) relative to our population 5 million, or about that of the province of British Columbia. But New Zealand also has very low gun crime.

Prior to the changes implemented in the wake of the Christchurch terror attack, New Zealand had a licensed firearm owner (LFO) regime, which licenced the person, not the gun. Positive relationships existed between the police and rural communities, where guns are a normal part of everyday life. New Zealand also enjoyed high compliance with the gun laws on the books, with few ending up in the hands of criminals.

But Ardern's reaction to the terror attack put an end to most of that. Rather than tackle what caused an Australian loner, Brenton Tarrant, to become a radicalized racist capable of obtaining a gun licence, Ardern chose culture war politics.

Ardern pitted the government, the police, state-funded media and her metropolitan New Zealand Labour Party voter base against LFOs and rural communities. Instead of crafting policy that would actually deal with the underlying causes of the murder spree, Ardern introduced a nationwide ban on semi-automatic weapons and so-called assault rifles, the vast majority of which had nothing to do with the horrific events of March 15.

Meanwhile, the real scandals were ignored. As a result of funding cuts to specialist arms officers a few years earlier, Tarrant was able to become an LFO, with his only character references being an acquaintance from online video games, as well as the acquaintance's parent, whom he'd only met in passing. Few questions were directed at police and even fewer were directed at Ardern, who'd been at the height of her political popularity at the time of the cuts.

This type of sloppiness would have been unthinkable just a few years earlier. When I applied to become a LFO in college, my references were visited in-person for lengthy interviews. Similar interviews were conducted by the local arms officer (without me present) with my employer, girlfriend and roommates. The police wanted to ensure I was a law-abiding citizen, not prone to domestic violence, drug use or mental health episodes. Once vetted and approved, I was left alone and trusted to be responsible, as long as I had a gun safe and kept my address up-to-date.

Ardern's campaign to vilify law-abiding gun owners destroyed what had been arguably the most successful regulatory regime in the western world. In addition to her sweeping gun ban, Ardern also introduced a government purchase program, sometimes oddly referred to as a buyback. It should go without saying the government can't buy back something it never owned.

The political class delighted in images of farmers, sports shooters and hunters turning in family heirlooms, hunting kits and antiques. They also cheered on the introduction of a national gun registry. Technically, it was a reintroduction of a gun registry. It had been tried before, decades earlier, and was scrapped for being ineffective and expensive, with an error rate of 66%.

> **"Ardern's campaign to vilify law-abiding gun owners destroyed what had been arguably the most successful regulatory regime in the western world."**

Predicably, other lawful LFOs declined to participate in Ardern's scheme. In some of New Zealand's rural districts, hardware stores reported increased sales of short-length PVC piping, with many concluding it was better to bury granddad's .303 rifle than turn it over to the police to be destroyed. Even the way prices were calculated appeared punitive and demeaning. Prices fell well short of Australia's gun buyback of the 1990s. Rather than incentivising compliance with generosity, as our Aussie cousins had, the lowball compensation was yet another strain on the previously good relationship between the police and LFOs.

Another concern of LFOs stemmed from the well-founded idea that a gun registry wouldn't be safe. A database of who owns what, and where, is an attractive shopping list for gangs and criminals, and the police don't have the best record of keeping data private. Less than a month after the gun registry was introduced, there was a major privacy breach when the firearms safety authority accidentally sent 147 licensed gun owners each other's email addresses. A similar event occurred in 2021, and again last year. In 2022, more than 4,000 license documents were stolen, including personal details such as names and addresses of gun owners. Police weren't even aware the documents had been stolen until weeks later when media got hold of the story.

But even if the registry were secure, was it all for nothing?

More than 60,000 guns were collected or modified following the reforms, according to a report from New Zealand's Auditor-General. A total of $120 million was spent on compensation and another $35 million was spent to administer the program (about double the initial estimate). Nevertheless, the Auditor-General admitted, "We were not able to form a conclusion on the level of compliance with the new regulatory regime." But police data gives a sense of compliance rates. Two-thirds of the guns seized by police since 2020 had no serial number. Of those that did, only 171 (6.9%) were already on the gun registry and, of those, only 27 were a likely match with the description of the gun on file. Forty-seven were a partial match and 97 did not match. Inaccuracies and a black market make having a reliable registry near impossible, not to mention expensive. LFOs and other taxpayers are right to question whether it was worth the cost.

When looking at any policy issue, it's important to ask questions. What precisely is the problem you are trying to solve? Will the proposal tackle that problem? Will the cost of the policy be outweighed by the benefits it produces? What is the likelihood of things going wrong and what would the consequences of that be?

Ardern's government was advised that, where implemented, gun registries haven't tended to reduce crime, but she proceeded anyway. The uproar from LFOs did not impact Ardern's voter base. In terms of positive international headlines, though, the program was a success.

Frontline police are almost certainly worse off. Prior to the changes, police could reliably know whether an individual was likely to own (or able to access) a gun, which is obviously better than a registry with much lower compliance. And, to state the obvious: spending hundreds of millions of dollars on a buyback and registry that hasn't improved safety is not a good use of taxpayers' money.

At an estimated cost of $1 million per week to run the New Zealand gun registry, would it not be a better use of taxpayer money to invest in things we do know prevent gun violence – namely, better mental health and background checks, going after illegal gun owners and putting criminals behind bars?

The recently-elected New Zealand National Party (conservative) government has promised a wholesale review of our firearm regulatory regime and the gun registry. Here's hoping Ardern's wrongheaded policy can be rolled back and trust with LFOs can be restored.

Jordan Williams is a Licenced Firearms Owner and the co-founder and Executive Director of the New Zealand Taxpayers' Union. The Taxpayers' Union is a sister organization of the Canadian Taxpayers Federation and enjoys the support of 204,000 New Zealand subscribers. The views expressed in this piece are personal. The Taxpayers' Union has not taken a position on the firearms registry.

HOW TAXPAYERS ARE FUNDING THE HOUSING BOOM

by Franco Terrazzano
Federal Director

The Canadian Mortgage and Housing Corporation (CMHC) and Statistics Canada recently developed an index to measure housing affordability. It's a simple concept: divide average housing prices in an area by the average household incomes, to get a single number. The higher the number, the more expensive the region.

The Greater Toronto Area comes in at 9.25. But it's only the second highest in the nation. The most expensive area is the Greater Vancouver Area, where homes cost roughly 14 times what families earn in a year.

At a event in Windsor, Ont., New Democratic Party Leader Jagmeet Singh offered some solutions to the "mortgage misery" families are facing. His plan includes a new fund for non-profits and government agencies to buy land and build "affordable housing," as well as forcing banks to offer lower rates to subsidize those struggling to pay mortgages.

But is government intervention the solution to the nation's housing woes? The answer is an unambiguous no.

In fact, the current mess is the result of decades of government intervention – federally, provincially and municipally. But before we delve into how government screwed things up, let's first understand how the system should work in a free market.

Housing economics 101

The housing market, like all markets, operates under the laws of supply and demand. The supply of housing depends on the availability of developable land, as well as the costs of construction, including labour, materials and marketing.

The demand for housing is based on the number of potential homebuyers, as well as the income and credit available to them.

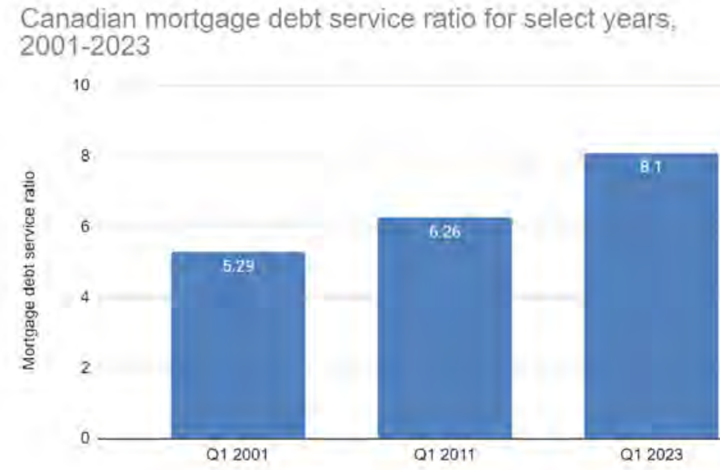
When demand increases faster than supply, housing prices go up. If supply increases faster than demand, housing prices go down.

When governments don't mess things up, there's a natural market check on exploding prices. When the demand for a good increases quickly, it incentivizes more sellers to get into the market. With more sellers supplying and investing, prices tend to come down. And not only do they decrease, they can be pushed even lower than before.

We see this in markets like electronics and software, i.e., better quality and lower prices. As it happens, these markets have the fewest distortions from government interference. But when it comes to housing, things have gotten more expensive.

Since prices are going up while new housing is being built, we know demand is increasing faster than supply. What is enabling demand to increase so quickly? Record levels of immigration increases the number of people looking to buy or rent a home. Increased wages give people modestly more purchasing power.

Most importantly, there has been a tremendous increase in credit. Back in the first quarter of 2000, Canadians owed about 5.5 times as much on mortgage debt than they earned annually. Today, mortgage debt has ballooned 8.2 times higher than average incomes. How can anyone afford this?



SOURCE: CANADIAN TAXPAYERS FEDERATION. DATA FROM OECD (2023), HOUSING PRICES (INDICATOR). DOI: 10.1787/63008438-EN.

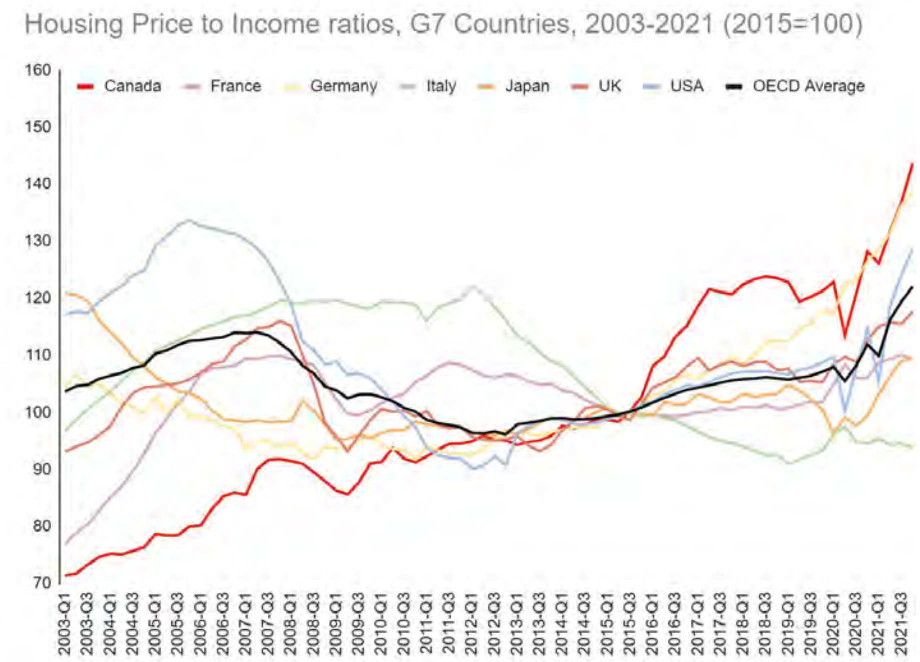
The Usain Bolt of unaffordability

When it comes to the accelerating price of housing on an international scale, Canada is the world's fastest.

Compared to other countries in the G7, housing prices in Canada are rising fast. But it's an even more dreary picture when housing prices are compared to incomes. The Organization for Economic Cooperation and Development (OECD) has been measuring housing prices and incomes across 47 member countries for half a century.

Using its data, we can see that, in 2003, Canada was the most affordable nation among the seven most economically advanced countries in the world. But while other countries had a slowdown in prices (like Japan and Italy), or had incomes catch up quickly (like the United States and France), Canada continued on an upward trajectory the entire time.

Call us the Usain Bolt of housing unaffordability.



SOURCE: DATA FROM STATISTICS CANADA. TABLE 11-10-0065-01.

The trident of federal intervention

The current crisis is almost all thanks to the federal government. First, the Bank of Canada is pressured to lower interest rates. This makes mortgages cheap. When debt is cheap, it isn't just a boon to savvy investors and prudent savers. Bankers know that lower rates attract lower-quality borrowers, i.e., those more likely to miss payments or default outright.

This opens up the second prong of federal intervention: the CMHC. This agency "insures" mortgages that have a 20% deposit. This serves as an incentive for bankers, as they now have a taxpayer-subsidized bailout guarantee if a borrower doesn't pay.

But who can afford 20% down payments for a million dollar "starter home?" Very few people, that's for sure. Hence, the third prong of the trident of federal interventions: a slew of "tax credits," i.e., direct cash transfers and other subsidies encouraging more borrowing to pay for a home.

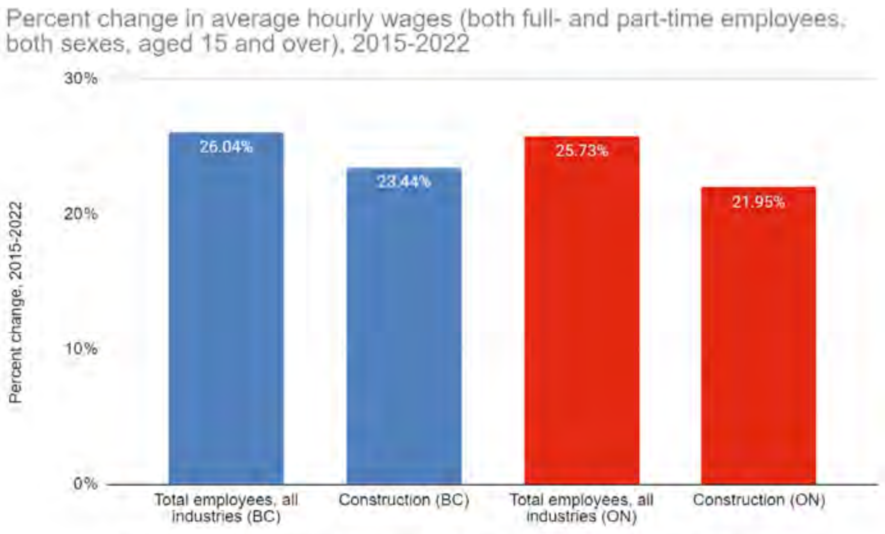
What is holding back the supply of housing?

It can't be labour shortages. If there were not enough construction workers, we would expect to see wages rapidly rising to attract more employees. Yet, construction worker wages in both Toronto and Vancouver have risen at a below-average rate.

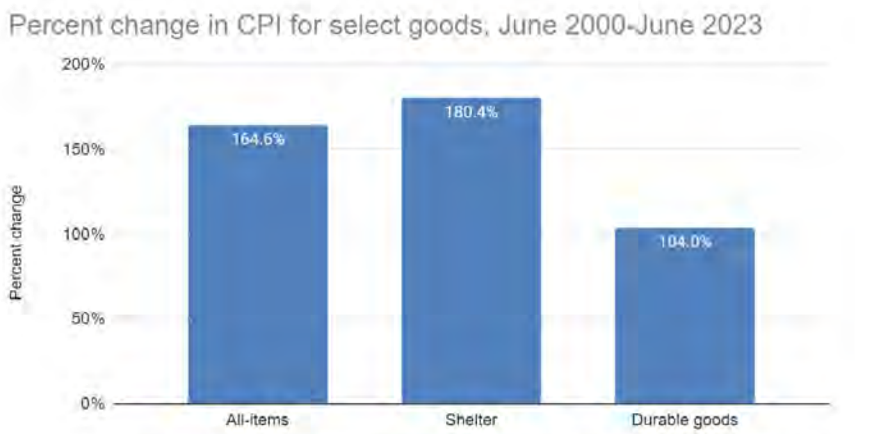
What about the cost of materials? It's true building bigger structures is more expensive than smaller ones, i.e., you need more steel, concrete, electrical systems for elevators, etc. But these materials are used in industries other than housing. For example, steel and hardwood are also used to manufacture durable goods like cars, furniture and refrigerators.

So if the rising cost of materials were the culprit, we should expect the price of these goods to increase. But these prices have remained relatively flat since the year 2000, while home prices have increased faster than inflation.

The last possible source of supply restriction remaining is regulatory barriers. This is where the provinces and municipalities come in.



Source: Canadian Taxpayers Federation. Data from Statistics Canada, Table 14-10-0064-01



Source: Canadian Taxpayers Federation. Data from Statistics Canada, Table 18-10-0004-13

Understanding land use restrictions

The most pertinent regulation related to housing construction is land-use planning and building permitting. While these are administered at a municipal level through various bylaws, the framework for these rules is provincial. For example, in Ontario, the rules governing zoning are laid out in the provincial Planning Act. In British Columbia, it's covered under the Local Government Act.

Zoning allows government officials to decide what can and cannot be built in various "zones" of a city. Zoning covers general uses (residential vs. commercial vs. mixed-use) and more granular details like specifying heights, depths, the number of doors visible from the street, building envelopes, and more.

Zoning ordinances can be thousands of pages long.

An optimistic person might think zoning preserves peace and character in a neighbourhood and provides order and rationality to growth. But economists are not known for being optimistic people.

All zoning ordinances have rules about making amendments and exceptions for "non-conforming" uses. These rules often involve detailed conversations and sharing of plans and data with the municipality, as well as determining cash payments and other concessions (like parkland donations, setting aside some units for low-income individuals, etc.) from the developers for the privilege of building housing for a fast-growing population.

A cynic might interpret this as being conducive for under-zoning. This is the process where planners intentionally set rules that are too restrictive to maximize the number of people looking for an amendment, which would then maximize the number of concessions they can extract from developers.

Some may see the extra cash (and other bonuses, like parks and low-income units) as a boon for the municipality. But they come at a cost, i.e., fewer units, a longer timeline to build and higher home prices.

It often takes years to get through these meetings. Meanwhile, developers still pay property taxes on undeveloped land, continue to pay employees and also pay, plan and coordinate suppliers and subcontractors when construction starts. Every delay, every negotiation and every appeal to some higher level of government adds more costs to construction, which means more expensive homes.

To be clear, the issue is not merely the length of the process. The restrictions, in terms of design, are problematic in themselves.

Take, for instance, the idea of the "angular plane" for mid-rise residential buildings in Toronto. In order to minimize shadow impacts on neighbouring properties and to "transition" to adjacent properties, buildings between 6 and 11 storeys tall must effectively lop off a 45-degree triangular chunk from their buildings. This represents a loss of dozens of units, which, in a city with expensive land prices, makes the profit margins of constructing very thin.

As a result, relatively few are built. Developers opt for taller buildings instead, which are not subject to such restrictions. Although these take more time to plan, coordinate, finance and get through the planning process, they have higher profit margins.

So even if developers could get quick approval on such a design, the regulations still ensure they don't get built.

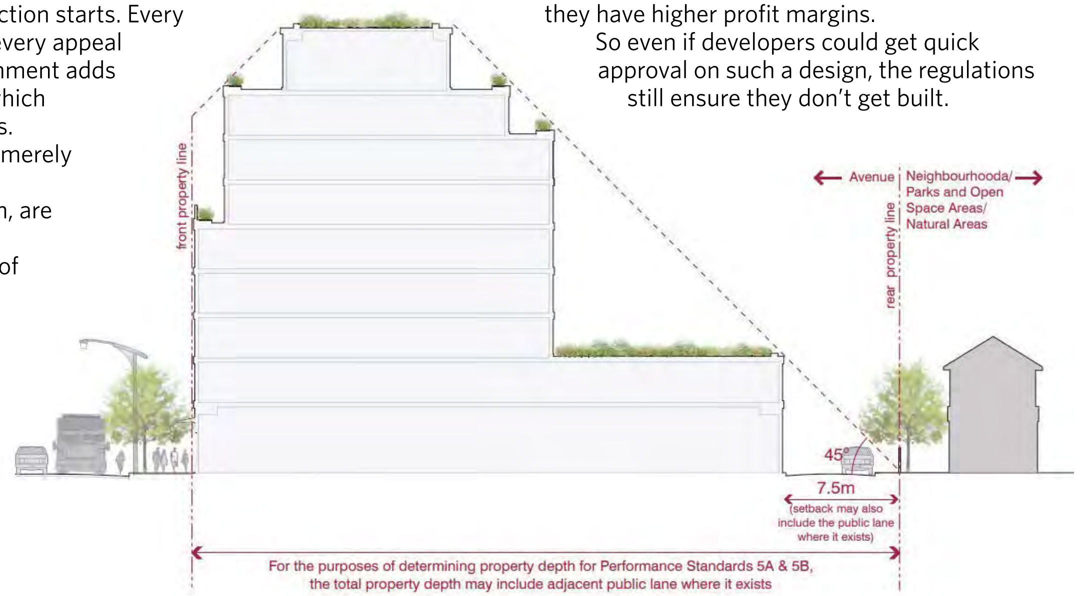


Illustration of an angular plan guideline. All that empty space above and below the dotted lines could have been homes for people. Image from the City of Toronto's Performance Standards for Mid-Rise Buildings.

Can prices keep going up forever?

Contrary to popular belief, housing prices can indeed go up indefinitely. So long as demand outstrips supply, and so long as this demand is subsidized by low interest rates from the central bank and other cash incentives from the federal government, there is no reason to expect prices to come down.

Of course, this means there will be other consequences. For example, low interest rates allow banks to effectively print money out of thin air. Over time, this leads to higher and higher inflation.

High inflation doesn't just mean rising housing prices, but rising prices for everything. Since prices don't rise all at once, some people benefit, while most suffer. (This is called the 'Cantillon effect'). This suffering typically leads to political protests against rising prices, putting pressure on the central bank to stop the money printing. But this means it gets harder to borrow to buy a house, which has a direct impact on demand. Since developers have already started building with the expectation the money printing won't stop, they suddenly find themselves with units they can no longer sell profitably. Some developers will take the loss, but others may abandon the development, leaving contractors out of a job, which leads to knock-on effects throughout the economy. (Remember, the 2008 global financial crisis in the United States began after interest rate hikes affected some low-income homebuyers in Florida and Nevada in 2006).

What's The Solution?

Conservative Party of Canada Leader Pierre Poilievre has made noise with attacks on "gatekeepers." His fight is not against private gatekeepers, but those in government. Poilievre recognizes a major source of the problem comes from local bylaw restrictions on housing construction. But the question is, how can the federal government help?

In a recent op-ed, Poilievre highlighted his plan to build more housing. In short, he wants to tie future federal grants to municipalities to their ability to greenlight new housing construction. This is a great start, as it addresses the supply issue directly.

Another piece of the puzzle is pressuring provincial governments to take action. After all, zoning bylaws are empowered by provincial legislation. Perhaps federal grants to provinces can also be tied to provincial actions that loosen zoning restrictions.

While addressing the supply side is very important, the other half that needs attention is the demand side. Poilievre has only indirectly spoken on demand side problems, with his criticism of the Bank of Canada. He has not commented on the CMHC or other transfers that incentivize buying. This is still a big improvement over his rival Singh, who wants to increase demand subsidies even more.

In terms of political calculus, it is generally much easier to subsidize a problem than it is to take away the subsidies that caused it. But to rein in housing prices, both supply and demand must be left to market forces.

FINISHING THE YEAR STRONG

by Leam Dunn
Executive Director, Generation Screwed

This year, Generation Screwed saw significant achievement and expansion. Our campus coordinators, dedicated to spreading awareness about the dangers of debt and the need for smaller government, were instrumental in enhancing the lives of young people. The fall 2023 semester saw growth in our organization, with the expansion to four new schools and the addition of nine coordinators to our team.

GS clubs across campuses held 75 events in 2023, engaging more than 1,700 students. Students had the opportunity to attend pub nights, interact with our coordinators at tabling events or listen to insightful talks from our guest speakers. These interactions provided students with critical perspectives on the perils of big government, exposing them to ideas not often taught in their classrooms.

The teams at the University of Toronto and the University of British Columbia – Okanagan Campus co-hosted the Future Leader Conference in February. This event offered students professional debate training and the chance to hear from prominent figures, including CTF Ontario Director Jay Goldberg. The conference was a success, providing a platform for students to hone their debate skills and talk about pressing political issues.

The University of Calgary Generation Screwed club hosting a pub night.

Students attending the Future Leader Conference at the University of Toronto.

The University of Calgary's GS team made significant strides with its anti-Bill C-11 week in March 2023. They organized information sessions, distributed leaflets with critical messages about Bill C-11 and displayed posters in student common areas to educate their peers about the bill's potential impacts. But the Calgary team's efforts didn't stop there. They collaborated with the Alberta Institute to organize a pub night on equalization payments. The event attracted more than 80 students, who participated in a fervent discussion, demonstrating a growing interest in fiscal policies among youth.

As we look to the future, the expansion of Generation Screwed is a testament to our growing influence and commitment to our cause. The addition of four new schools into our network is a significant milestone. It not only extends our reach, but also brings fresh perspectives and ideas into the fold. These new schools have already started making their mark, with coordinators organizing events and engaging their peers in meaningful conversations about government debt and its implications.

Our coordinators from across the country are eagerly anticipating the annual retreat. This event is a crucial opportunity for them to learn, share experiences and think about effective ways to enhance their campus activism. The retreat serves not only as a training ground, but also as a forum for innovative ideas and collaborative projects.

As we move forward, we are committed to continuing our mission, equipped with a stronger team and a wider network, ready to make an even greater impact in the fight against government debt and fiscal irresponsibility.

COORDINATOR SPOTLIGHT

"Why did you join Generation Screwed and why do you think our message is important?"

Bhromor Rahman – University of Ottawa

I joined GS in 2018 when I was 17 years old. At the time, I could make a case for why we should strive for smaller government and have fierce debates about dubious economic concepts like modern monetary theory. But I wanted to get beyond books and put those ideas into practice. This is what being a Generation Screwed campus coordinator allowed me to do.

While in GS, I received media training, participated in workshops and learned how to write opinion articles. Unfortunately, economic illiteracy is rampant, especially among students.

The most fulfilling part of what we do is causing disruptions on campuses through debate. Defending Canadian taxpayers and advocating for limited government will get you smeared and shouted at. But it's the poorest Canadians who will end up holding the bag for all the money that goes towards servicing the interest on government debt. At GS, we're fighting for a better Canada for everyone.

Nick Cantlie – Simon Fraser University

Amid rampant inflation and skyrocketing interest rates, I believe it's time to finally admit we've been duped. We have repeatedly elected charlatans running on the same platform of benefits without trade-offs and luxury without consequence. What we see today are symptoms of an illness, the rising fever of a flu that infected Canada decades ago. No Canadian will be immune to the results.

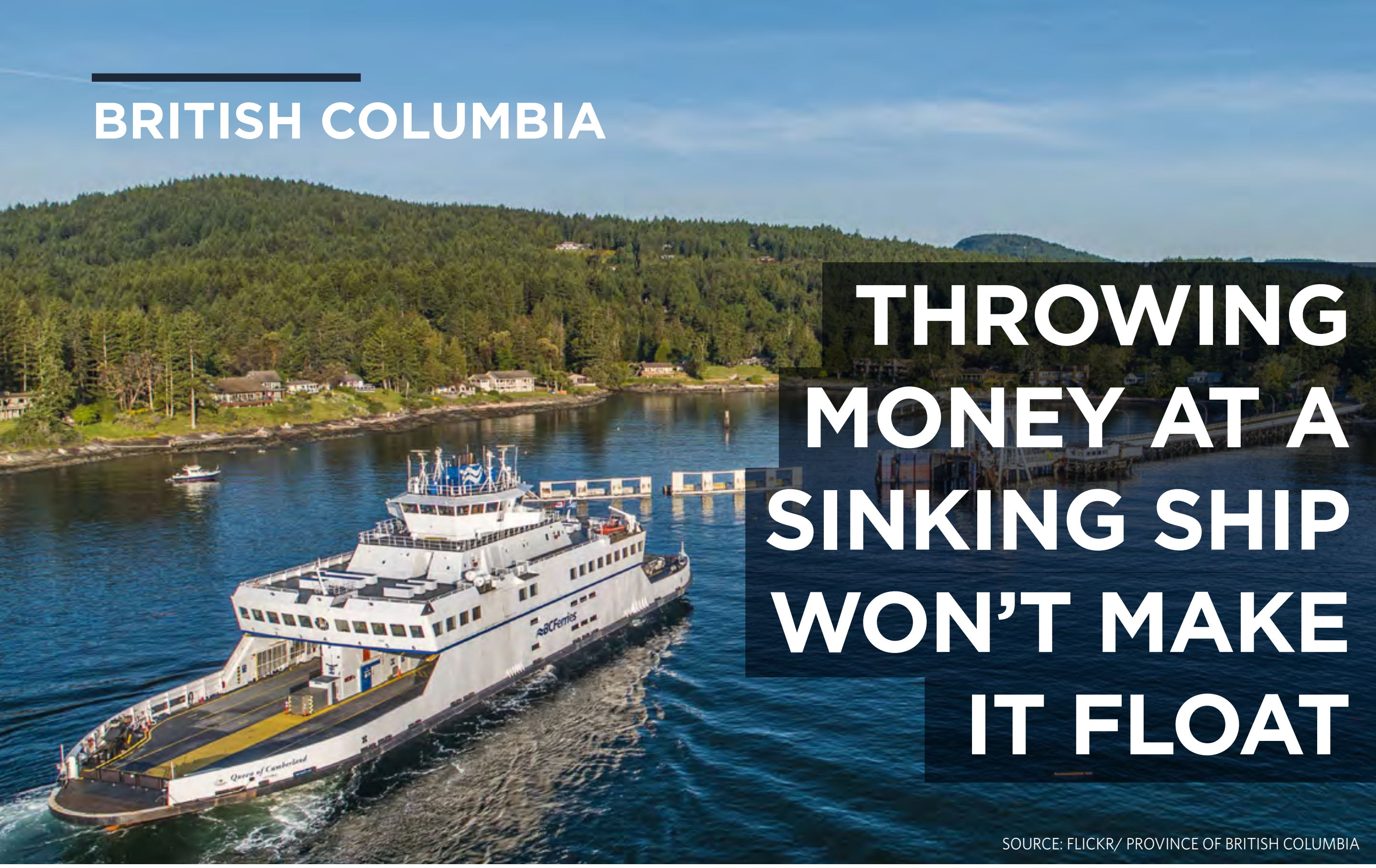
The policies of the past 60 years have been bought with the votes of the old and the pocketbooks of the young. In times such as these, we need organizations like GS to carry the flag for the next generation, to advocate for decreasing debt and taxes and increasing accountability. That's why I've chosen to become a GS campus coordinator. After all, the economy is an ecosystem of people and organizations and the CTF and GS are but humble pine trees in a forest of many, purifying the smog of government mismanagement so Canadians can finally breathe.

CHANGING OF THE GUARD

MEET LEAM DUNN

Leam and former Generation Screwed Executive Director Connor Hollingshead chatting at the CTF's 25th annual Teddy Waste Awards in Calgary on May 11, 2023.

A recent addition to the CTF in September, Leam brings a wealth of experience in political advocacy and communication. Educated at the University of Calgary in political science and communications, Leam has been an active member of Generation Screwed since 2021, starting as a campus coordinator. Prior to joining the CTF, he worked for the premier of Alberta, Students for Liberty, and multiple MPs and MLAs. Leam is ready to fight for taxpayers and meet students on campus.



THROWING MONEY AT A SINKING SHIP WON'T MAKE IT FLOAT

SOURCE: FLICKR/ PROVINCE OF BRITISH COLUMBIA

by Carson Binda, *BC Director*

This year exposed a lack of accountability within BC Ferries Corporation, leaving taxpayers and coastal communities in the lurch, with no solutions in sight.

BC Ferries got about $700 million from provincial taxpayers in 2023. Of that, $500 million came as a one-time bailout, which British Columbia Premier David Eby pulled out of the last budget surplus. The remaining $200 million is an operations subsidy from the province the ferry company gets every year.

Taxpayer bailouts and government micro-managing isn't a solution to BC Ferries' woes and it's time to show real accountability to the taxpayers who rely on and pay for its services.

British Columbians living in coastal communities rely on BC Ferries for access to the outside world. Kids living on the Gulf Islands take BC Ferries every morning to get to school on Salt Spring Island. Students from Bowen Island take the ferry to West Vancouver every day to get to class. Some regions, like the Sunshine Coast, have no roads going in or out. For those communities, BC Ferries is quite literally the only way to get back home.

In 2022, the B.C. government passed an amendment to the Coastal Ferry Act which brought BC Ferries back under the control of the provincial government. The province, through the BC Ferry Authority, oversees BC Ferries' strategic goals, appoints the board of directors and decides on compensation.

The provincial government hasn't been afraid of using its powers, either. Shortly after BC Ferries was brought back under government control, CEO Mark Collins was sacked following a spat with the premier's office. He was quickly replaced by Nicolas Jimenez, the former head of the province's automotive insurance monopoly.

The province also released a report on BC Ferries' executive compensation, which compares the total compensation of BC Ferries' executives with executives from other Crown corporations and the private sector. It showed BC Ferries' executives are dramatically overpaid, relative to their public and private sector comparators.

In 2022, the CEO took home $635,000, which the report found was about $130,000 higher than the average for comparable positions in either the public or private sectors.

Of the nine executives at BC Ferries, all but one made more than $250,000 in 2022. Three of the executives took home more than $500,000.

Despite increased government meddling and big bailouts from hard-working taxpayers, BC Ferries performance has been abysmal. The Canada Day long weekend saw eight ferries cancelled per day, on the busiest route alone, leaving thousands stranded on the biggest travel weekend of the year. Website crashes, long lines and cancelled ferries all add up to considerable public frustration.

And the CEO's response?

"This is just the circumstance of business today… You saw the system behave as we would expect." In other words, he shrugged his shoulders, leaving British Columbians without answers or remedies.

BC Ferries is a Crown corporation with an important function that dozens of communities and thousands of British Columbians rely on. It is not a government slush fund to enrich bureaucrats.

Taxpayers deserves better.

BRITISH COLUMBIANS NEED TAXPAYER PROTECTIONS.

Switzerland is a great place – Toblerone, fondue, the towering mountains and a quality of life second to none.

A major reason why the Swiss enjoy such a high quality of life revolves around taxpayer protections that keep big, bossy government in check.

Politicians in British Columbia should take a close look at their counterparts in Bern. It would be like copying homework from the smart kid in class.

B.C. needs all the help it can get.

By 2026, the provincial debt will reach $133 billion. Right now, interest on the provincial debt already cost taxpayers about $3.3 billion per year, which shakes out to $275 million every month. Big spending with no taxpayer protection leads to big debts and big interest payments.

So what is the smart Swiss kid doing so right?

The Taxpayer Protection Act (TPA), also called the debt brake, was added as an amendment to the Swiss Constitution in 2005. Unlike other taxpayer protection legislation, the Swiss TPA is simple to understand and easy to implement elsewhere.

First off, the TPA requires governments at both the federal and canton (the Swiss equivalent of provinces) level to approve balanced budgets.

Expenditures cannot exceed expected revenues. In times of national emergency, the spending limits can be temporarily raised. But that must be offset with less spending down the line. Politicians love to spend taxpayer money on their pet projects and the Swiss TPA prevents them from mortgaging the future to do it.

When we talk about politics, having good legislation is only half the equation. You also need to sell it to the public. The Swiss TPA has widespread public support, getting around 85% of the votes when a referendum was held on the constitutional amendment.

But our politicians don't need to look across the Atlantic Ocean to find examples of jurisdictions that take taxpayer protections seriously.

In 1992, Colorado passed a constitutional amendment, the Taxpayer Bill of Rights (TABOR), that limits the amount of revenue the state government can retain or spend. Without explicit voter approval, excess money must be returned to taxpayers through tax rebates and reductions. TABOR also requires voter approval for certain tax hikes.

California is also considering similar legislation, which will go to voters in November 2024. The proposed law would require the public vote on all state tax hikes. For a tax hike to pass, it would need 75% of votes in a referendum. It also requires the state to clearly disclose ballot measures that are tax hikes and to prevent politicians from using flowery language to muddy the water and confuse voters. Finally, the proposed law would clarify that government "fees" are taxes, thereby preventing politicians from raising gas and utility rates through hidden fees and taxes.

In Canada, provinces like Alberta are also taking taxpayer protection seriously. Any proposals to bring back a provincial sales tax must be put to a referendum. Alberta Premier Danielle Smith has expanded that to all personal and business taxes.

British Columbians need taxpayer protection. These laws are tried and tested around the world and enjoy huge levels of public support in countries and regions that have them.

Alberta gets FUEL TAX HIKE

by Kris Sims
Alberta Director

Albertans are no longer paying the lowest fuel taxes in Canada, as that title now belongs to the province of Manitoba.

The NDP government of Manitoba fully suspended its 14 cent per litre fuel tax on Jan. 1, 2024.

On that very same day, the United Conservative Party (UCP) government of Alberta increased its fuel tax by 9 cents per litre.

When did we arrive in the Twilight Zone? And how did we get here?

Back in December 2022, Alberta Premier Danielle Smith did the right thing. She suspended Alberta's fuel tax, saving drivers 13 cents per litre of gasoline and diesel.

That saved Albertans about $10 every time they filled up a minivan and about $15 when they filled a pickup truck. The move was even more significant for truckers, who saved about $150 when they filled their big rig tanks with diesel.

When the entire province saves money on diesel, it helps lower the prices of nearly everything, since nearly everything we purchase and consume is delivered by trucks.

For a full year, Alberta paid the lowest fuel taxes in Canada because there was no provincial fuel tax. The CTF did a province-wide tour highlighting the fact Smith had done the right thing by suspending the fuel tax.

The fuel tax suspension saved taxpayers serious money – an estimated $100 million per month.

CTF Alberta Director Kris Sims (left) and CTF Federal Director Franco Terrazzano (right) discuss the Alberta Advantage on gas prices during the CTF's Gas Tax Honesty Day in August 2023.

When the Alberta fuel tax was first suspended, the UCP government announced the suspension would be tied to the price of a barrel of oil. When the price of a barrel of West Texas Intermediate (WTI) was above $90, the government said the fuel tax would be suspended. If the WTI price of oil dropped, however, the provincial fuel tax would be incrementally reinstated.

That's what the UCP government has now done, partially reinstating the provincial fuel tax back up to 9 cents per litre of gasoline and diesel, which is a tax hike for Albertans to start the new year.

Here's the thing: the fuel tax was originally suspended for human reasons, not political ones. It was suspended because many Albertans were struggling to afford the fundamental necessities of life, including food, gasoline and home heating fuel.

Premier Smith knew that so she strengthened the Alberta Advantage by suspending the fuel tax. She wanted to shield Albertans from the federal carbon tax by providing provincial tax relief.

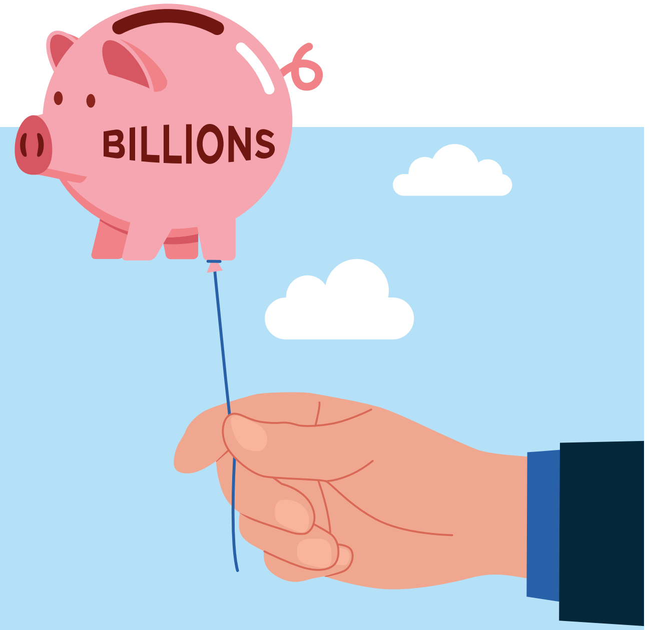
Here's the other thing: as of December 2023, the province can afford to keep the fuel tax suspended.

In the fall economic update, Alberta Finance Minister Nate Horner announced the province had a $5.5-billion surplus.

If the Alberta government put half of the surplus down on the debt, as it committed to do, it could extend the fuel tax suspension for another six months and still have more than $2 billion in surplus, leading into the February 2024-25 budget.

It's one thing for Alberta to talk big and have a reputation for low taxes, but it's quite another to increase fuel taxes.

Taxpayers win big: COMMONWEALTH GAMES SCRAPPED



Alberta taxpayers have dodged an expensive shuttlecock.

After spending millions of dollars exploring the idea, the government of Alberta has decided not to bid on hosting the 2030 Commonwealth Games.

The government of Alberta spent $2 million, and the cities of Edmonton and Calgary each spent $1 million, assessing the idea of playing host.

The international sporting tournament includes events such as badminton, cricket and table tennis.

Citing concerns about cost overruns, the city of Hamilton, Ont., decided not to host the games because the estimated price tag was $500 million.

In July, a state in Australia suddenly decided to pass on holding the games when the cost ballooned to billions of dollars.

These cancellations put the hosting squash ball back into Alberta's side of the court.

The pressure was on and taxpayers spoke up.

The CTF did several interviews in the media explaining Albertans could not afford to host these games, and CTF supporters sent a shotput of emails to the premier and to the minister of sport, saying the same thing.

When the Alberta government announced it would stop lobbying to play host to the Commonwealth Games because taxpayers had told them it wasn't worth it, it was a big win for hard-working Albertans.

This shows that when taxpayers speak up and tell politicians to stop wasting money, there's a stronger chance we can make the changes we want to see.

It's estimated Alberta taxpayers saved more than $1 billion because they won't have to bankroll the construction of velodromes – indoor circular wooden bicycle racing tracks – and they aren't on the hook for the cost of a 12-day table tennis tournament.

BALANCED BUDGET LAW AND INCOME TAX CUTS

Alberta has a new balanced budget law and the government has also passed laws to keep spending increases to the rate of inflation and population growth.

That means, by law, the new finance minister can't blow the budget, even if the bureaucrats in the finance department or big unions try to convince him to do just that.

The government also strengthened the Taxpayer Protection Act, which requires a referendum before any personal or business taxes can be increased.

This move makes the Taxpayer Protection Act one of the strongest protection laws in North America – and that's a big win for taxpayers.

The CTF wants the Alberta government to take the expansion one step further.

The Alberta government should put a carbon tax clause into the Taxpayer Protection Act. That way if the federal carbon tax is ever scrapped, Albertans don't need to worry about a provincial carbon tax coming home to roost.

During the election, the UCP also promised to cut income taxes in Alberta, creating an income tax bracket of 8% for the first $59,000 of income. The government says that move should save people earning more than $60,000 about $760 per year. Taxpayers earning less than that should see a 20% reduction in their provincial income tax.

These income tax changes are expected in 2024.

SASKATCHEWAN TAXPAYERS NEED PROTECTION

by Gage Haubrich, *Prairie Director*

A taxpayer protection act could have saved Saskatchewan taxpayers from years of the government sticking its fingers into their wallets.

In 2017, the Saskatchewan government raised the provincial sales tax (PST) from 5% to 6% and added it to additional items like used cars, restaurant meals and kids' clothes. This increased the amount of money a family pays for almost every single item they buy.

In 2016, a family making $75,000 could expect to pay $1,173 in PST per year. In 2017, after the government raised the tax, they were paying $1,727. That's an increase of more than $550.

Since then, the government hasn't stopped making families pay more. In October 2022, the government started charging PST on tickets to sports games, concerts, trade shows, fairs, rodeos and movie theatres. This year, that same family can expect to pay $1,932 in PST.

In 2018, the government hiked taxes again, raising the general business tax by half a percentage point.

On Canada Day this year, the government decided it needed even more taxpayer money and hiked the small business tax rate back up after cutting it to zero in 2020 – forcing small businesses still struggling to recover from the COVID-19 pandemic to pay more.

Despite all this extra money taken from the hard-working people of Saskatchewan, the government keeps spending beyond its means and adding to the province's long-term debt. In 2017, it was $9.26 billion; by the end of this year, it will be $18.9 billion.

It's clear the government can't be trusted with taxpayer dollars.

Both of Saskatchewan's neighbours, Alberta and Manitoba, have legislation forcing the government to balance the budget, which helps keep more taxpayer dollars in the pockets of the people who earned them.

The Alberta Taxpayer Protection Act, for example, is one of the reasons Albertans don't have to pay a PST at all. Unlike Saskatchewan, where the government can raise the PST at will, Alberta's act specifies a referendum must be held before a PST can be imposed. This stops the government from raising taxes without the approval of citizens and saves Albertans thousands of dollars a year because they don't have to pay a PST.

Alberta's most recent budget beefed up already strong taxpayer protections. The Danielle Smith government committed to balancing the budget and only increasing spending by population and inflation growth, while also mandating that 50% of any budget surplus must go to debt repayment. Any remaining surplus can be used to pay off more debt, pay for one-time projects or pay for deposits into the Alberta Heritage Savings Trust Fund.

Looking east, Manitoba's taxpayer protections didn't stop the last tax increase, but it did bring down the government that raised it. Manitoba has its own taxpayer protection act called the Fiscal Responsibility and Taxpayer Protection Act. Like Alberta, it requires a referendum before income or sales taxes can be raised.

But in 2013, the former Greg Sellinger government raised the PST without the required referendum. In the next election, his government was not only thrown out of office, his New Democratic Party (NDP) caucus was reduced to its lowest number of seats in almost 30 years. The incoming Progressive Conservative government, led by Brian Pallister, quickly reversed the tax hike.

Unlike our neighbours, Saskatchewan taxpayers are woefully unprotected from greedy government tax hikes.

A Saskatchewan taxpayer protection act could take notes from both provinces. Having to hold a referendum to raise taxes would force the government to go to voters before making taxpayers pay more. Tacking spending increases to inflation and population growth could also help the province off the resource revenue roller coaster, leaving more money left over to continue paying down the debt.

A taxpayer protection act could have stopped years of tax hikes. A new one could shield Saskatchewan taxpayers from further hikes and help the province save for the future.

IS YOUR TOWN SPENDING YOUR TAX DOLLARS WISELY?

At the Canadian Taxpayers Federation (CTF), we spend a lot of time looking at the spending of provincial and federal governments and criticizing them when they waste money. Municipal governments often fly under the radar, but it is just as important to hold politicians at the local level accountable for their spending habits.

This year in Saskatoon, the average property tax bill for a $500,000 home was $4,328 in 2023. In Regina, it was $5,372.

That's a lot of money: where does it all go?

To make it easier for taxpayers to hold their local officials accountable, we gathered all the municipal financial statements for the province and ranked them on how much of your tax dollars they are spending.

Let's start with the two biggest cities in the province.

In the last five years, Saskatoon has consistently outspent Regina per person. Part of this gap comes from the fact that Saskatoon operates its own light and power utility, whereas Regina does not. But some of it might also come from Saskatoon spending $100,000 taxpayer dollars on a public art display. That would be wasteful even if it was good art, but this is no Picasso – it's a row of lights whose only job is to illuminate a set of dumpsters in a downtown back alley.

When it comes to medium and small cities, Swift Current tops the charts, spending $3,741 per person.

Local taxpayers, especially in Swift Current, must ask themselves: is the extra money my city is spending worth it? Am I getting better local services than someone living in Moose Jaw or Yorkton?

The mayor of Swift Current didn't like the CTF poking around the city's finances, claiming we just wanted to "sensationalize" its financial situation. No, mayor, we only wanted to point out the facts.

To allow taxpayers from all over the province to find out what their mayor or reeve has been spending, we took all the municipal financial statements and put them on an easy-to-use online portal.

You can see them at this website: www.taxpayer.com/-/saskatchewan-municipal-financial-statements

This allows local taxpayers to go to their reeve or town council and make them justify how they are spending your hard-earned tax dollars.

The provincial government used to post these financial statements online but stopped in 2008. The government promised to have a new database set up by 2021. "All of the municipalities will be required on an annual basis to actually be entering this information into that database," according to Lori Carr, the former Minister of Government Relations. As of 2023, no government database exists.

The CTF is happy to lend a hand and help increase transparency, but it's time for the government to finally follow through on its promise and proactively publish all municipal financial statements online.

It's basic transparency taxpayers deserve.

Saskatoon	Total Expenses	Population	Per Person Spending
2017	$766,739,000	273,010	$2,808
2018	$804,016,000	268,188	$2,998
2019	$819,556,000	275,242	$2,978
2020	$856,386,000	280,400	$3,054
2021	$892,301,000	282,266	$3,161

Regina	Total Expenses	Population	Per Person Spending
2017	$578,894,000	230,725	$2,509
2018	$599,051,000	236,003	$2,538
2019	$663,831,000	239,989	$2,766
2020	$614,194,000	238,415	$2,576
2021	$660,098,000	239,175	$2,760

City of Regina and Saskatoon 5-year per-person spending compared

City	Total Expenses	Population	Per Person Spending
Swift Current	$62,664,299	16,750	$3,741
Yorkton	$50,606,025	16,280	$3,108
North Battleford	$41,355,367	13,836	$2,989
Estevan	$31,167,566	10,629	$2,932
Melville	$12,873,402	4,493	$2,865
Lloyd minster	$86,077,404	31,582	$2,726
Meadow Lake	$13,756,714	5,322	$2,585
Humboldt	$15,350,422	6,033	$2,544
Moose Jaw	$84,260,77	33,665	$2,503
Prince Albert	$92,477,160	37,756	$2,449
Melfort	$13,872,714	5,955	$2,330
Weyburn	$23,977,687	11,019	$2,176
Swift Current	$26,656,157	12,419	$2,146
Warman	$18,925,339	10,549	$1,794

Small and medium sized city 2021 per person spending compared

Towns that spent the most per person in 2021

Town	Total Expenses	Population	Per Person Spending
Luseland	$2,757,306	559	$4,933
Lampman	$2,791,265	673	$4,147
Coronach	$2,327,561	612	$3,803
Kyle	$1,506,518	413	$3,648
Blaine Lake	$1,675,689	509	$3,648

Towns that spent the least per person in 2021

Town	Total Expenses	Population	Per Person Spending
Waldheim	$828,983	638	$1,299
Sturgis	$1,723,247	1,237	$1,393
Coronach	$953,020	646	$1,475
Francis	$276,297	182	$1,518
Rouleau	$770,033	505	$1,525

Towns that spent the most and least per person in 2021

HAS EDUCATION SPENDING BEEN CUT IN MANITOBA?

by Gage Haubrich, *Prairie Director*

It doesn't matter how much money you spend if you fail to spend it on things that matter.

In 2023, the former Manitoba government was quick to brag about its $100 million increase in funding to schools for the 2023-24 school year, an increase of about 6% over the previous year.

Despite this increase, school boards and other critics were quick to attack the government's record on education spending. Some Winnipeg area school divisions said the funding increase wasn't enough. The Canadian Centre for Policy Alternatives, a left-wing, union-funded think tank, said extra funding in 2023 will not make up for past "cuts" to education.

But despite the bluster, these activists don't have the facts on their side.

In 2018, the Manitoba government spent about $4.4 billion on education in general, making up 26% of the provincial budget. In 2023-24, its spending about $5.5 billion. That's a 25% increase in spending, outpacing inflation and provincial population growth. If the government had only increased spending by inflation and population growth, the government would be spending $200 million less on education this year.

Years of increased spending put Manitoba second in per student funding, compared to all other provinces and territories.

Even if the government wanted to spend more, it would be irresponsible to do so. For 2023-24, the province is projecting a deficit of $1.6 billion, despite collecting record tax sums from Manitobans. Increasing the debt even further to pay for more spending would be short-sighted, and it would leave students on the hook for a higher government debt bill when they graduate.

Manitoba taxpayers can ill afford to pay for more spending. Despite recent tax cuts, the average Manitoba family, making $75,000 per year, still pays more in taxes than the same family who lives in Saskatchewan, Alberta or Ontario. With the economic pain of inflation increasing the cost of gas, groceries and mortgages, Manitoba taxpayers do not need another expense.

So why the calls for even more money for the education system?

Some of it is just politics, but a closer look at where the money is being spent reveals a different picture. In 2022, the chief executive officer of the Winnipeg School Division made about $323,000, a $50,000 pay raise compared to the prior year. The CEO of the Pembina Trails School Division made $276,000 the same year.

Both salaries are for senior administrators, not for teachers who educate students.

For context, new Manitoba Premier Wab Kinew earns approximately $200,000 per year. Members of the legislative assembly make about $103,000. They received a 3% pay raise in 2023. Sure, that's good money, but it's peanuts compared to some school administrators.

Salaries make up the biggest portion of a school division's spending. And those who work in government reportedly earn, on average, 5.5% more than those in the private sector. Any school board looking for extra money to spend on programs should look at administrator pay and bring those salaries in line with what everyone else is earning.

For example, according to the latest available numbers, the Winnipeg School Division spends about 8% of its budget on administration salaries. That may not be breaking the bank, but it's a significant expense for staff who don't typically teach students.

While costs for schools have been going up, so has government funding. Manitoba taxpayers cannot afford to pay for any more increases in education spending. The education system must focus on being prudent with its money and spending on priorities, not calling for more government funding while administrators pocket huge pay raises.

> **"Years of increased spending put Manitoba second in per student funding, compared to all other provinces and territories."**

THE TRUE COST OF DEBT INTEREST PAYMENTS

The Manitoba government has a long and unfortunate history of maxing out the taxpayer credit card, and it's costing you a tax cut.

Usually, when you spend more than you make in a month, you cut back on beer, dining out or Bombers tickets. You don't go out and buy a new car.

The government failed to stick to this simple budgeting principle and has consistently been spending beyond its means. Years of largesse have led to multiple deficits and skyrocketing debt. Now, the chickens are coming home to roost, and it's costing Manitoba taxpayers billions.

Manitoba's budget has only been balanced twice since 2016. Every other year, the government decided to kick the debt can down the road and make it somebody else's problem.

This led to a huge increase in the provincial debt. By the end of 2023-24, Manitoba's long-term debt load will hit a record high of $33 billion. That debt averages out to $24,000 per Manitoban.

The increase in debt over the last seven years has also led to an increase in interest payments. In 2016, the interest payments on the debt cost taxpayers $930 million. This year, it's projected to cost $2.2 billion. That's almost $1,600 per Manitoban every year. But it gets worse. As interest rates rise, the costs will go even higher if the government doesn't reign in spending.

Two billion dollars a year is a lot of money to spend on anything, but the kicker is, this money is completely wasted. It doesn't go towards paying for services or tax cuts. Instead, it's sent to Bay Street bond fund managers to cover interest charges on debt because the government couldn't manage its spending.

Since 2016, the government has spent more than $10 billion on interest payments alone. That's enough money to build the Winnipeg Blue Bombers' home stadium, IG Field, 37 times over.

If the government had balanced the budget and paid down the debt, instead of refusing to cut back and consistently spending beyond its means, that $10 billion could have become a tax cut.

The provincial sales tax (PST) is a tax you pay on almost everything. Right now, Manitoba has a PST of 7%. This is equivalent to what the residents of British Columbia pay, but higher than what the citizens of Alberta and Saskatchewan are paying.

Canadian Taxpayers Federation Prairie Director Gage Haubrich talking to media about the 2023 Manitoba budget in the Manitoba Legislature on March 7, 2023.

This hypothetical tax cut would place the Manitoba PST at an average of 3.6%. This would rank Manitoba as second lowest in the country when it comes to a sales tax fee, behind only Alberta, which doesn't have a PST at all. It would also save taxpayers a significant amount of money.

The average Manitoba family, making $75,000 a year, can expect to pay about $2,000 in PST this year. Cutting the PST by three percentage points would save that family $960. That money could go a long way, especially amid high inflation and economic uncertainty. That $960 equals a month's rent or a car payment and some groceries.

But since the Manitoba government refused to spend responsibly, taxpayer wallets are a lot lighter than they could be.

Manitoba's new premier, Wab Kinew, is staring down a $1.6 billion deficit for 2023-24. For the sake of taxpayers, he needs to restrain spending and get back to balance as soon as possible. Then his government needs to start paying down the debt. It's time for the government to get to work so another $10 billion of taxpayer money isn't washed down the drain with absolutely nothing to show for it.

TORY'S RECKLESS RECORD

SOURCE: VAUGHN RIDLEY/COLLISION VIA SPORTSFILE

John Tory, mayor of Toronto, at the Collision 2022 conference on June 20, 2022

by Jay Goldberg, *Ontario Director*

It's time to dispel a years' long myth: former mayor John Tory was no friend to Toronto taxpayers.

Tory ran for mayor as a moderate. He pledged to be a prudent manager of the city's finances and never increase property taxes above the rate of inflation. On both fronts, Tory failed miserably.

During Tory's first year in office, Toronto saw operating spending skyrocket from $9.6 billion, which is what it was in former mayor Rob Ford's final year in office, to $11.5 billon. That's a 20% increase in just a single year.

Things didn't get much better throughout Tory's time in office. Under his watch, the city's operating spending grew at an average annual rate of 7.6%. Toronto went from a $9.6 billion operating budget in 2014 to a $16.1 billion operating budget nine years later.

Tory's out-of-control spending rivaled even that of Prime Minister Justin Trudeau. And it made Ontario Premier Doug Ford look like a penny pincher.

But focusing on the rise of Toronto's operating spending under Tory obscures even more concerning numbers. Cities in Ontario cannot run deficits when it comes to operating budgets, which pays for things like public transit and policing, but they can borrow money to fund capital projects, such as new infrastructure.

Tory allowed Toronto's debt to increase at an alarming pace. Toronto's financial liabilities sat at $13.8 billion in 2014. As of 2021, that number was up to $23.3 billion.

These numbers are shocking. Tory ran as a safe choice to sit in the mayor's chair, but he increased spending more than three times the rate of inflation – a spending binge that makes the days of former mayor David Miller seem prudent, by comparison.

And then there's the taxes.

Tory promised Toronto taxpayers he wouldn't increase property taxes above the rate of inflation. But once Tory got to city hall, he became a crafty wordsmith.

In 2017, Tory created what he called a "city building levy." That levy is just a second property tax charged to Toronto property owners. It works the same as a property tax, but the tax revenue is targeted toward infrastructure projects instead of general revenue.

Call it what you want, but if it gets billed like a property tax and gets spent like a property tax, it's a property tax.

By inventing this "city building levy," Tory was able to claim to keep property tax hikes below the rate of inflation because he had a second property tax in his back pocket.

Right before leaving office in the spring of 2023, Tory pushed his final budget through council. In it, Tory raised the normal property tax by 5.5%, which he claimed was below the rate of inflation. But add in Tory's second property tax of 1.5%, and you get a 7% hike.

The combined figure was above the rate of inflation.

And what does Toronto have to show for all this new spending and taxing?

Transit remains a disaster. New projects are behind schedule and over budget. The Eglinton Crosstown light rail transit, for example, was supposed to be completed in 2020, but the project is still under construction today and has run hundreds of millions of dollars over budget.

Homelessness also increased significantly, having crossed the 18,000 mark in 2021.

And Tory recklessly committed Toronto to hosting five World Cup games in 2026, which will cost the city $644,000 for every minute soccer is played on BMO Field.

Tory leaving office was a chance to turn the page on uncontrolled spending and higher taxes. Unfortunately, Tory's replacement as mayor, Olivia Chow, seems even more determined to wreak havoc on Toronto's finances.

SOURCE: THE CANADIAN PRESS/TARA WALTON

Prime Minister Justin Trudeau, centre, and Ontario Premier Doug Ford, centre right, with Frank Blome, third left, CEO of PowerCo SE, pose for photos after a news conference announcing the construction of an electric vehicle battery production plant by Volkswagen Group's battery company, PowerCo SE, in St. Thomas, Ont. on April 21, 2023.

LOVE AFFAIR OVER CORPORATE WELFARE

Prime Minister Justin Trudeau and Ontario Premier Doug Ford used to be political enemies, but a shared love for corporate welfare has led to an unlikely and expensive alliance that puts taxpayers at risk.

Just five short years ago, Trudeau's primary re-election strategy was to run as a counterbalance to the once-unpopular Ontario premier. But that was then, and this is now.

In the spring of 2023, linking arms and smiling from ear to ear, Trudeau and Ford announced the largest corporate welfare deal in Canadian history. Collectively, the federal and provincial governments promised $16 billion in taxpayer cash to Volkswagen, in exchange for the company building a $7-billion electric vehicle battery plant in St. Thomas. Recent reports suggest the cost has already risen by billions.

On top of the huge price tag, the fact the corporate welfare handout is double the value of the new plant shows just how bad our governments are at negotiating agreements with the private sector while managing the public purse.

The feds are ponying up most of the funds. But the province has committed more than half a billion dollars to the project, as well as major infrastructure and energy capacity upgrades for the region.

From a 30,000-foot view, it's obvious just how much of a raw deal the Volkswagen handout is for taxpayers. Taxpayers are essentially paying for two plants but only getting one. And with only 3,000 direct jobs being created, taxpayers are on the hook for more than $4 million per job.

But this isn't the first time Trudeau and Ford have shacked up at the electric car battery corporate welfare hotel. In recent years, they've teamed up to hand hundreds of millions of dollars to Fortune 500 automakers like Ford Motor Company, Stellantis and Toyota, to subsidize the manufacturing of electric car batteries in Ontario.

At the Volkswagen announcement, Trudeau and Ford praised each other's leadership. But the leadership they're showing is a masterclass in wasting hard-earned taxpayer dollars.

On an adjusted earnings basis, the Ford Motor Company earned US $10.4 billion in 2022. Stellantis made a net profit of US $17.6 billion that year, while Toyota earned net income of US $279 billion over that same period. Volkswagen reported net income of US$24.1 billion in 2022.

Imagine what else could have been done with $16 billion. We could have built a dozen new hospitals or slashed the federal sales tax by 1.5 percentage points for an entire year. No doubt most Canadians would have preferred either of those alternatives.

The fact Trudeau and Ford had to take $16 billion out the taxpayer cookie jar to attract Volkswagen to Canada shows just how uncompetitive Ontario's business environment is. If Ontario really was the best place to invest, as Ford continues to boast, Volkswagen would have come here without any offer of taxpayer cash.

Just weeks later, news broke Stellantis demanded a new deal, something akin to Volkswagen's, and threatened to move its operations to the United States. The $16 billion Volkswagen giveaway set a terrible precedent that snowballed fast. Ottawa and Queen's Park handed Stellantis $15 billion just to keep the auto giant from abandoning its Windsor expansion plans. No doubt others will follow suit.

If Trudeau and Ford are genuinely interested in attracting investment and not just cherry-picking winners and losers, both governments would move to cut corporate taxes. Doing so would attract businesses of all shapes and sizes, not just a few lucky ones selected by government bureaucrats.

Both governments would have a lot of fiscal room to offer corporate tax relief if they showed a willingness to put corporate welfare on the chopping block.

A Fraser Institute report shows that, in 2019 alone, the government of Ontario spent $11 billion on corporate welfare. And since 2017, Ottawa has handed out $38 billion to wealthy corporations. Ending those handouts would free up billions of dollars.

With Canadians struggling to pay the bills, taxpayers cannot afford this hazardous new Trudeau and Ford corporate welfare alliance. Governments shouldn't be handing out taxpayer cash to wealthy companies like candy. The feds and Queen's Park need to end their corporate welfare love affair and leave more money in in the wallets of taxpayers, where it belongs.

SAAQ: WASTE, BUNGLING AND BAD PUBLIC POLICY

Nicolas Gagnon,
Québec Director

The Société de l'assurance automobile du Québec (SAAQ) and the Québec healthcare system have something in common. With both, you stand in line for hours without being served and you pay for the privilege.

By deploying the new SAAQclic online platform, the SAAQ hoped to reduce the time required to process motorists' files. Despite a bill of $458 million, the computer errors that have accumulated since the launch of the platform have plunged the provincially-owned company into a never-ending administrative crisis.

As a result, thousands of Quebecers are unable to access their files online and must wait for hours in person to get a simple license or registration renewal.

The launch of the platform in February 2023 was such a failure it forced Québec Transport Minister Geneviève Guilbault to cancel her trip to Europe and deploy a series of emergency measures, ranging from hiring and extra 150 government bureaucrats to extending the expiration of temporary registrations.

The intentions of these measures are good, but they are far from sufficient. The Ministry of Transport indicated the bureaucratic nightmare would be resolved by August 2023.

But as of November 2023, SAAQclic's launch setbacks have cost taxpayers more than $40 million, and many issues are yet to be resolved.

If Guilbault really wants to put this crisis behind and ease the administrative burden at the SAAQ, she must be bold. The best solution is to eliminate driver's license renewal fees for 2023. Quebecers should not have to pay if they are not served or unable to get an appointment.

Suspending this year's license fees would be fair compensation and help to reduce long wait times.

The consequences of the SAAQ's bungling go far beyond waiting in an endless line. Motorists were unable to retrieve their cars from the impound lot. Many truckers were prevented from traveling to the United States because their licenses were not renewed on time.

And that's just the tip of the iceberg. How many Quebecers had to miss a day of work because the SAAQ could not serve them?

It makes no sense to charge motorists who have already paid the price for this crisis.

Moreover, the confusion hides another problem: each month, nearly 500,000 motorists must renew their driver's license in Québec, for a total of nearly 5.7 million renewals annually.

Why is there so much pressure on the system? Québec is the only Canadian province where driver's license fees must be paid annually. In the rest of the country, the license is generally valid for five years.

Prior to 2010, Quebecers only had to pay for license renewals every two years. But then the Jean Charest government decided to double the fees by imposing an annual payment. The intent was simple: fill the provincial coffers with an annual fee.

But this has led to a significant spike in SAAQ administrative costs. Between 2011 and 2021, these costs rose from $364 million to $498 million, a 36% increase.

On top of offering financial compensation through the suspension of driver's license renewal fees, Premier François Legault's government should also consider a return to the old system.

Moving the payment of licenses to a biennial basis could save money for both motorists and the SAAQ.

This technology-based mishap has taught the Québec government a hard lesson: digital transition is not child's play. Before betting on a costly and risky transition, the government must reduce its administrative burden. Let it start with the SAAQ.

OUTRAGEOUS SALARY INCREASE AT THE NATIONAL ASSEMBLY

Most people can't vote to give themselves a pay raise, but politicians do as a matter of course, at all levels of government, all across the country.

For the members of the Québec national assembly (MNA), the privilege seems almost trivial.

Passionate debate always surrounds the hot button topic of MNA pay and it's easy to understand why previous governments have avoided engaging in it. Instead of hiking salaries, they opted to increase their function allowances instead.

Since MNAs are better paid than most of their Canadian provincial counterparts, not to mention nearly 92% of Quebecers, a review of salaries has never been an issue they want to talk about.

But François Legault's government decided otherwise by adopting Bill 24, which aims to give MNAs a pay raise of nearly $30,000 in base salary alone.

In other words, MNA salaries will increase from $101,600 to $131,800.

Ministers will also get a $53,000 salary bump, while the premier gets a raise of $62,000 per year.

This would be the biggest pay hike in the history of the Québec national assembly.

It's also the most questionable.

When one-in-five Quebecers are skipping meals to save money, how can our elected officials justify giving themselves a pay raise? We expect our politicians to live the same lifestyle as their constituents, not live like rock stars while the rest of us struggle.

If our MNAs need some inspiration, they don't need to look far to find it.

In British Columbia, members of the legislative assembly (MLA) voted unanimously to freeze their salaries for the 2023-24 year. They aren't lining their pockets while inflation takes a big chunk out of everyone else's paychecks.

> **"When one-in-five Quebecers are skipping meals to save money, how can our elected officials justify giving themselves a pay raise?"**

A similar event occurred in Nova Scotia, where the legislature held an emergency session in the summer of 2022 to block an increase in MLA salaries. They went a step further and reduced Premier Tim Houston's salary by $11,200.

In the Prairies, Saskatchewan lawmakers refused to accept a 6.8% pay increase out of respect for tapped-out taxpayers. Instead, they capped their salary increase at 3%.

In Ontario, members of provincial parliament salaries have not increased since 2008. But in Québec, our politicians don't seem worried how the little guys are scraping by.

Even worse, it seems like Legault's government is turning its back on taxpayers.

The Coalition Avenir Québec (CAQ) was strongly opposed to a salary increase for politicians in 2015. Current environment minister but then-backbencher Benoît Charrette said at the time it was "out of the question to address the remuneration of MNAs before the budget is balanced."

It is hypocritical for the CAQ to be considering a wage increase when Québec's public finances are running a $4-billion deficit, three times higher than in 2015.

Premier François Legault now claims higher salaries will attract better candidates.

It would be wise to remember that nearly 880 candidates ran in the 2022 election. We even had a leaders' debate between five political parties, for the first time in Québec's history.

We have no shortage of Quebecers willing to seek elected office.

The only shortage we have is politicians with the spine to refuse a pay raise on the backs of struggling taxpayers.

Clearly, the work of an MNA is demanding and requires dedication. But it also takes hard work and dedication to be a farmer, a nurse, a truck driver, a teacher or an entrepreneur. None of those people are giving themselves 30% pay raises.

If MNAs are so certain they deserve this pay hike, maybe they should ask their constituents first.

ON BRACKET CREEP, HOUSTON STANDS ALONE

by Jay Goldberg, *Interim Atlantic Director*

Nova Scotia Premier Tim Houston stands alone by deliberately profiting from inflation.

By failing to index income tax brackets for inflation, Houston is raising taxes by pushing taxpayers into higher tax brackets, even though they can't afford to pay more. That's what economists call bracket creep.

From coast to coast, every other government has acknowledged it is wrong to punish taxpayers simply for receiving a cost-of-living raise. Every government but Houston's has a plan to index income tax rates to ensure bracket creep doesn't occur.

Until the spring of 2023, Houston was able to hide behind the fact that Prince Edward Island also punished taxpayers for simply keeping up with rising living costs.

But in his 2023 budget, Prince Edward Island Premier Dennis King announced plans to adjust his province's tax brackets next year and review rates every year thereafter.

Now that King has acted, Houston stands alone.

What possible rationale can Houston give for unfairly hammering Nova Scotians with bracket creep? The government claims it cannot end bracket creep until it "fixes" health care.

News flash: health care will never be fully "fixed." No government policy or service is ever perfect. Houston is just using health care as an excuse to justify profiting off taxpayers while padding the government's coffers.

Even the opposition Liberals are calling on Houston to act.

Liberal leader Zach Churchill's party introduced legislation to end bracket creep. But since Houston's Progressive Conservative majority opposes that legislation, there is no hope it will pass without a change of heart from the premier.

According to the Nova Scotia finance ministry, indexing tax brackets would mean leaving $125 million a year in taxpayers' wallets.

If the Nova Scotia government ended all of its corporate welfare handouts, the government could afford to end bracket creep, with $32 million to spare.

Houston is choosing to prioritize welfare handouts to businesses over helping taxpayers keep up with inflation.

Bracket creep means that, this year, Nova Scotia taxpayers will be hit with a tax hike of up to $653 simply because the province refuses to index its income tax rates.

With food prices up $1,000 this year, that's a tax hike Nova Scotians can't afford.

Houston, of all people, should understand this. Before entering politics, he was an accountant. He saw the punishment levied on his clients each year at tax time. Houston should be the one leading the charge against the very policy his government is protecting.

The last time tax brackets were changed in Nova Scotia was 2000. By failing to index rates, that's 23 years of tax hikes.

Taxpayers earning $35,000 in Nova Scotia in 2000 were paying 6.4% of their income in provincial income tax. But if they received cost-of-living raises each year between 2000 and 2022, their provincial income tax bill would have increased to 8.6% of their total income. That's a 33% tax hike.

It's time for the Houston government to stop profiting from inflation. Nova Scotians are tired of tax hikes by stealth. Taxpayers don't want to be sucker punched with higher taxes every time they get a cost-of-living pay raise.

It's true Houston's government didn't invent bracket creep. Since 2000, the province has had PC, Liberal and New Democrat governments that all left the system in place.

But bad decisions from previous governments don't give the current government a free pass for maintaining the status quo.

It's time for Houston to get in touch with the lives of everyday taxpayers.

It's time for Nova Scotia to end bracket creep.

Nova Scotia Premier Tim Houston speaks to media during the closing news conference at the Council of the Federation Canadian Premiers meeting on July 12, 2023.

SOURCE: THE CANADIAN PRESS/JOHN WOODS

FUREY'S GAS TAX CUT SAVING FAMILIES HUNDREDS

Ten dollars a week. That's how much Premier Andrew Furey's gas tax cuts have saved the typical Newfoundland and Labrador family.

In June 2022, the Furey government showed leadership by cutting the provincial gas tax by 8.05 cents per litre to help struggling families confront high prices and decades-high inflation.

During the next year, the typical two-car family, filling up once a week, saved $520 at the pump. And thanks to the Furey government's commitment to extend the tax cut through March 2024, families can expect to save an additional $400.

In total, the Furey government says the gas tax cut has left hundreds of millions of dollars in taxpayer wallets, and that tab will continue to grow in the months ahead.

Furey's gas tax cut may seem like old news, given it's been in place for more than a year. But the tax cut is a significant policy move that resulted in Newfoundlanders and Labradorians having the lowest tax burden at the pumps, other than drivers in Alberta.

It's also significant since Furey's Liberals are acknowledging the harm done by the Trudeau government's tax hikes.

After the Trudeau government first announced its carbon tax mandate, Furey's predecessor imposed a provincial carbon tax. The Newfoundland and Labrador government increased it annually, in line with Ottawa's requirements.

But when the Furey government signalled opposition to raising taxes again in late 2022, the feds announced plans to impose a federal carbon tax on the province, effective July 1, 2023. On that date, the carbon tax burden Newfoundlanders and Labradorians face went up by another four cents per litre, when factoring in the harmonized sales tax (HST).

The federal carbon tax hike in July led to a spike in gas taxes of four cents per litre at the pumps. But the Furey government's gas tax cut is helping to shield taxpayers from this heavier burden imposed by Trudeau.

Furey is the only Liberal premier in Canada who has spoken out against Trudeau's carbon tax hikes and introduced provincial gas tax cuts to help offset Ottawa's punitive policies. Furey noted that carbon tax hikes place "undue economic burdens on the people of this province."

Newfoundland and Labrador taxpayers are also in the minority, in terms of saving at the gas pumps. Only Manitoba and Ontario have also implemented provincial gas tax relief.

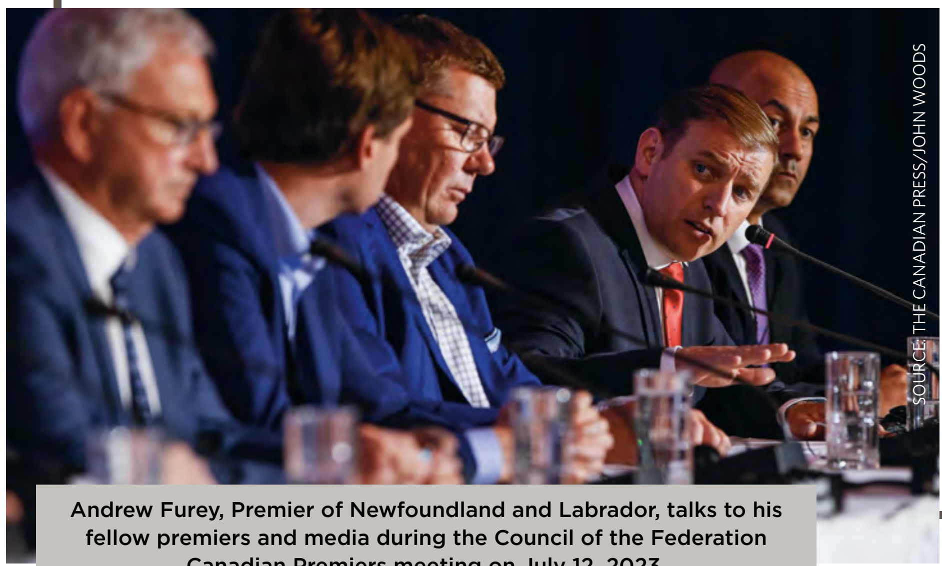
Furey hasn't been afraid to speak out on the detrimental impact Ottawa's carbon tax hikes are having on hardworking taxpayers. He knows it increases living costs. That's why he delivered gas tax relief and extended the relief period, not once, but twice.

One-in-five Canadians now say they are skipping meals to help make ends meet. Ottawa is tone deaf by imposing carbon tax hikes and Furey is responding to the plight of taxpayers by repeatedly trying to counteract Ottawa's moves.

From June 2022 to June 2023, taxpayers filling up two cars once a week saved more than $500, thanks to Furey's tax cut. That's real money that covers two weeks of groceries for a family of four.

Furey needs to continue lowering costs for taxpayers. He should call on his fellow premiers to follow suit. Since June 2022, the Furey government has helped lower costs for households and has tried to shield taxpayers from some of the hardest burdens imposed by Ottawa's carbon tax.

It's good to report Furey intends to keep up his fight for affordability well into 2024.



Andrew Furey, Premier of Newfoundland and Labrador, talks to his fellow premiers and media during the Council of the Federation Canadian Premiers meeting on July 12, 2023.

SOURCE: THE CANADIAN PRESS/JOHN WOODS

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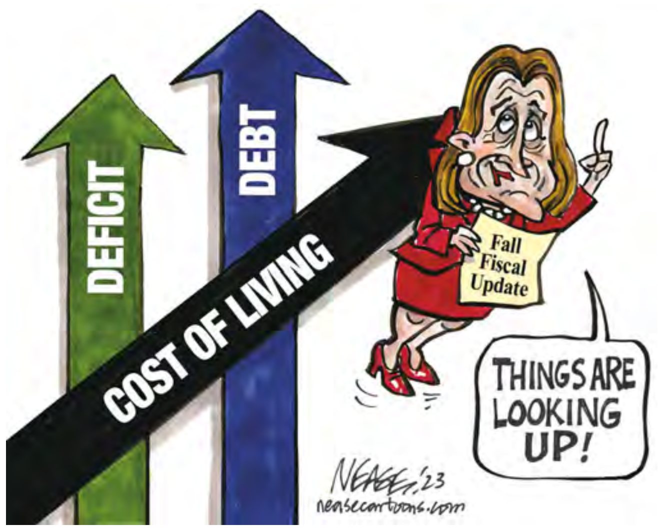
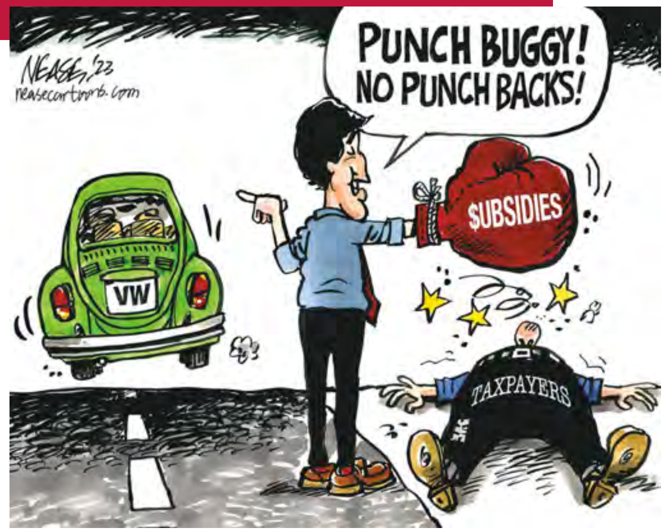


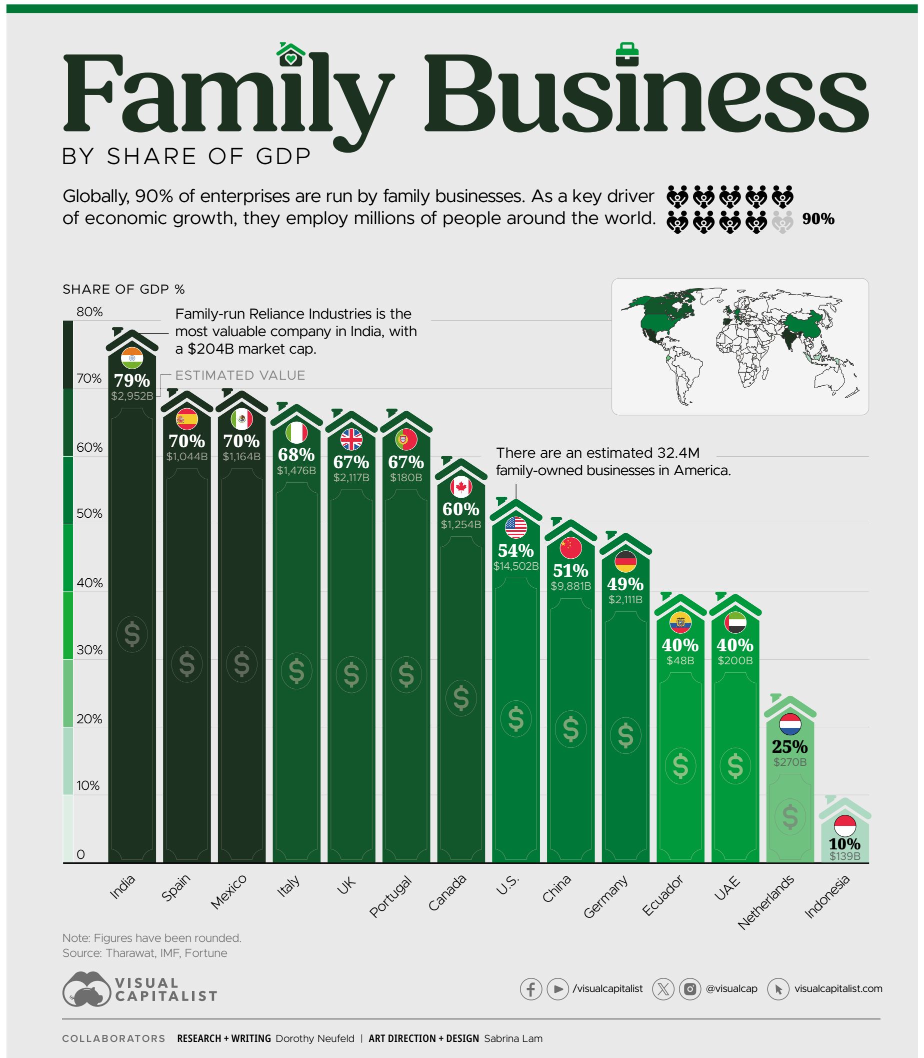


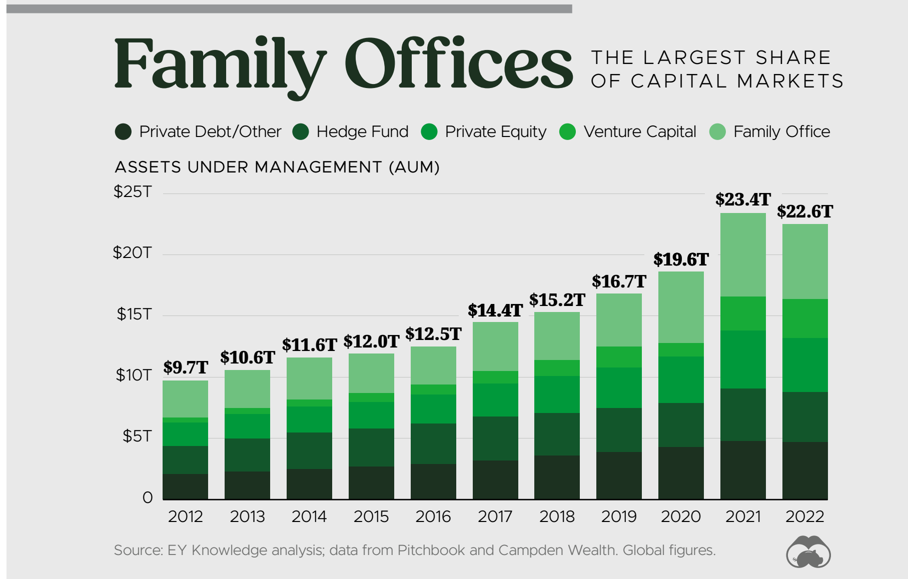
IN THE NEXT EDITION OF THE TAXPAYER...

Meet the interns | How things turned around – Part 4

Supporter survey results

BY THE NUMBERS





Bonuses at the Canada Mortgage and Housing Corporation since 2020:

$102 MILLION

Percentage of CMHC staff who took a bonus in 2023:

98%

Ownership cost as percentage of median household income for a single-detached home in Canada:

70.2%

Total compensation for CMHC's 10 executives in 2023:

$4.1 MILLION

Percentage of Canadians who say home ownership is "only for the rich":

70%

Number of CMHC staff who took a six-figure salary in 2023:

1,073

BUILDING THE BIGGER AND BETTER TAXPAYER ARMY

by Todd MacKay, Vice President, Communications

We got a flood of emails saying something surprising: thank you.

Those thank-yous are more than polite. They're more than feelgood notes. They show the taxpayer army is even better than anyone could have guessed.

Here's why those emails are so surprising. We lost one of our campaigns. And sending an update about a setback is a bit scary. Will people be angry? Maybe discouraged?

Nope. They responded with thank-yous.

Politicians and bureaucrats should be very worried about that.

Before we get to the specifics, let's take a peek behind the curtain at the strategy.

The Canadian Taxpayers Federation is building the biggest army of taxpayers to push back when politicians and bureaucrats raise taxes and waste money. It's working. We're growing fast.

But it's one thing to be the biggest. It's another thing to be the best. And it would be really good to be the biggest and the best.

That raised all kinds of questions.

Would a focused group of taxpayers sign up to tackle one key issue? Would they hang in there through all kinds of procedural twists and turns? Would they consistently call and email key politicians?

And then there was one question we hadn't even asked: what if we lose?

The answers were better than we could have hoped.

Would people sign up? In the thousands. Would they stay focused? Like lasers. Would they take action? They overloaded phone lines.

But what would they do after a loss?

The answer surprised us. They said thank you.

That's the strategic background, but here's the story.

Farmers pay thousands of dollars in carbon taxes to heat their barns and dry their grain.

Happily, the opposition parties managed to pass legislation to extend the carbon tax exemption to those other fuels on farms.

Obviously, that's good for farmers. It's also a helpful step to get grocery prices going in the right direction. And it would be another crack to crumble the carbon tax entirely.

Then the bill got stuck in the Senate.

Thousands of taxpayers signed up to push the bill through the Senate by flooding senators with emails and phone calls.

Those senators got the message. It's truly entertaining to watch clips of confused senators complaining about thousands of taxpayers calling in with concerns. Every time there was a new motion or big vote, they got blasted.

It almost worked. It came down to a vote on a nonsense amendment. And we lost by one vote. Now the amended bill has to go back to the House of Commons.

It was a little scary to send all those taxpayers an email saying we lost the vote.

But they thanked us for making sure they know what's going on and for letting them know who to go after.

That flood of thank-yous answered the most important question about the bigger and better strategy. Taxpayers can take a loss and stay committed.

That's important because we're going to keeping fighting to get that bill made into law.

And the taxpayer army is going to keep getting bigger and better.

Extending your hand to the next generation

Leave a legacy that reflects your lifelong convictions. Arrange a legacy gift in your will to the Canadian Taxpayers Federation today.

To learn more, visit: Taxpayer.com/legacy
legacy@taxpayer.com

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