

## Legislative Assembly of Alberta

Title: **Tuesday, March 2, 1999** 1:30 p.m.

Date: 99/03/02

[The Speaker in the chair]

head: Prayers

THE SPEAKER: Good afternoon. Let us pray.

O God, grant that we the members of our province's Legislature may fulfill our office with honesty and integrity.

May our first concern be for the good of all our people.

Guide our deliberations this day.

Amen.

Please be seated.

head: Introduction of Visitors

MR. DAY: Mr. Speaker, if you are looking for an example of an elected official who combines dedication and commitment with substance and style -- of course you would be included in that grouping, Mr. Speaker, but also significantly in that designation you would find the mayor of Red Deer, Her Worship Gail Surkan, who is here with us today along with her city administrator, Mr. Norbert Van Wyk. I would ask that they both rise and receive the warm welcome of the Assembly.

head: Presenting Petitions

THE SPEAKER: The hon. Member for Edmonton-Centre.

MS BLAKEMAN: Thank you, Mr. Speaker. I would like to present a petition on behalf of the SOS group, Save Our Schools. There are 79 names on the petition, many of them from Edmonton-Centre. They would like to

urge the Government to increase funding of children in public and separate schools to a level that covers increased costs due to contract settlements, curriculum changes, technology, and aging schools.

Thank you, Mr. Speaker.

THE SPEAKER: The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you, Mr. Speaker. I, too, would like to table a petition this afternoon from the group SOS, Save Our Schools, who as

the undersigned residents of Alberta petition the Legislative Assembly to urge the Government to increase funding of children in public and separate schools to a level that covers increased costs due to contract settlements, curriculum changes, technology, and aging schools.

head: Notices of Motions

THE SPEAKER: The hon. Deputy Government House Leader.

MR. RENNER: Thank you, Mr. Speaker. Pursuant to Standing Order 34(2)(a) I'm giving notice that tomorrow I will move that written questions appearing on the Order Paper stand and retain their places with the exception of written questions 20, 21, 22, 23, 30, 31, 32, 33, and 38.

I am also giving notice that tomorrow I will move that motions for returns appearing on the Order Paper stand and retain their places with the exception of motions for returns 56 and 57.

head: Tabling Returns and Reports

MR. DAY: Mr. Speaker, it's my pleasure to table today a copy of a diversification study that's been completed by Mr. Ted Chambers, director of the Western Centre for Economic Research. It clearly indicates that the boom-and-bust cycle by which Alberta has been characterized in the past has truly come to an end and that a broader, diversified economy is significantly in place.

Mr. Speaker, the study comments and reflects on items that are diversification strategies that work, that are not strategies that involve throwing money at something and hoping an industry will be created, but in fact you attract industry with low taxes, a strong workforce, a good quality of life, and it's happening here in Alberta.

THE SPEAKER: The hon. Member for Edmonton-Rutherford.

MR. WICKMAN: Thank you, Mr. Speaker. I have two tablings today. The first is a report called The Employment and Employability of Deaf Canadians, presented at a press conference held by those involved with the deaf community, with 14 recommendations dealing with the lack of employment opportunities for those with hearing impairments.

My other tabling, Mr. Speaker, is four copies of the listing of all the great organizations throughout the province of Alberta that benefit because of the ability to hold bingo.

THE SPEAKER: The hon. Member for Edmonton-Meadowlark.

MS LEIBOVICI: Thank you, Mr. Speaker. I have a number of tablings this afternoon. The first is a tabling of the presentation by Paul Boothe to the health summit that was held last weekend.

The second is a position statement that was available at the health summit from the registered acupuncturists in this province.

The third tablings are the delegate recommendations to the first, second, and third questions, so if any of the government members want to really see what they have to recommend, they could find these documents. The first question deals with essential components, the second with changes to delivery and management, and the third with Albertans' responsibilities to preserve and protect their own health.

Thank you.

THE SPEAKER: The hon. Member for Edmonton-Norwood.

MS OLSEN: Thank you, Mr. Speaker. I have two tablings today: the Provincial Health Council of Alberta's submission to Health Summit '99 and region 4 Aboriginal Health Council's Perspectives on the Health of Urban Aboriginals, their submission to Health Summit '99.

THE SPEAKER: The hon. Member for Edmonton-Riverview.

MRS. SLOAN: Thank you, Mr. Speaker. With your permission I would also like to table submissions made to the health summit this past weekend, the first being a document titled The Burden of Mental Illness in Alberta: An Overview of Research and the Views of Albertans submitted by the Provincial Mental Health Advisory Board and prepared by Gus Thompson, PhD.

The second one is a submission by the Alberta Consumers' Association: Response to the "Blue Ribbon Panel" on Bill 37, the purpose of Canada's universal public health system.

MR. DICKSON: Mr. Speaker, I have two documents to table this

afternoon. Each of these documents was presented at the recent health summit. The first one, Future Directions for Alberta's Health System, is a submission from the Calgary regional health authority. The second one is a report from Environics Research Group (Western), a presentation of Alberta public opinion polling results on a variety of health care concerns.

Thank you.

THE SPEAKER: The hon. Member for Edmonton-Manning.

MR. GIBBONS: Thank you, Mr. Speaker. I have two tablings today, the first one being a news release from the Alberta Medical Association which outlines their submission to the health summit.

The second one, Mr. Speaker, is five copies of an information package to the health summit from the Alberta Chambers of Commerce.

THE SPEAKER: The hon. Member for Edmonton-Glenora.

MR. SAPERS: Thank you, Mr. Speaker. I have five copies of a letter dated February 25, 1999, from the Provincial Treasurer to myself. The correspondence indicates that a review of converting to a tax on income system will be part of the 1999 business planning process for the government of Alberta.

THE SPEAKER: The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you, Mr. Speaker. I have two tablings today. The first is from parents from Ekota elementary school in my constituency. They know that balancing their budget in the next fiscal year is impossible because of the past and continued underfunding of education in Alberta. This letter is to the Premier.

The second letter is from Peter Sherrington, who is concerned about the proposed Natural Heritage Act, Mr. Speaker. He states this is

a Bill which fundamentally undermines Alberta's parks and would leave us in a future with no legislation to preserve Alberta's beauty and diversity from development.

head: Introduction of Guests

THE SPEAKER: The hon. Member for Leduc.

MR. KLAPSTEIN: Thank you, Mr. Speaker. I'm delighted to introduce to you and through you to the members of the Assembly 72 students from Riverview middle school in Devon accompanied by their teachers and a parent: Mr. Vincent May, Mrs. Fehlauser, Mr. Holton, and Mr. Chris Belke. I would ask them to rise and receive the warm welcome of the Assembly.

THE SPEAKER: The hon. Member for Edmonton-Highlands.

MS BARRETT: Mr. Speaker, thank you. I have two groups of special guests to introduce today. First I'd like to introduce 19 students from the Alex Taylor school in the heart of Edmonton-Highlands. This school is famous for lots of reasons, hugs being one and sponsoring one of the most spectacular Chinese New Year annual events every year, being another. Those students today are accompanied by Ms Maureen Duggan and Mr. Rob Hoppins. They're in the public gallery. I'd ask them to rise and receive the warm welcome of our Assembly.

1:40

THE SPEAKER: The hon. Member for Redwater.

MR. BRODA: Thank you, Mr. Speaker. It is my pleasure to introduce to you and through you to this Assembly two very good friends and constituents of mine, Murray and Jean Nason. Murray is president of the Redwater PC Association, and his lovely wife, Jean, is the mother to Rob Dunseith. Rob ran for president of the Alberta Progressive Conservative Party. Murray and Jean are seated in the members' gallery. I would ask them to please rise and receive the traditional warm welcome of this Assembly.

THE SPEAKER: The hon. Member for Edmonton-Centre.

MS BLAKEMAN: Thank you, Mr. Speaker. I have some students who are joining us a bit later, so for the record I would like to introduce to you and through you to members of the Assembly 12 students from St. Joseph high school's ESL course. They are in the intermediate part of their course of study, and they are accompanied today by Mrs. Erminia Fuerderer. I'm very pleased that they are able to join us in the Legislative Assembly today.

Thank you.

THE SPEAKER: The hon. Member for Clover Bar-Fort Saskatchewan.

MR. LOUGHEED: Thank you, Mr. Speaker. I'm pleased to introduce to you and through you to members of the Assembly Alexander von Hauff, and he's brought with him his father, Peter. I'd ask them to rise and receive the warm welcome of the Assembly.

THE SPEAKER: The hon. Member for Edmonton-Highlands.

MS BARRETT: Again, Mr. Speaker, thank you. A stone's throw from Alex Taylor elementary school is Concordia high school, part of the Concordia complex, also in the heart of Edmonton-Highlands. Today we are visited by 29 students altogether from the grade 10 class. They're accompanied by Mr. Lloyd Grosfield, Miss Kiki Morrell, and Mme Heather Plaizier. The students and teachers are in both galleries. I'd ask them to rise and receive the traditional welcome of the Assembly.

head: Oral Question Period

THE SPEAKER: First Official Opposition main question. The hon. Leader of the Official Opposition.

### Municipal Infrastructure

MRS. MacBETH: Thanks, Mr. Speaker. This government has created one of the largest infrastructure deficits in Canada by its six-year policy of downloading onto municipal local governments. Between 1992 and '97 provincial transfers to local governments fell by nearly \$390 million, or 46 percent, the second largest decline among all Canadian provinces. The Alberta Urban Municipalities Association has reflected on this reality and has offered some recommendations to address Alberta's infrastructure deficit. My questions today are to the Premier. When does the government plan to introduce a legislative framework giving municipalities access to stable and long-term revenue?

MR. KLEIN: Well, Mr. Speaker, relative to legislation it's something that might be considered down the road, but as a matter of policy we have set up a working task force involving the mayors of Calgary and Edmonton, the president of the Alberta Urban Municipalities Association, the executive director of the Alberta Association of Municipal Districts and Counties, numerous ministers, along

with all the deputies and civic administrators to put in place a framework for sustainable and long-term funding.

Mr. Speaker, relative to the emergency and immediate needs of municipalities we put in about \$148 million in this fiscal year; \$150 million for each of the next three years has been committed. That is a lot of money to address municipal needs, and we will continue to work with municipalities to find ways and means of achieving sustainable funding.

MRS. MacBETH: Sustainable is the issue.

What plans does the government have to work with municipalities to clarify roles and responsibilities between governments?

MR. KLEIN: Mr. Speaker, I just answered that question, but if she wants the same answer to the same question, I'll have the hon. Minister of Municipal Affairs reply.

MS EVANS: Mr. Speaker, I think the right answer is exactly what the Premier has previously given. We are continually having dialogue, and we're working with municipalities. We're listening to their needs, and we are, in fact, on a daily basis in consultation with them and looking at the various needs they're representing.

MRS. MacBETH: Well, Mr. Speaker, is the government giving any consideration to the AUMA recommendation for the creation of a provincial/municipal charter to improve relations and communications?

MR. KLEIN: A charter to improve relations? Mr. Speaker, I think that our relationship with urban municipalities and rural municipalities is very good indeed. That's why we have 64 members over here, and they only have 17.

THE SPEAKER: Second Official Opposition main question. The hon. Leader of the Official Opposition.

#### **School Buildings Health and Safety**

MRS. MacBETH: Thanks, Mr. Speaker. Letters tabled yesterday from students in the Vulcan school and in the Vulcan area included one from a grade 3 student who attends the Hazel Cameron elementary school and writes:

I am concerned about the water in the fountain upstairs. Sometimes the water is yellow and brown. The basement leaks in the library, music room, kindergarten room and the supply room. There is mold growing under the carpets in classrooms. There are mice in the school.

My questions are to the Premier. Are mice and mold and mildew and water in classrooms acceptable outcomes of this government's education funding policies?

MR. KLEIN: Well, Mr. Speaker, I'm going to have the hon. Minister of Education supplement my answer. I don't know; I have mice in my house; they are very god-awful creatures. They are. They are really, you know, very, very difficult to contend with, and I think that lots of households and lots of schools have mice.

Relative to the other situation as it affects the school in Vulcan or other schools, I'll have the hon. minister reply.

MR. MAR: Mr. Speaker, as members of this Assembly will know, the health and safety of students is of paramount concern when it comes to the capital costs formula for the building of schools and the renovation and the modernization of facilities. So what we do is we do have a process by which school boards put forward their priorities

for dealing with facilities within their jurisdictions. We do take great concern over the condition of our school facilities. Members of this Assembly will know about the task force headed up by our Member for Innisfail-Sylvan Lake, who's looked at the issue of capital.

Mr. Speaker, with respect to the specific school of Hazel Cameron, I have made a commitment that I will be going to visit that school. I will say and I will make my commitment that Hazel Cameron school will get the same consideration as all other schools in the province of Alberta with respect to the capital formula. I can say that all of the schools that school boards have put forward on their priority list that deal with health and safety issues are satisfied every year.

1:50

MRS. MacBETH: Well, thanks for the information, Mr. Speaker, and the commitment by the minister.

Given that the capital grant for the Palliser school division's 35 schools was only \$484,000 in '97-98 and Hazel Cameron alone needs \$2.1 million, when can the 265 students and their families from Vulcan and area expect some help from the government?

MR. MAR: Well, Mr. Speaker, I've tried to outline the process for how school facilities and the projects put forward by various school boards including Palliser are dealt with. I think everybody understands why we would not have those decisions made by a Minister of Education or by a government. Instead we have a process where a school buildings branch consisting of professionals in the business of facilities look at these from a very objective point of view, and as I indicated, the Hazel Cameron school will be given due consideration, just as every other school project that is put forward by a school board in this province is dealt with.

MRS. MacBETH: Mr. Speaker, does the Minister of Education in this province monitor and track the number of unsafe, unhealthy schools in our province?

MR. MAR: Mr. Speaker, as I indicated in my first response to the Leader of the Opposition, all of the requests for projects that require health and safety issues and concerns to be dealt with are dealt with on an annual basis. We have a budget in excess of \$130 million for capital in any given year. We deal with every request for health and safety issues. We deal with some requests for modernization. We deal with all requests for essential need for new space. It is a good process, and the people who are the trustees at Palliser are aware of the process, as are all school boards in the province.

THE SPEAKER: Third Official Opposition main question. The hon. Leader of the Official Opposition.

#### **Protected Ecological Areas**

MRS. MacBETH: Thanks, Mr. Speaker. My third question is as follows. Albertans have told this government that they want it to protect the full diversity of the province's landscapes by setting aside areas where no logging, no mineral extraction, and no other industrial activity is allowed. In the throne speech the government stated a government priority "is caring for Alberta's precious natural environment." The Premier recently told reporters that his government has, quote, never wavered from the fact that they are committed to a pristine environment, end quote. My questions today are to the Premier. Is it government policy to allow logging and oil and gas activities in protected areas without any process to phase them out?

MR. KLEIN: Without any process to phase them out? No, I don't

think so, Mr. Speaker. There's a process for virtually every kind of situation. There are some areas that are fully protected. There are some areas where limited development is allowed. There are some areas where there have been contractual arrangements in place for some time, and certainly there are processes in place to deplete the resources as quickly as possible and prohibit further development. It's all part of what we describe as sustainable and reasonable development and at the same time protecting the environment.

MRS. MacBETH: Mr. Speaker, how does the Premier protect a pristine environment when logging and oil and gas wells are permitted in special places?

MR. KLEIN: Well, Mr. Speaker, there are instances where there have been contracts in place and where oil companies and logging companies have the historic right to log. Subsequently some of these areas have been designated under special places and other programs as environmental protection areas, but we must also respect the right of those who have entered into contracts and have contracts with the Crown to mine those particular resources.

DR. WEST: Mr. Speaker, I'd like to supplement on behalf of the oil and gas industry. This hon. member was at a Canadian Association of Petroleum Producers annual banquet last night sitting there misrepresenting her own self and others. She is insinuating that the oil and gas industry cannot be sustainable with environmental protection, and that is absolutely wrong. [interjections]

MRS. MacBETH: Now that they're awake, Mr. Speaker, what assurances will the Premier give the House that any change in environmental policy in the special areas will reflect the public's desire to increase the level of protection?

MR. KLEIN: Well, we are committed first of all to Special Places 2000, by sometime in the year 2000 to have special places fully designated, Mr. Speaker. But we also must respect the principle of sustainability, sustainable development.

I'm going to have the hon. Minister of Energy supplement.

DR. WEST: Mr. Speaker, in many of the areas that are either special places or ecological reserves or parks or others, there have always been mineral dispositions. It's part of our heritage in this province. With the new technology we have and the new operational techniques by the oil and gas companies in production, they can very well go into these areas, extract the natural resources, and work in harmony with environmental protection. It's part of our heritage. It's part of the reason we have the fine infrastructure: the health care, the education, and all the other fine programs we have in the province of Alberta.

Again I say: it's very misrepresentative and trying to be politically correct to insinuate that the oil and gas companies or forestry cannot work in harmony with the environment on sustainable development. I think I'll be carrying that message to the oil and gas industry about what this party represents.

THE SPEAKER: The hon. Member for Edmonton-Strathcona, followed by the hon. Member for West Yellowhead.

DR. PANNU: Thank you, Mr. Speaker. This government is badly out of touch with Albertans who want stronger not weaker protection of Alberta's wilderness areas. Albertans don't want oil and gas wells, logging, motels, and golf courses destroying our natural areas. Yet this government steadfastly refuses to listen. To the Premier:

instead of barging ahead with environmentally destructive policies, will the Premier appoint a blue-ribbon panel of independent environmental scientists to examine wilderness protection policies, consult the public, and recommend changes to better achieve the goal of protecting biological diversity, natural landscapes, and unique ecological systems in this province, and if not, why not?

MR. KLEIN: Mr. Speaker, for some years now we have embarked on a program to designate substantial portions of this province as protected ecological areas. We have in place maybe not a group of scientists, but we have in place a group of good, thinking people. It's called the provincial co-ordinating council, who receive recommendations, involve the community at large in discussions relative to Special Places 2000. We've come a tremendous distance in terms of designating special places under that program, and we will fulfill our commitment sometime in the year 2000.

I will now have the hon. Minister of Environmental Protection supplement.

2:00

MR. LUND: Thank you, Mr. Speaker. The fact is that we have designated 46 sites in the province of Alberta representing an area about the size of Prince Edward Island. As far as the activity of forestry, mining, and oil and gas, the fact is that there were commitments in many of these locations prior to the designation. We are honouring those commitments, but we are not offering up new leases. Wherever there is a new lease, there are very, very tight ground rules. They must use existing sites. They must do things like directional drill.

When it comes to the areas where there is absolutely no development -- and we have two categories in the new act where there will be no new development. When you look at the areas the size of the Willmore wilderness area, the Elbow wild area, the Kakwa wild area, these are very large areas where there is no development. So to misrepresent that we are allowing all of these things to happen in protected areas is absolutely false.

Mr. Speaker, there's even another area. Under the eastern slopes policy, where we have integrated resource management plans, there are huge areas that are zone 1. There is no activity within those zones.

DR. PANNU: Mr. Speaker, Albertans remain very suspicious of this minister's statements.

Going back to the Premier, if the Premier won't appoint a blue-ribbon panel, will he convene an environmental summit of stakeholders and average Albertans to review our protected areas policies prior to ramming through any changes, and if not, why not?

MR. KLEIN: Mr. Speaker, we have in the past had roundtables on the environment and the economy. We have a process in place relative to a clean air strategy in this province. There will be a forum and a roundtable relative to climate change.

With respect to a blue-ribbon panel on Special Places 2000, Mr. Speaker, I would strongly suggest that we already have in place a blue-ribbon panel, and it's called the Special Places Provincial Co-ordinating Committee. I would invite the hon. Member for Edmonton-Strathcona to maybe sit down and meet with members of the provincial co-ordinating council and find out the extent to which this panel is going to make sure that we fulfill our commitment relative to Special Places 2000.

DR. PANNU: Thank you, Mr. Speaker. Now that the failed Special

Places 2000 program is as good as dead, will the Premier commit to launching a new initiative to complete the task of designating new protected areas so that currently endangered and threatened species do not become extinct?

MR. KLEIN: Mr. Speaker, as the hon. Minister of Environmental Protection has already pointed out, we've designated in this province an area perhaps exceeding the size of Prince Edward Island. That is exclusive of the areas that were designated years and years ago; i.e., Banff, Jasper, Waterton, Wood Buffalo, and Elk Island national parks. There are vast tracts of land that were designated previously and have been designated since. I think we're doing a commendable job in terms of fulfilling our commitment to Special Places 2000.

I'll have the hon. minister supplement.

THE SPEAKER: With all due respect, we've now gone nearly seven minutes on this set. Let's move on to the hon. Member for West Yellowhead, followed by the hon. Member for Edmonton-Riverview.

### Gasoline Pricing

MR. STRANG: Thank you, Mr. Speaker. Albertans know what has happened to the price of oil, not just in Alberta but around the world. This is certainly a matter of great concern to Albertans given the importance of oil-related activities to our economy's prosperity and our livelihood. The price of west Texas intermediate crude oil has averaged just over \$12 per barrel U.S. so far in 1999 compared to an average of roughly \$20 per barrel U.S. in the fourth quarter of 1997. This represents a decline in oil prices of nearly 40 percent in just one year. My question is to the Minister of Energy. My constituents and I'm sure many Albertans want to know this answer. Oil price has been low for some time. Why are Albertans being gouged at the pump by gasoline prices that have not fallen to the same extent?

DR. WEST: Well, Mr. Speaker, that's quite a term: "gouged." When I was talking to somebody from Denmark last night in Calgary, they referred to their problem there of \$4 or \$5 a gallon, depending on the time of the year, in reference to where we are today at about \$2 a gallon.

We have some of the lowest prices in Canada in Alberta and have traditionally had those as time goes through, because there are many components to the price of a gallon of gasoline. A rule of thumb today is that if a barrel of oil drops a dollar a gallon, it's roughly a penny at the pumps in the retail market. Years ago we had about \$23 a barrel, and the price of gasoline in the province of Alberta was approximately 52.9 to 53.9. I can remember that. Today the price of gasoline in Alberta is as low as 42.9 in some places and up to 45.9 in others. The average price in Canada is 48 cents. If you take that thumb rule and back it off a dime to the \$12 to \$12.50 a barrel, then you come right in where the price of gasoline is today.

Remember, of course, that the price of gasoline is made up of a couple of different components. The federal tax, including GST, is 28 percent of the cost of your gasoline. So that Albertans know what that means, last year Ottawa took \$622 million out of gasoline in the province of Alberta and didn't return a cent. Now, the provincial tax is 9 cents. The refining margins are 6 cents a litre, and the transportation retailing margins are 7 cents. I once again reiterate that we put all the money, the 9 cents a litre, back into roads in this province. The federal government in Canada from all taxes took 4 and a half billion dollars last year and only put \$200 million back into roads in this country.

THE SPEAKER: Hon. member, we've now gone nearly four minutes with that one exchange.

MR. STRANG: Thank you, Mr. Speaker. My first supplemental question is also to the Minister of Energy. If the cost of crude oil and the gasoline tax are consistent across the province, why do we see such a pronounced price differential?

DR. WEST: I'll be very quick and succinct, Mr. Speaker. It's the marketplace, and it varies also with the amount of competition, the size of the population, and the distance from the terminals. There's also another issue that's here in the marketplace. Every once in a while, like you see in the lower mainland of B.C. right now, there are price wars, and they'll sell under the cost of this product. It's 39 cents right now in the lower mainland of B.C. You'll have people come home and say, "My God, I can buy gasoline there at this, and it's 46 cents in Alberta." Those are differentials created by market forces. They will sell under price for a while to get a market share, but generally you will find that gasoline is subject to the same things as any other commodity and that's pressures versus population, distance, and other competition.

MR. STRANG: Thank you, Mr. Speaker. My second supplemental question is also to the Minister of Energy. Who's responsible for ensuring that the price of gas is fair and that unreasonable profits are not being made?

2:10

DR. WEST: Well, first and foremost to that is the federal Competition Bureau, and it has under the federal Competition Act done numerous investigations into the price of gasoline across the country. They look for price fixing or other anticompetitive practices. In the most recent report in March of '97 the Competition Bureau noted that experience has shown that when attempts are made by governments to regulate gasoline prices, prices tend to be higher than in markets where no such regulation exists.

As an example, there's one province that regulates the price of gasoline in Canada, Prince Edward Island, and they actually set the retail gasoline prices, which they can. In 1988 the joint taxes in that province amounted to 34.9 cents of a 53.6 average, which is higher than Canada's 48. When they got through, they had a tax in Prince Edward Island and they fixed a price that was fully 65 percent of the retail price, if you can imagine. In Alberta the total taxes are 22 cents versus 34 cents in Prince Edward Island.

THE SPEAKER: The hon. Member for Edmonton-Riverview, followed by the hon. Member for Red Deer-South.

### Assured Income for the Severely Handicapped

MRS. SLOAN: Thank you, Mr. Speaker. I'd like to ask some questions this afternoon with respect to government policy, not industry policy. My questions are to the Minister of Family and Social Services. Could the minister tell us the results of the recently completed private opinion poll he conducted on the proposed AISH reforms?

DR. OBERG: Thank you, Mr. Speaker. As you know, we have been having consultations with Albertans on the future of AISH. It took place in two ways. First of all there were open forums. There were also focus groups.

One of the other things we did as well was an Angus Reid poll which questioned, as the Premier has stated, severely normal Albertans as to what direction AISH should take. Mr. Speaker, I am pleased to announce today that the results of those with a completed AISH program will be brought forward on or before March 12.

MRS. SLOAN: Thank you, Mr. Speaker. I'm wondering what percentage of the severely normal AISH caseload would be cut off if the asset test was set at \$50,000 to \$100,000.

DR. OBERG: Mr. Speaker, quite roughly if the asset test were in the \$50,000 to \$100,000 range -- I must add that one of the provisos I've said is that any asset test that we put in on AISH would include a house, would include a car, would include any medically needed devices. The number of people that would be cut off AISH at that level would be in the range of a hundred people.

MRS. SLOAN: Thank you, Mr. Speaker. Well, if in fact the minister is only targeting a hundred people with this asset testing process, is he not in fact putting people through a lot of angst and anxiety to only effect change to less than 1 percent of the AISH caseload, less than 1 percent.

DR. OBERG: Mr. Speaker, I guess I can address that question a couple of ways. First of all it comes down to the basic philosophy of government. What is government here for? In my opinion -- and this is quite frankly my opinion only -- government is here to look after those most in need, especially when it comes to the AISH program, especially when it comes to welfare programs, programs like that. Our job is to look after those needy people, the ones that are most in need.

Mr. Speaker, when someone has quite literally \$300,000 or \$400,000 in assets, I question and I asked the citizens of Alberta: are these the people that are really in need? Are these the people that we want to have \$823 per month of taxpayers' dollars going to when they're sitting with assets of \$300,000 or \$400,000? To my way of thinking, it is much better if this money goes to the people who really need it.

Mr. Speaker, I would just like to draw to your attention that a hundred people at \$823 per month -- my mathematics is roughly correct here -- is in the range of a million to a million and a half dollars. I realize that the hon. members across the way may not think that a million to a million and a half dollars is very much, but this government still values a million dollars, and it makes sure that those million dollars are spent in the most necessary and the best way possible.

THE SPEAKER: The hon. Member for Red Deer-South, followed by the hon. Member for Edmonton-Glenora.

### Health Transfer Payments

MR. DOERKSEN: Mr. Speaker, my questions today relate to the recent announcements of the federal transfers to the province for application to health budgets. The estimated amount of \$200 million plus the matching component from the province will amount to an injection of approximately \$400 million. My questions are to the Minister of Health. The first question is: Mr. Minister, is there any restriction or condition on these dollars that prohibits them from being applied to capital purposes?

MR. JONSON: Well, Mr. Speaker, first of all the member is on the right track certainly. There will be, as we calculate it, \$192 million in additional funding from the federal government, and that being matched by the province, as was the commitment, adds up to a significant amount of money at \$384 million.

Mr. Speaker, in direct answer to the question, no, there is not too much in the way of restriction on the use of that money. Certainly it could be applied to capital projects, for instance, but I would also

like to add that the priority that will be given by government to the use of that money will be for frontline services, for expansion of long-term care capacity, home care, those types of priorities that we have indicated as our priorities before now.

MR. DOERKSEN: Thank you. Given that only a portion of the estimated \$400 million will be required to meet the recommendations of the Laing report, will the minister commit to moving forward capital projects that will enable long-term care patients to move out of acute care beds?

MR. JONSON: Well, certainly, Mr. Speaker, we know that there is the need for more long-term care beds and home care capacity in the province, and we will endeavour in terms of operational dollars and capital dollars to give some priority to that. I would also like to just indicate on a cautionary note that there are other areas of very rapidly rising costs in health care such as the increased cost of our blood supply, pharmaceuticals, which were the topic of some discussion in question period yesterday. So we will certainly be setting our priorities and keeping those needs in mind as we prepare for our budget, which is coming up, of course, shortly.

MR. DOERKSEN: Mr. Speaker, the David Thompson health region is of course interested in announcements that might be made, and I wonder if the minister can tell us when specific capital projects might be announced?

MR. JONSON: Mr. Speaker, our priority will be given to making announcements with respect to program spending. Following the budget of course, we will in a number of weeks get around to any capital announcements that might be made. I'm not able to quote a specific date at this time.

### Treasury Branches

MR. SAPERS: Mr. Speaker, it's been confirmed now that there's a public opinion poll going on asking Albertans whether they agree with the conclusions reached by the Auditor General regarding West Edmonton Mall. Now, this isn't the first poll that's been conducted on the Alberta Treasury Branch. In fact, Canadian Facts did one last year on privatization. The results of that poll were shared with the Provincial Treasurer, but they haven't been made public yet. Obviously, Albertans still have many questions about the government's involvement in the West Edmonton Mall refinancing and the role of the Alberta Treasury Branch. My questions today are to the Premier. If the Auditor General's report on government involvement in West Edmonton Mall refinancing is, as is claimed by the Premier, the final word, why are Albertans being asked in a survey if they believe that there was government wrongdoing in the mall deal?

MR. KLEIN: Mr. Speaker, I'm aware that a poll is being conducted or has been undertaken by the ATB. The government has had no involvement in that initiative whatsoever. I guess it's entirely up to the ATB as to the questions they want to ask of the Alberta public. So, again, we try to operate as much as possible at arm's length from the Alberta Treasury Branch. We put in place a new form of governance. How they want to find out from their customers how well they're doing and what the issues might be is entirely up to the ATB.

MR. SAPERS: I take it that the Premier, then, just confirmed that in fact it is the Alberta Treasury Branch that's conducting this research into the government's involvement into the refinancing of West

Edmonton Mall. Given that and given that all Albertans are shareholders of the Alberta Treasury Branch, will the Premier finally release all of the privatization research that has been conducted by Canadian Facts on the ATB over this past year?

2:20

MR. KLEIN: No. Mr. Speaker, that is a work in progress.

The hon. member suggested last week that perhaps an all-party committee be set up to further examine this whole question of privatization, and I indicated to the hon. member that that is indeed worthy of consideration. We are considering that right now.

MR. SAPERS: Will the Premier release the results of this most current survey on the attitudes of Albertans regarding the government's role in the West Edmonton Mall refinancing once it is received by the Treasurer?

MR. KLEIN: Mr. Speaker, it is not our survey. It is a survey apparently -- I'm getting my information from the *Edmonton Journal*, and I'm sure the hon. member is getting his information from the same place. All I have is a briefing on a story that appeared in the *Edmonton Journal* that says that the ATB is undertaking or has taken a poll relative to customer satisfaction, and they've asked a number of questions.

As to how that poll will be handled in the future, I have no idea. Perhaps the Provincial Treasurer does. I don't know. I'll have him supplement.

MR. DAY: Mr. Speaker, the shifting sands of the Liberals' attempt at their own policy are evident in the shifting of the questions. One day we're being accused of being too much involved in Treasury Branches. The next day they stand and they want to know the minutia of an internal survey that's been done by ATB, who has hired, apparently, a private firm to do some surveying. I think they need to try and get a bit of a handle on which direction they want this thing to go, especially if they're going to be involved in an all-party committee.

Now, Mr. Speaker, I can't presume to understand all of the reasons why ATB would do a survey, but as a responsible financial institution they would be like other corporate entities and I hope would be constantly surveying their customers, which apparently they do once a month or once every six weeks and are doing in this case. One of the things that may concern them -- and there's a bit of speculation here -- is the fact that it is difficult to get a message out about how ATB is doing.

I will be tabling on this particular item three separate media accounts of the recent third quarter reporting of ATB, and this is very significant because these are approaching record earnings. The deficit for the first time in 14 years has been retired. This is wonderful news, and it appears in different publications: in the *Edmonton Journal* on page G1, in the *Edmonton Sun* on page 50, in the *Globe and Mail* on page B3. But this story about a survey, about some questions will be front-page news. So I can understand why they have difficulty getting out the true picture of the incredible job they're doing, and I encourage them in that good work, Mr. Speaker.

THE SPEAKER: The hon. Member for Calgary-Egmont, followed by the hon. Member for Edmonton-Rutherford.

### Third Quarter Financial Report

MR. HERARD: Thank you, Mr. Speaker. Last week the media reported on the third quarter budget update tabled in this House last Wednesday. Some reports were critical, stating that the Provincial

Treasurer was overly optimistic with his projections. This has created confusion for some of my constituents. My question to Provincial Treasurer: what are the analysts saying about these projections?

MR. DAY: Mr. Speaker, I appreciate the member having some difficulty in terms of getting a correct message across, especially when there are confusing signals constantly sent from the Liberals on the other side. Their ongoing message is one of death, doom, and destruction, yet the figures, the statistics don't seem to hold that up.

The analysts very clearly said and very clearly indicated that this last year was another wonderful year in Alberta, considerable growth and that, as a matter of fact, we will be ahead, as the third quarter reported, of where we thought we would be in terms of the size of the surplus as we finish out this particular year. That's largely as a result of more people moving into the province, more people working, more people paying taxes. It's a good-news story. I can assure the member that the analysts are right in sync with what we are saying in terms of the projection. It's a good-news picture.

MR. HERARD: Thank you, Mr. Speaker. Given that some Liberals are saying that the projections are too optimistic while some others are saying that the projections are conflicting with the message sent out last month in talks with representatives from the MASH sector, again to the Provincial Treasurer: how do you reconcile the so-called doom and gloom message you gave last month with the good news of the third quarter update?

MR. DAY: Mr. Speaker, the member is right on with this. He's a hundred percent correct. One minute we're accused by the Liberals of having negative projections, and the next minute we're overly optimistic. It is difficult sometimes to get through that particular filter.

When the Premier met with members from municipalities and universities and schools and hospitals to in fact share with them the challenges that we have in terms of organizing a budget that is subject to volatile swings in commodities and oil and gas, the intent of that particular meeting, at which the Minister of Labour was also present, the importance of that was to share with those representatives of those large funding groups the challenges that we have. There was no intent -- obviously we couldn't interfere with the collective bargaining process, but we did want to in effect bring them onto the playing field rather than having them on the sidelines either cheering or jeering, to actually bring them onto the playing field and show them some of the significant challenges that we face. That's for the year coming up into '99 as it is evident that there's going to be some tapering of the incredible growth that we've had.

The other figures, represented in the third quarter report, show how strong this past year has been. I hope we have equally as strong a year, but analysts are telling us that though it's going to be good and though we can continue to look for growth, it probably won't match the same high level of excitement that we had last year.

MR. HERARD: Thank you, Mr. Speaker. My second supplementary, again to the Provincial Treasurer: given that with respect to the third quarter report of the heritage savings trust fund the Liberals are saying that there's no inflation-proofing built into the third quarter results and that inflation-proofing isn't even part of the new Fiscal Responsibility Act, is this true?

MR. DAY: Well, I appreciate the question again. First of all, in a year in which you don't have significant inflation, there is no need to inflation-proof. I'd be willing to sit down with my finance critic

and kind of show him how that works. If you don't have inflation, you don't have to inflation-proof.

Mr. Speaker, the Fiscal Responsibility Act, which I understand Liberal members across the way don't like because, indeed, it is about fiscal responsibility, a topic somewhat foreign to them, allows for, in those years when the revenue increases, the government to increase its assets along with paying down its debt. So we can on a year-to-year basis do an estimation of whether there has been inflation, whether that has had an effect on the heritage savings trust fund, and then, in fact, we can increase assets, which means putting money down on that fund, which, I can add, is valued at slightly over \$12 billion, earning this last year \$774 million in interest.

#### Bingo Review Committee

MR. WICKMAN: Mr. Speaker, last December the gaming commission created a number of changes to the bingo rules. A few days later they announced that a review panel was being put in place. After that, they turned around and announced these changes that had taken place in December prior to the review committee. Because of the public outcry, that same day they rescinded some of the changes. To the minister responsible for gaming: Madam Minister, why for the life of me would the gaming commission make substantial changes before the announcement of a review panel?

MRS. NELSON: Mr. Speaker, the bingo industry in Alberta has changed substantially over the years. In fact this is the first comprehensive review of bingo in 25 years. A number of issues have been raised and actually formed the terms of reference for the review, which I might add is an industry-led process.

A number of recommendations, through what's called FABA, were discussed 18 months before the review was announced, and some of those changes were going out with the blessing of the bingo association itself. The items in question by the hon. member were in fact pulled back by the commission, and it was recommended that they be dealt with by the review committee process, which is I believe the right action for them to take.

So I concur that they should have been pulled back and the review should be done as a comprehensive review. We're looking forward to the results.

2:30

MR. WICKMAN: Mr. Speaker, can the minister fully explain, though, on that particular day in January when they rescinded some of the changes, why would they have not rescinded them all until the completion of the review panel?

MRS. NELSON: Well, Mr. Speaker, the industry agreed upon some terms of reference that they were going to focus the review on. Some of the recommendations that they'd already agreed on were not within those terms of reference, so it was deemed that they would go forward. The ones that were pulled were in fact part of that review process, and they have agreed as industry reps and a review panel to go through those recommendations when they come back with their recommendations to the government as to what action should follow.

MR. WICKMAN: Mr. Speaker, my last question to the minister: in view of the growing community opposition to these changes, which the minister is aware of, will the minister now direct the commission to rescind all those changes until after the completion of the review panel?

MRS. NELSON: Well, Mr. Speaker, the commission has already

pulled back the recommendations that were controversial and asked the review committee to deal with them in the process of the comprehensive review and to report back to the government. So that process has already occurred. The controversial changes will not take place until that review is completed and it reports back.

THE SPEAKER: The hon. Member for Calgary-East, followed by the hon. Member for Edmonton-Meadowlark.

#### Child and Family Services Authorities

MR. AMERY: Thank you, Mr. Speaker. In my constituency I have been contacted by a number of agencies delivering services such as treatment foster care. Some of them are concerned that their contracts have not been renewed by the Calgary Rockyview authority. They have questions about the process for awarding and canceling contracts. My question is for the minister responsible for children's services. Could the minister tell the House who makes the decisions on canceling and awarding these kinds of contracts?

MS CALAHASEN: Mr. Speaker, first of all, I think it's important to identify what my responsibilities are as minister. I'm responsible for the governance of the board activities, and that I think is very important to remember. When we are talking about boards, it means that I appoint or dis-appoint board members. I deal with the training -- I think that's an important part -- anything to do with governance matters. Once the authorities take over their responsibilities, this spring for most of the other 17 -- in region 4 the authority itself takes on the responsibility for anything to do with contracts.

In terms of the specific service delivery I'd ask the Minister of Family and Social Services to supplement my answer.

DR. OBERG: Sure. Thanks, Mr. Speaker. Quite simply, the Rockyview child and family services authority is responsible for the day-to-day running of the authority. They are responsible for the operational decisions that are made. On the other hand, my ministry, and myself in particular, is responsible for the overall functioning of the child and family services authorities. So, for example, if there is something that is causing the treatment of the children in Calgary to be detrimental, then that responsibility lies with me. The operational side of it lies with the child and family services authority.

MR. AMERY: Thank you, Mr. Speaker. My second question is for the hon. Minister of Family and Social Services. Could the minister tell the House what we have in place to ensure that the Calgary Rockyview authority and all the new child and family services authorities award contracts fairly?

DR. OBERG: Thanks, Mr. Speaker. Well, first of all, there is quite a detailed list of standards that each child and family services authority has to remain accountable to.

I believe that where the hon. member is coming from is from some of the decisions that were made with regard to treatment foster homes in the past six or eight months by the Rockyview authority. This was quite an interesting process, and the Rockyview authority backed up what they did with solid statistical numbers, with solid scientific research which showed that the children that were in the treatment foster homes were of exactly the same acuity as those in regular foster homes.

Mr. Speaker, what they did is they took away the \$71 per day that went to treatment foster homes. They put it into the general foster home and increased it up to \$55. I commend the Rockyview authority for doing this, because they freed up a lot of dollars that



they could use for other things. More importantly, they had the scientific research behind them that showed that the acuity for these kids was exactly the same regardless of the setting. I really do commend them. There were some tough decisions that had to be made when it came to the agencies that were delivering foster care. However, I am extremely confident that the Rockyview authority did it in the best way possible.

MR. AMERY: Thank you, Mr. Speaker. My last question is for the hon. minister responsible for children's services. Could the minister tell Albertans what training the Calgary-Rockyview board has had in the area of community relations so that positive relationships are maintained with Calgary's contracted agencies?

MS CALAHASEN: Mr. Speaker, first of all, every board member goes through an orientation process. That's designed to ensure that the board has solid understanding of its duties as well as to know what it is that they have to do to carry through on the process that has been identified to them. Every board member on that board has different experiences. When we're talking about the people of that area, they come from the public sector, they come from the volunteer sector, and they also come from the business sector. To be able to make decisions, they would rely upon their experience as well as what they have to deliver. The range of expertise allows the board to represent a diversity of their region and to work both with the CEO and the community to ensure services and programs meet the needs of the region.

The other thing, Mr. Speaker, that I think is also important is that all the boards identify in their business and service plans ways to achieve even greater community involvement and integration of services. This is one of the main benefits of the community-based system. I believe that as we move forward, this will be reflected in what they're going to be doing. As they make the community councils come to life, we'll see changes that are going to reflect the community as they move forward.

#### head: Members' Statements

THE SPEAKER: Thirty seconds from now, hon. members, we'll proceed with three member statements. First of all the hon. Member for Banff-Cochrane, followed by the hon. Member for Edmonton-Calder, followed by the hon. Member for Calgary-Fort.

[The Deputy Speaker in the Chair]

#### Pharmacy Awareness Week

MRS. TARCHUK: Thank you, Mr. Speaker. During Pharmacy Awareness Week, which is March 1 to 7, pharmacists are reminding Canadians to use their medications properly. Misuse of drugs is a major public health issue. It is estimated that approximately half of all prescriptions dispensed are not used properly. As a result, a patient's health can suffer, and sometimes additional costly treatments are required.

Here in our province the Alberta Pharmaceutical Association is focusing its awareness campaign on the use of nonprescription drugs. Called Use with Care: Ask Your Pharmacist, the campaign encourages us to talk with our pharmacist about the proper use of medication we can purchase without a prescription.

This week 50 percent of us will use a herbal remedy or medication we bought off the shelf at our local pharmacy, but with thousands of medications available and more coming on the market every day, choosing the right medication can often be difficult. That's why it's important for us as consumers to ask our pharmacist about which medicine is right for us and for our families.

Please join me in giving your support to this important awareness initiative by Alberta's 3,500 pharmacists.

Thank you.

THE DEPUTY SPEAKER: The hon. Member for Edmonton-Calder.

#### 2:40 National Engineering Week

MR. WHITE: Thank you, Mr. Speaker. This week marks National Engineering Week, an event that celebrates and raises awareness of the significant contributions of Canada's more than 150,000 professional engineers. This year's theme, Engineering: It's All Around Us, points to the fact that from the minute we wake up in the morning to the minute we go to sleep, we will come in contact with something that is designed, developed, or enhanced by engineers. It's a profession that works behind the scenes and sometimes is referred to as the invisible profession. However, as a professional engineer myself I know that there are some 30,000 members of the profession, members of the Association of Professional Engineers, Geologists and Geophysicists of Alberta, that are making visible and visual contributions to the economy and the lives of Albertans.

[The Speaker in the chair]

APEGGA, the largest professional organization in the province, is a sponsor of many of these events. Albertans may have seen the special National Engineering Week supplement in two of our major dailies. It highlights some of the accomplishments of Alberta engineers and geoscientists. Throughout the week the association and its members are hosting a number of special activities to raise the awareness of the impact of the role of engineers and geoscientists.

Last Sunday more than 80 teams of students participated in the Edmonton Science Olympics, a hands-on science competition organized by teachers in the public school system and sponsored by APEGGA. During this week schools around the province will be participating in the shaving cream tower challenge, science nights, and many popsicle stick bridge contests. APEGGA members will be visiting classrooms to help teachers demonstrate scientific principles and discuss careers with students.

As an invisible profession, I would like to say that engineers, geologists, and geophysicists of this province are making very visible contributions to our lives in this province as well as around the world. National Engineering Week is truly all around us.

THE SPEAKER: The hon. Member for Calgary-Fort.

#### School Building Innovation Fund

MR. CAO: Thank you, Mr. Speaker. One of my strong interests is in the education of young Albertans. Last Friday night I attended a public communications forum on school facilities organized by the CBE. The issues of student enrollment, housing students, transportation, and facilities are very complex. I commend the CBE staff on their public consultation. The school facility is an integral part of the education system. Virtual schools and other learning options are needed, but they still need the classroom and the school facility.

Mr. Speaker, today I'm very pleased to bring to the attention of the Legislature an innovative and exciting project among the many exhibits. The School Facilities Task Force recommended to the Minister of Education to establish the innovation fund to encourage a creative approach to capital infrastructure. Under this funding the Calgary board of education worked with a local property developer and the Alberta Education department to find creative ways to provide an elementary school building.

Tirion developments is contributing \$750,000 at the beginning of this \$1.2 million project, and the innovation fund from Alberta Education will contribute \$450,000. By the year 2003 Alberta will reimburse Tirion developments for the initial commitment. This puts the school in the community now, years before government funding will be available. The partners broke ground for the school last February 19. The school will open within the year. Innovation is about thinking and doing differently, recognizing that we need to work together in the community to meet the needs of the community. This is an innovative partnership project, one I trust will be duplicated by school boards and developers across this province.

THE SPEAKER: Hon. members, we have four purported points of order today, and I believe, hon. Member for Calgary-Buffalo, you were the author of all four. Correct?

MR. DICKSON: Yes. That's true.

### Speaker's Ruling Looseleaf Statutes Updates

THE SPEAKER: Well, just before I call on you, though, for the first one, hon. members, I just want to bring you up to date and clarify something that was said in the Legislature yesterday. While it's not my normal process to listen too attentively to what hon. members may say in their debates -- and this is not a comment about the debate that any hon. member dealt with; this is a matter of clarification, something that affects the administration of this particular Chamber -- during the proceedings in the Assembly yesterday during second reading of Bill 7 reference was made to the Chamber copies of the *Statutes of Alberta* not being up to date.

The specific bill referred to was not proclaimed into force until March 1, 1999. Given that the looseleaf updates to the *Statutes of Alberta* are typically released twice a year and do not include amendments which have not yet come into force, the amendments brought about by Bill 21 were not included in the most recent updates to the *Statutes of Alberta*. The most recent looseleaf statutes updates were filed in the Chamber statutes prior to the commencement of this session.

Hon. Member for Calgary-Buffalo, on your first point of order. We're taking all four separately.

### Point of Order Provocative Language

MR. DICKSON: Thank you very much. The first point of order relates to an exchange between the Leader of the Official Opposition and the Premier, and it was supplemented by the Minister of Energy. The exchange in total took six minutes and 28 seconds by my count. Now, as the authority I'm citing -- and I'm specifically referring to the comments made by the Minister of Energy -- I'm referring to Standing Orders 23(j), (1), *Beauchesne* 408(2), 409(5), 409(6). What we had here was -- and I particularly draw it to your attention, Mr. Speaker -- the phrase used by the Minister of Energy that the Leader of the Official Opposition had misrepresented her position at a function they both apparently attended the other evening.

Now, I'll start with the easy point first. Mr. Speaker, 409(6) talks about questions "within the administrative competence" of a minister. When the minister made his comment, he was not speaking as Minister of Environmental Protection and he wasn't speaking as Premier. He was speaking as a witness, a witness to an alleged conversation that happened the night before. It had nothing directly to do with his executive role, but he was standing up to speak as a witness to a conversation. That's completely out of order, at least in my respectful submission.

Now, in terms of the language used, "misrepresenting," I refer you, sir, to page 386 in *Erskine May*, 22nd edition, where they talk about "expressions which are unparliamentary and call for prompt interference," and that includes (2), "the misrepresentation of the language of another and the accusation of misrepresentation." So it was said in a way that clearly calls into question the authority I've just cited. The other comment is that under *Beauchesne* the minister in his response ought not to provoke debate. [interjection] And neither ought the Member for Lethbridge-West.

The point, Mr. Speaker, is that the comment, I suspect, was intended by the minister to provoke reaction in the House, and that's something that's proscribed and frowned on in all of the authorities. So for those reasons, I suggest that the language used was inappropriate, and the minister ought to be required to be called to account for it.

Thank you.

MR. HANCOCK: Mr. Speaker, there seem to be three basic elements to the hon. member's submission, and I suggest to you that he's wrong on all counts. First of all, he says that the rules indicate that a question must be "within the administrative competence" of a minister, and while that may be a critique of some of his colleagues' questions today, it certainly can't be a critique of an answer given by a minister. The minister was in fact -- and I'll deal with his second point, where he says that he was standing to speak with respect to his witnessing a conversation last evening. In fact, it was clear to all members of the House that he was standing to speak in his capacity as Minister of Energy to an allegation that energy companies were not environmentally friendly and didn't have the environment as their prime order of business when they deal with their leases across this province. So he wasn't standing to speak to a conversation that he overheard, even if he may have alluded to that conversation in the context of his answer.

Thirdly, the question of using the word "misrepresentation" and that he ought not to provoke the House. Mr. Speaker, the length of the preambles to a number of the questions from the opposition has grown significantly, and the veracity of information that's been presented in those preambles has deteriorated significantly. In short, when the opposition bases their questions on false premises, false suppositions, and erroneous assumptions, they inflame the sensibility of every member of the House and certainly inflamed the sensibility of the Minister of Energy, and that's what he was responding to.

2:50

THE SPEAKER: On this point of order?

MS CARLSON: Yes, Mr. Speaker. I would like to add to the citations here. I refer you to chapter 18 of *Erskine May*, pages 386 and 387. In addition to the citations my colleague made, I would like to add, under Allegations against Members, both (1) and (3).

Expressions which are unparliamentary and call for prompt interference include:

- (1) The imputation of false or unavowed motives . . .
- (3) Charges of uttering a deliberate falsehood.

In the exchange that occurred, in the Minister of Energy's reply he stated that the Leader of the Official Opposition misrepresented herself at a function. In fact, the Minister of Energy is in possession of letters from CAPP, Mr. Speaker -- that would be the Canadian Association of Petroleum Producers -- where they have often said over the course of the past year that CAPP believes that incentives should be developed by government to encourage the expeditious removal of industrial activities or hydrocarbon resources from special places. They have expounded on that many times, asking for the government to engage in the dialogue. This was the substance

of the question that the Leader of the Official Opposition was asking for clarification on, because in fact that ministry in particular has had correspondence with other companies. I include Al-Pac, Amoco, and . . .

THE SPEAKER: Hon. member, that has nothing to do with the point of order. Sorry; you're into some debate that . . . [interjection] I think you've finished. I think you've finished, hon. member.

Hon. members, today we had 11 sets of questions. Yesterday we had 13. Eleven is about the average. Each day there's an ebb and flow that seems to move a bit. I don't know what's special about today, this particular Tuesday, but in terms of time frames the first set of questions took four minutes, the second set of questions took five minutes, and then we went into a period where the third set of questions took six minutes, the fourth set of questions took six minutes, and the fifth set of questions took six and a half minutes.

There seems to be a kind of momentum that goes with these sorts of things. For the most part, the chair has attempted to deal with approximately five minutes with respect to that. But when one attempts to expand, the waxing of eloquence also tends to expand, and somehow the intensity of the question and the intensity of the response also tend to expand. So at the outset I just want to repeat that again and I want to draw that to everyone's attention, because I think sometimes these events and these exchanges that do occur do tend to set people in certain directions.

Well, the chair has the Blues in terms of the questions with respect to what was going on in here and in terms of the number of comments that were made both by the Government House Leader and by the Official Opposition House Leader. Oftentimes if hon. members listen very carefully to the words that are used and the tone of the question and sit back and just sort of, you know, accept the whole question in terms of what it is, then some of the actual response to the question and then the next question that goes along with it might lower the temperature a bit.

The chair is looking at the questions put forward by the hon. Leader of the Official Opposition, and they are straightforward questions. Straightforward questions. No accusation about any particular firm, any particular industry doing anything that's nasty, bad, or anything else. They're questions of information. "How does the Premier protect a pristine environment when logging and oil and gas wells are permitted in special places?" If hon. members then take their view and read something into the question that isn't there and want to have an opportunity to get involved in debate in terms of part of the question, then I think that perhaps is an individual thing that he or she may choose to do on a particular day.

Then we have a response, and the response in this case is from the Minister of Energy. "Mr. Speaker, I'd like to supplement on behalf of the oil and gas industry." Well, first of all, no minister of Executive Council represents a lobby group. They are members and ministers of Executive Council, and they have an oath to the province of Alberta and to the people of Alberta. Not one member of Executive Council represents and is responsible to any particular lobby group or any other group. They represent the people of the province of Alberta.

The hon. Minister of Energy then goes on.

This hon. member was at a Canadian Association of Petroleum Producers annual banquet last night. Sitting there misrepresenting her own self and others, she is insinuating that the oil and gas industry cannot be sustainable with environmental protection, and that is absolutely wrong.

Well, I've already read into the record the previous question, so obviously the Minister of Energy decided to say something in a response. Interestingly enough, our rules -- *Beauchesne's* rules and

the rules that I put out in terms of all of the words that are acceptable in this particular Assembly in a recent memo that I sent to all members -- do not list "misrepresenting" as one of the unparliamentary words. It certainly lists other words. So it's really in the context of the whole thing.

The chair is not in any position to know what one individual member said outside of this Assembly at a particular social event, and quite frankly it's not even part of the record of the goings-on in this particular Assembly. What an individual may or may not have said in another place is not part of what goes on in terms of the competence of this particular Assembly.

Words like "misrepresenting" and "insinuating," "cannot be sustainable with environmental protection," and "that is absolutely wrong": again, you look back to the previous question and you don't see anything even going in that particular direction. So a particular response was given, and it certainly was an inflammatory response at the time, at the moment in which we were in the Assembly. However, with respect to the usage of the word "misrepresentation," it does not violate the rules.

In fact, if you want to go further with respect to "misrepresentation," one has to make sure that if they're going to use that kind of a word within the full context in which it's being talked about in *Erskine May*, the accusation must be of a deliberate misrepresentation. If an hon. member would stand up and say, "You were deliberately misrepresenting somebody else," in that context there would have been a movement and an intervention from the chair. In this case there was not at that particular time.

I think that in essence there's enough ammunition provided by both the submission made by the Opposition House Leader and the Government House Leader to basically know that there are certain times and certain environments when certain individuals do get up, for whatever reason they get up, that can be a bit inflammatory. It is no credit to the individual in question and it is no credit to the individuals in question with respect to who they are, and it's certainly no credit to the Members of the Legislative Assembly who taunt and who basically encourage that kind of behaviour. The chair looked up at the galleries and saw a large number of children, and I have no doubt at all that I will receive e-mails this afternoon and letters tomorrow from these children wanting to know what exactly transpired. As I said before, I'll gladly pass on to all of these children the names of the individuals that they would want to have a further discussion with.

So not a good experience in terms of the whole thing, but it is difficult to find out exactly what the actual point of order was. A lesson was provided and prescribed in the comments provided by the chair.

Now, point of order number two.

### Point of Order Brevity and Urgency in Question Period

MR. DICKSON: This exchange that I'm referring to occurred between the Member for West Yellowhead and the Minister of Energy. The authority here is *Beauchesne* 408(1)(a), 408(1)(e), 408(1)(f), 409(6), and 417. Mr. Speaker, I can sum it up as briefly as this. If the Minister of Energy wishes to lecture members of this Assembly on federal taxation policy and resource taxation policy, he ought to get a sessional lecture position at the nearest junior college, and there he'd be able to make his representations. For him to use the valuable time of question period to offer commentary and analysis of federal government energy taxation policy is inappropriate. It's a waste of the time of this Assembly. The response of the minister was neither brief nor was it on a matter of sufficient

urgency to meet the test set out and that I cited before. I'd be just belabouring the point to go further.

Thank you.

3:00

MR. HANCOCK: Mr. Speaker, I'm afraid the hon. member opposite is too late to worry about belabouring the point. He's done it excessively.

Mr. Speaker, the hon. Member for West Yellowhead raised an issue that was of concern to him and of concern to his constituents, and I would suggest that for the hon. member to put his own view as to its urgency on that question when the hon. member clearly was interested in raising that question, interested in the answer in the context of oil prices -- it's not for him to determine whether it's an urgent enough issue for this Legislature. Every single member of this Legislature has the opportunity to bring forward questions that are important to them and important to their constituents at a time when it's important to them and their constituents. The issue of urgency is one that has to be determined in the light of the issues that members are dealing with on a day-to-day basis. Quite frankly, our members are dealing with questions of gasoline prices on a day-to-day basis, particularly when the price of oil is fluctuating the way it has. So the question of urgency has to be determined in that context.

With respect to the question of the Minister of Energy providing in his answer some background detail as to why the prices of gasoline are what they are, certainly one component of the price of gasoline is the federal tax. It's only appropriate for him in addressing that question to deal with the significant aspects of the price of gasoline, one of which is the excessive federal tax rates on gasoline and the fact that the federal government takes that money out of this province and returns absolutely nothing except a road in Banff. So it's entirely appropriate for the Minister of Energy to use that opportunity of the question to fully answer the question. Again, brevity is a question of how much time needs to be taken to give a full and accurate response.

THE SPEAKER: Hon. members, brevity is always the key to this, and the chair has already commented on the ebb and flow of what occurred today and in terms of how we arrived at a certain point. In terms of the exchange of questions between the hon. Member for West Yellowhead and the Hon. Minister of Energy, it was approximately six and a half minutes for that particular set. We try to compress it to five minutes, but this seemed to go on.

I think it would be rather remarkable in the Legislative Assembly in the province of Alberta if questions dealing with oil and gas and energy prices would not be considered to be appropriate and were not even considered to be timely. I mean, of all the kinds of industries in our province, one would have to suggest that that would certainly be one series of questions that would fall within the whole domain. One would think that it was not so much the subject of the questions in this case. It was more the quality of the responses, and that's very subjective again. That provoked the hon. Member for Calgary-Buffalo to rise on this particular point of order, but we made that point. The point has been made.

So let's move on to point of order number three.

#### **Point of Order Tabling Public Documents**

MR. DICKSON: Number three, sir. I raise this with respect to a response given by the Premier. This was the third set of questions, and he purported to table three newspaper stories, made much reference to newspaper stories. I just cite, sir, your direction on

April 2, 1998, page 1338, and November 25, 1998, where you encouraged members to ensure that newspapers didn't become the primary source of questions. I would take it that they ought not to be the primary source of responses. On November 25 you talked about: public documents ought not to be tabled. I think your message, sir, to us has been that we ought to be relying on those documents that don't already have that currency that would attach to a newspaper or some kind of a publication like that. That's the concern, Mr. Speaker.

MR. HANCOCK: With respect to any point of order, accuracy should be the first order of business. The Premier didn't table any newspaper stories today.

MR. DICKSON: I'm sorry; it was the Treasurer, Mr. Speaker.

THE SPEAKER: Well, okay. Yes, it was the Provincial Treasurer, not the Premier, who tabled.

Is that the response to the point of order?

MR. HANCOCK: Well, the Treasurer was merely tabling those because he was referring to the order in which they were printed in the newspaper as part of his response. So I would submit that that was an entirely appropriate time to table such papers. He wasn't referring to them for their accuracy or their content.

THE SPEAKER: Hon. members, on this last purported point of order it's absolutely correct what the hon. Opposition House Leader has said in terms of the advice provided to the Assembly by the chair on previous occasions. Number one, the time for tablings is during that particular part of Routine. Number two is that our rules very, very clearly indicate that confirmation of stories in newspapers are not exactly part of the question period.

In this particular case you have a situation where a response was being given and, I guess, the point was being made that certain events didn't transpire with the same kind of attention as certain other kinds of events. The chair watched the Provincial Treasurer very, very carefully and actually didn't believe in his own mind that the Provincial Treasurer was going to table anything, but he did, and there were tablings that came under the category of newspaper articles. So for all intents and purposes they were tabled. They were provided to the Clerk, but they're not going to become the official record of the Legislative Assembly of Alberta.

If we're going to start tabling newspaper articles in here on a regular basis, nothing will ever happen. I have no idea how the Clerk is going to deal with this, but as far as I'm concerned, these newspaper articles are totally unnecessary to the official record of this particular Assembly and this particular Chamber. So he can put in an asterisk in terms of the official record that they were provided by the Provincial Treasurer, but the Speaker said that they should be shredded.

Point of order number four.

#### **Point of Order Brevity in Question Period**

MR. DICKSON: Thank you, Mr. Speaker. This relates to an exchange between the Member for Calgary-Egmont and the Provincial Treasurer, and the one phrase that sticks in my mind is: what are the analysts thinking? My authority is the usual provisions in *Beauchesne* 408 and 409. Surely to goodness, this valuable time in question period ought to be spent with ministers being accountable for the actions of the government, not to get, again, yet another

economics lecture on what analysts may be thinking. Once again, I say that the Provincial Treasurer and the Minister of Energy both ought to be encouraged, that all members be encouraged to subscribe. There are some good newsletters put out by qualified, credited economists. Maybe all members should subscribe to those, and they'd be able to answer many of the questions they raise in question period.

Thank you.

THE SPEAKER: The hon. Member for Calgary-Egmont.

MR. HERARD: Thank you, Mr. Speaker. Since the hon. Member for Calgary-Buffalo is referring to a question that I posed, I would remind him -- and I'm sure that the Blues will substantiate this -- that the question was not "what are the analysts thinking" but "what are the analysts saying" about this. And he didn't cite any citations on his point of order, so there isn't one.

THE SPEAKER: The hon. Provincial Treasurer on this point of order.

MR. DAY: I further concur with the excellent observation made by the Member for Calgary-Egmont. I might also add on the point of order, just as an advisory item, though nobody has to take it certainly, that for the member who raises so many points of order, it's almost as if there's some kind of a fetish about this. Maybe he gets paid by the point of order. It's interesting that he is also the one that is constantly on his feet wailing about freedom of speech, freedom to read, freedom to do everything, but he'll be the first one up when there's some picky, picky, picky little point that he doesn't think quite meets some standard which he himself doesn't live up to in *Beauchesne*.

Mr. Speaker, it is now 10 past 3. Private members have some excellent motions on both sides that I'd like to hear from. Opposition sides have some excellent motions as do members, and he continually works to absorb this time. If he's going to stand and do this kind of point of order, he's going to get this type of reaction. Yes, the Pavlovian dog theory works, and when he's standing up constantly eroding the freedom of speech in this Assembly, I think it should be duly noted.

THE SPEAKER: Well, hon. members, just to make sure there's not going to be another point of order about the insinuation that came from the Provincial Treasurer about the pay response of the Official Opposition House Leader, that particular member and that particular position warrants a monthly salary regardless of how many points of order there are. So I just want to make sure that it doesn't lead to any unnecessary point of order.

Now, the question with respect to the exchange that occurred between the hon. Member for Calgary-Egmont and the Provincial Treasurer. The chair was almost at the point of moving and asking the hon. Member for Calgary-Egmont the purpose or the intent of the question, and I deliberately made a subjective decision not to do it, to hear out where this was going. In the question period the seeking of opinions is not the prime purpose of the question period. The seeking of the opinion of someone outside of the administrative competence of the government, i.e. the government of Alberta, is not the purpose of question period. The question got through. The response was given. The point has been made again: let's deal within the administrative competence of the government, let's not seek opinions, and let's deal with the business at hand.

head: Orders of the Day

head: Public Bills and Orders Other than  
head: Government Bills and Orders  
head: Second Reading

3:10

**Bill 203**  
**Privatization Accountability Act**

[Debate adjourned February 24: Mr. Sapers speaking]

THE SPEAKER: The hon. Member for Edmonton-Highlands.

MS BARRETT: Thank you, Mr. Speaker. I'm looking forward to participating in this discussion on Bill 203, the Privatization Accountability Act. I believe I was here when the provincial government first started its privatization moves. I believe it was in 1983. I was a researcher for Ray Martin and the late Grant Notley, who at the time formed the Official Opposition. One of the Lougheed government's privatization moves was to eliminate a program called temporary staff services. TSS was a pool of persons, primarily women, who could fill in in any kind of, what we called in those days anyway, general receptionist, filing kind of position should somebody be sick and be unable to attend work that day and if the department or the ministry found that a replacement for that person was necessary.

Those people did not have full-time jobs. However, they were compensated for the days they worked in exactly the same fashion as those whose positions they were occupying for a day or two in the latter's absence. In other words, they were paid significantly above minimum wage. They were the beneficiaries of all the programs and benefits that were negotiated through the collective agreement with AUPE and were also eligible, if grievances and disputes should occur, to exercise their options under the Labour Relations Board. The government of the day, that being run by then Premier Peter Lougheed, argued that it would be more efficient to not have this pool of people upon whom the government and its agencies could call to fill in, whether it was for sick days or vacation or what have you, and that it would be more appropriate to contract this service out to the private sector.

Well, in those days the employees that I'm talking about that were working for temporary staff services were earning in the range of about \$9 an hour. After the government proceeded with the policy, to the objections, I might add, of both Grant and Ray -- and well-stated objections they were -- the employees found that they had to make application to work for private-sector temporary employment agencies. Their wages fell by more than 35 percent. Of course they lost all of the benefits to which they had been entitled when they were covered under the umbrella of TSS. Their hours of work in fact decreased because the employment agencies for whatever reason, ideological or other, decided that it would be fine to expand the pool of temporary staff that it would have available for assignment to the government. So the employees who had generally been working on average four days a week were reduced to working one or two days a week, an untenable and an unlivable situation.

Since then this government has accelerated that process of contracting out. I'll give you one example: the registries. This is a frequent debate between me and the Premier. Whenever I ask questions about motor vehicle registries, he laments, in his typically colourful fashion, however: isn't it better now to go in and register your motor vehicle and not have to bring your sleeping bag with you? Of course I give him credit for having a good sense of humour, but my answer to that is that for a city the size of Edmonton we obviously needed more than two or three locations, and the government could have done that.

Instead, what has happened now is that while the government can say year after year, "No new taxes," what they fail to state is that Albertans are picking up more and more new taxes. They're just not called taxes. Now when you go to register your motor vehicle, well, it's not your tax dollars at work, by the way, because these companies are getting paid, but it's your actual discretionary money, the money out of your pocket now, aside from your tax dollars, that is being expended for the purposes of registering your vehicle. One year after the private registries were established, they were back to the government saying: four bucks per transaction isn't enough; we want \$6 per transaction. The government waited for a few months, until the firestorm had exhausted, and then allowed for a dollar increase, which is a 25 percent increase in the transaction fee.

Now, these very registries, I must say, are in fact employing systems and people who work directly for the taxpayers, because motor vehicles itself still exists. This I know because I refuse to use a private registry and I mail in my motor vehicle registration directly to the government, and my cheque is payable to the Provincial Treasurer. This is the way it should be. Yes, it costs me 46 cents in stamps instead of walking up to the registry, but I believe in supporting public employees, public employees who have the benefits of a collective agreement, who have well-negotiated salaries so that they can afford to live and actually have disposable income that they can afford to spend.

I've noticed in the last couple of years that the government hasn't been singing this mantra of how small business is the engine of our economy, but the fact of the matter is that small business is very important, and when people have disposable income, it generally tends to be through small business, usually the retailer. That is expressed and becomes a factor in economic growth through what economists call the multiplier effect. This is generally good for the economy. When workers are working for minimum wage or slightly above minimum wage, as many employees are in the private registries and some of the other privatized agencies, they do not have the discretionary income to be spending, whether it's at the local restaurant, dry cleaner, movie theatre, or maybe buying a new appliance.

I object to privatization in principle. I don't need to waffle on this subject. I object in principle and so does my party because of the arguments that I have made and as well because inevitably the consumer gets stuck with another tax. Not that the government's taxation decreases whenever a new tax is imposed. That never happens. No; we get stuck with another user fee, a tax by any other name. The government says: well, this is good; your taxes aren't going up. The fact is that you're paying more for the same services usually delivered by people with a lot lower income than those who are delivering it in the public system, and you're often not getting as good a quality of service.

Then I've got a question. How the government could have privatized the motor vehicle leasing to one character, Jim Pattison, without having done a cost-benefit analysis actually blows my mind. I mean, if I didn't know better, Mr. Speaker, or if I believed in coincidences perhaps, I'd say that there was political favouritism in that action.

When it came to the privatization of CKUA, obviously no thought whatsoever was put into it, the result of which was a disastrously near bankruptcy of Canada's unique radio station, an historic resource of the government of Alberta, I would propose to you. We're lucky that we still have it. For how much longer one never knows.

The privatization of liquor stores seems to have been popular. However, I do know a number of people who lost their jobs and ended up working for rates about 50 percent of what they had been earning before.

MS OLSEN: Booze is more expensive, Pam.

MS BARRETT: The Member for Edmonton-Norwood points out that liquor is more expensive. I was not aware that the prices had increased, but it doesn't surprise me because of the same theory. If you've got all these retailers and their individual overheads -- and you know that they can locate virtually on any block that they want with the exception of proximity to schools -- their relative administrative costs will increase while their fixed costs remain stagnant. They've got to find a way to make money, to make a living and make a profit, and they're going to do that by increasing the price of the product that they're selling.

3:20

I'm absolutely dumbstruck as to the logic behind the livestock inspection services privatization.

Travel Alberta, another example where the organization was practically brought to its knees and put in a position of discrediting not only itself but the government by some of its actions.

So when this bill requires that the minister responsible for a government program to be privatized make

- (a) a privatization profile;
- (b) a projection of the impact of the privatization on Government revenues and expenses;
- (c) a cost-benefit analysis . . . and benefits of the privatization;
- (d) a description of any fee-for-service costs that will be charged to or incurred by consumers under privatization,

I say: oh, good; long overdue. I guess that would mean 16, 17 years overdue. But if it were my bill, it would just simply say that privatization -- particularly in this bill because it doesn't delineate between core services and noncore services, as the sponsoring member outlined in her remarks. Because the bill makes no delineation in that accord, I would say that I have some difficulty, because generally, like I say, if it were my bill, it would be to stop privatization, the outcomes of which I have not seen one positive element.

Therefore, I would like to move a reasoned amendment. I'll ask the pages to distribute this to members. I have enough copies for each member, the table officers, and so forth. I'll read out my reasoned amendment, and I think you'll see where I'm coming from here. See; looking forward is one thing, and we know that the proof is in the pudding. Therefore if we ask that the pudding be presented to us before we proceed to a new process, the new process for privatization inevitably would be discredited before it got started.

My notice of amendment is this, that the motion for second reading of Bill 203 be amended by deleting all words after the word "that" and substituting the following:

Bill 203, Privatization Accountability Act, be not now read a second time, because the Legislative Assembly believes that a thorough cost-benefit analysis of all government privatized and contracted-out operations since 1990 is required involving public consultation before proceeding with this bill.

Now, some members might wonder why I wouldn't want the analysis to go back to 1983, when temporary staff services were eliminated. I think we need to acknowledge that the Lougheed government and the subsequent Getty government privatized at a snail's pace. They realized that there was probably not a lot of benefit. In fact, before Grant Notley died, we actually had the figures in that proved that the government was spending more on temporary staff services through those private, for-profit agencies, and remember, they had cut those wages by 35 percent, gave those employees no benefits and insecurity of hours to boot. We discovered in the autumn of 1984 that in fact the government was spending more on the privatized services than it had been, including the cost

of all benefits and administration, when temporary staff services were under the rubric of the government of Alberta directly. But the cases were few and far between.

This government is the one that fast-tracked privatization, in fact to the point where, as I recall, two years ago the now Minister of Energy boasted to a conference in Toronto how happy he was to have, quote, nakedized his department and, in his gleeful haste to sell off government assets, proudly lost the Alberta taxpayers \$2 billion. It's a miracle that in the year that he was speaking the government actually turned in more than \$2 billion in surplus revenue, because with those kinds of losses being boasted about by a senior minister of the Crown, you'd have thought we were so bankrupt that he had no choice but to sell those assets at fire sale prices.

Those are the examples that we need to look at now, whether it's the liquor stores, the registry, CKUA, livestock inspection services, Travel Alberta, transportation, motor vehicle leasing, and including the sale of I think it was called N.A. Properties when it was on its last legs as a public institution, the properties owned directly by the Alberta Mortgage and Housing Corporation, and the equipment that was owned directly by the government through, I believe, the department of transportation, but it could have been Public Works, Supply and Services. I'm talking about highway maintenance equipment and that kind of stuff.

If we pass this amendment and it passes the Legislative Assembly and the government follows through on this, then they're going to have to come back with a complete cost-benefit analysis of all of their privatized efforts, all of which, I'm certain, will consistently prove that the government cost the taxpayers more, not just through their tax system but in their out-of-pocket expenses, reduced the living standards of the employees delivering those services, and diminished the quality of service provided to Albertans.

If I had another 20 minutes, I would get into some of the allegations that I have heard about how one obtains contracts in some areas that are now apparently put out to public tender, but I don't have the 20 minutes to fully explore that, so I suppose I'd better not open that can of worms.

I believe, Mr. Speaker, that most members now are in possession of my amendment to Bill 203. I look forward to their comments and passage of the amendment and subsequently passage of Bill 203.

THE SPEAKER: The hon. Member for Edmonton-Norwood. We've now got an amendment before us.

MS OLSEN: Thank you, Mr. Speaker. I'm speaking to the amendment. It seems to be a little bit broad here. I reject the notion that we need to support a reasoned amendment at this stage of the game.

There's been, Mr. Speaker, a great deal of analysis of the fiscal and economic side of the provincial government's agenda over the past four years. We've heard about the government's plan to eliminate Alberta's \$3.4 billion deficit; the cuts to health care, education, social services systems and the resulting impacts of those cuts; the plan to eliminate the net debt by now the year 2000 -- it's a race, because it was 2010 -- the move toward consolidated budgeting; the development of three-year business plans and key performance indicators; getting out of the loan guarantee and investment business, except of course for the ATB; and the promotion of the Alberta advantage.

What has received far less critical attention but in essence may be far more important to the future evolution of the province as we enter the 21st century is the fundamental re-examination of the role of government within our parliamentary system and the potential erosion, Mr. Speaker, of the accountability and responsibility of the government to the Legislature and its people. Many observers talk

about the Klein revolution in Alberta. However, when we examine such issues as privatization and delegated legislation, I believe it's far more appropriate to talk about devolution.

A prominent former Provincial Treasurer of this province, Lou Hyndman, stated the following: while cost cutting and elimination of the deficit is one specific objective, the long-term vision of the Klein government is wider and deeper and goes far beyond pure fiscal number crunching; it is to permanently change the relationship between Albertans and their government and to fundamentally restructure the traditional activities of the government.

It is clear that privatization and delegated administrative organizations are a by-product of the fiscal crisis that Alberta faced in 1993. There was a need to downsize government in order to deal with the structural imbalance that existed between the amount of money that government was receiving in revenues and how much it was spending.

THE SPEAKER: I hesitate to interrupt the hon. Member for Edmonton-Norwood, but the time limit for consideration of this order of business has expired.

head: Motions Other than Government Motions  
3:30

THE SPEAKER: The hon. Member for Calgary-Mountain View.

### Provincial Income Tax

502. Mr. Hlady moved:

Be it resolved that the Legislative Assembly urge the government to implement a single rate of provincial income tax based on a percentage of total taxable income rather than a percentage of federal tax.

MR. HLADY: Well, thank you, Mr. Speaker. I'm pleased to rise today to speak to Motion 502. The motion urges the government to make some fundamental changes to the provincial income tax system, changes that will certainly increase the fairness and efficiency of Alberta's personal income tax system. I believe strongly in the principles embodied in this motion, as do many Albertans.

[The Deputy Speaker in the chair]

Mr. Speaker, there are two distinct parts to this motion. The first part is the idea that provincial income taxes should be based on total taxable income rather than having provincial income taxes levied as a percentage of federal tax. This is the more significant aspect of the motion, because levying provincial income taxes as a percentage of total income would be a fundamental change in the way the province levies income taxes, and it would do a number of very important things for Albertans. First, a tax on income is a much easier . . .

THE DEPUTY SPEAKER: We have a point of order. The hon. Member for Edmonton-Glenora on the point of order?

### Point of Order Anticipation

MR. SAPERS: Yes. Thank you, Mr. Speaker. I do hesitate to interrupt, but knowing how significantly we take the issue of private members' business in the House, I'm just wondering whether or not the Speaker will give a ruling under *Beauchesne* 512 and 513 and 514 regarding rules of anticipation.

Earlier today during Routine I tabled copies of a letter from the Provincial Treasurer indicating that the notion of a flat tax is part of the planning process and that the review going on as a result of the

Tax Review Committee as such will make up part of the business plans -- that's indicated in the letter -- of the provincial government when it tables its budget on March 11. The Treasurer in his correspondence even goes further to say that not only will it be part of the business plans, which of course are debatable under the motion to approve the general fiscal plans of the government -- he goes on to say that the outcome of that review will find its way into Budget 2000.

It is March 2. We're told that the provincial budget will be tabled on March 11. There'll be plenty of debate in the House or at least some debate in the House on that, including of course the results of the review on the Tax Review Committee's flat tax proposal.

As I read *Beauchesne* 512, 513, and 514, I do note particularly 513, paragraph (2):

In applying the anticipation rule, preference is given to the discussions which lead to the most effective result, which has established a descending scale of values for discussions, such as bills which have priority over motions, which in turn have priority over amendments.

It seems to me that the subject matter of my colleague's motion can be most effectively resolved in, if I can say, the more senior debate that will come about as a result of the government's moving of the budget.

I will also note that

the rule against anticipation is that a matter must not be anticipated if it is contained in a more effective form of proceeding than the proceeding by which it is sought to be anticipated.

That of course is paragraph (2) in *Beauchesne* 512.

I'm concerned, before we continue to use this debate time during private members' business, that we should have a ruling as to whether or not the motion is in order or whether it violates the anticipation rules.

THE DEPUTY SPEAKER: Okay. The hon. Provincial Treasurer on the point of order.

MR. DAY: Well, I think it's fair to say that this wouldn't apply to normal anticipation rules. My letter to the Member for Edmonton-Glenora says on that particular topic:

We are currently reviewing the Tax Review Committee Report, and simultaneously, the opportunity to convert to a tax on income system, as part of the 1999-2000 Business Planning process.

There's no indication here whether we're going to do some, part, or all of that.

If the ruling was as the member says, there would be barely any topic which we could address here in this Assembly because of the broad scope of the business plan. Now, maybe that would be good because there would be nothing left to debate and we could all go home. But in fact I think it's quite plain, Mr. Speaker. It would be different if, for instance, the motion that the Member for Calgary-Mountain View was proposing was to do with having a requirement that the surplus be used on a basis of 75-25 when in fact we already have the Fiscal Responsibility Act on the table. That would be anticipatory. It would also be redundant. But in this case, the Assembly and the member have no knowledge of what the actual outcome of Budget 2000 is going to be, and clearly this is not anticipatory.

THE DEPUTY SPEAKER: Thank you, hon. members. I guess one would observe that the priority in terms of rules is of course Standing Orders, then *Beauchesne*, then *Erskine May*. Standing Order 23(e) speaks to this, if I can read this here, where we get into: a member shall be called to order if that member "anticipates, contrary to good parliamentary practice, any matter already on the

Order Paper" -- I think the items referenced were not on the Order Paper -- "or . . . for consideration on that day." This is the item that we have before us on the Order Paper for this day. So the chair would rule that this is the issue that's going to be before us today. The rest is hypothetical.

The hon. Member for Calgary-Mountain View.

MR. HLADY: Thank you, Mr. Speaker. I appreciate that.

### Debate Continued

MR. HLADY: To continue on. First, a tax on income is much easier to calculate and to administer. In this case, to calculate provincial income tax would simply require the taxpayer to take the total taxable income line from the federal return, subtract the basic personal exemption, which by the way would be much more generous than the current one, and then calculate the flat rate of the subtotal. Very simple. Very quick.

Second, a tax on income gives the province more autonomy in the field of taxation and greater flexibility in making tax policy decisions. This is very important in a province which strives to ensure that its citizens continue to pay the lowest taxes in this country.

A third positive result, Mr. Speaker, of a tax on income is that Alberta taxpayers would no longer suffer automatic provincial income tax increases when the Canadian government increases federal income taxes, and although the federal government gave taxpayers a slight reprieve in this year's budget, we all know how much Liberals love income tax revenue. That fact hits home especially hard this time of year.

Mr. Speaker, a tax-on-income approach would shield Albertans from the tax-by-stealth phenomenon known as bracket creep. With income tax brackets no longer indexed for inflation, the federal government has quietly been sneaking away with a bigger and bigger portion of Canadians' paycheques year after year. This may not officially be a new tax, but it is certainly a tax increase just the same. Since the provinces calculate their taxes as a percentage of federal tax paid, Canadians have been receiving a double dose of tax increases. At the provincial level a tax-on-income approach would protect Albertans from bracket creep because provincial income taxes would be levied independent of the federal rate.

Mr. Speaker, a fourth positive aspect of tax on income is the flexibility it gives the province in terms of setting bracket and rate structures, personal exemption rates, and levels of credit. Alberta would also have a greater ability to address issues such as bracket creep and differences between single- and double-income families.

Yet another benefit that would result from a tax on income, one that I'm sure even the opposition parties can agree with, is that the province would be made more accountable for its own tax policy decisions. Mr. Speaker, it is widely accepted that Alberta has the most open and accountable public accounts in Canada, and with even more accountability in the area of tax policy Alberta would continue to be the model province for open, responsible, and accountable government.

A sixth reason, Mr. Speaker, to adopt a tax-on-income approach is the economic efficiency that would be gained. There would be a much greater opportunity to design the provincial personal income tax system in such a way that it decreases economic costs.

Mr. Speaker, perhaps the best part of moving to a tax on income, rather than using the current tax on tax, is the simplicity of a tax on income, especially a flat tax on income. One of the problems with the provincial tax-on-tax system is that the lack of direct control over tax policy mechanisms has resulted in Canadian provinces introducing a myriad of surtaxes, flat rate taxes, and various provincial



credits in an attempt to adjust the system to reflect provincial needs and priorities. By using a tax on income, especially with only one bracket, Alberta's flat rate tax, surtax, and selective tax reduction mechanisms could be eliminated, but the redistribution effects of those mechanisms would not be lost.

Mr. Speaker, the other key message in Motion 502 suggests that the rate of tax on income that Albertans pay should be a single rate or a flat rate. A flat rate of tax on personal income is the ultimate in fairness and efficiency, concepts that Albertans know very well. Albertans have a long history of support for individual liberties and the equality and fairness of those ideals, and the Alberta economy is the model in Canada when it comes to productivity and efficiency. A flat tax would coincide with the attitudes and philosophies of most Albertans, and it would certainly fit right in with the Alberta advantage.

In the rest of Canada only Manitoba has been seriously studying the idea of moving to a tax on income, but they don't appear to be interested in a single rate. Rather, they are considering a system with several brackets. If our government were to implement the concepts of this motion, Alberta would be leading the way in Canada in terms of low taxes and fair taxes. Albertans take great pride in having the lowest tax burden of all Canadians. The principles of this motion are completely in keeping with that trend. With greater control over provincial tax policy Alberta would be in an even better position to make sure that Albertans remain the lowest taxed Canadians for a long time to come.

3:40

Although flat rates of income tax have not been tried in Canada, they are quite common in the United States. Many states have flat rates of income tax, and some have no personal or corporate income tax at all. Wouldn't that be a beautiful thing, Mr. Speaker? I guess we have a goal to shoot for.

There is a strong movement building in the United States in favour of a federal flat tax. The American tax system, just like the Canadian system, has become terribly complex.

AN HON. MEMBER: Two-tiered tax.

MR. HLADY: Exactly; two-tiered tax. There should be no reason why a wage-earning taxpayer cannot complete their own income tax return. However, our systems have become so long and complicated that many people simply do not have the time or the skills to do their own taxes anymore. Mr. Speaker, this is one of the main reasons that a flat tax is so attractive: it is simple to calculate.

The best known and most detailed plan for a flat tax in the United States is the one being proposed by Congressman Dick Armey and Senator Richard Shelby. In 1997 Armey and Shelby sponsored a flat tax bill called the Freedom and Fairness Restoration Act of '97. If it had passed, the bill would've repealed the U.S. income tax in total and replaced it with a low, simple flat tax. Under the bill every dollar of income in the U.S. economy would be taxed one time at the same rate. Wage and pension income would be collected from individuals. All other income, including investment income, would be collected from businesses. Individuals would fill out a tax return the size of a postcard, Mr. Speaker, and business owners would pay the same rate and would file an equally straightforward form.

Mr. Speaker, although the Armey-Shelby bill never passed, they remain committed to the idea. There is still strong support for this or similar types of proposals for a federal tax in the United States. In fact, support is growing. A Fabrizio-McLaughlin poll taken in the fall of '96 found 63.3 percent of Americans to be in favour of a 17 percent flat tax, and only 19.5 percent opposed this from across their

country. In a more recent poll taken by Frank Luntz in January of '97, 51 percent of people surveyed said that they favoured a flat tax even if they lost their deductions for mortgage interest, health insurance, and state and local taxes. Only 37 percent were opposed.

Mr. Speaker, there are so many positives to a flat-tax-on-income approach that it is a movement that is sure to gain further momentum, but it is interesting to note that in the Frank Luntz poll, which I just mentioned, the number one reason why people supported a flat tax was because of fairness. This runs totally counter to conventional wisdom in Washington and, to an even greater extent, conventional wisdom in Ottawa, which views fairness as the flat tax's greatest vulnerability since a rich person would pay the same marginal tax rate as someone with a moderate income. If this is the essence of fairness, the best way to make higher income earners pay their fair share is not with so-called progressive tax brackets; it is to reduce or eliminate special deductions and credits.

At any rate, another and maybe the most attractive aspect of a flat tax is its simplicity. As I noted previously, a flat-rate personal income tax return could probably be completed on something about the size of a postcard, Mr. Speaker. In both the United States and Canada the complexities of the tax code are largely a result of a proliferation of deductions, credits, and other special preferences in the tax laws. With all of these loopholes taxpayers with the same incomes can end up paying vastly different amounts of income taxes. It often boils down to who has the best accountant or even who has an accountant. This uneven treatment of taxpayers is fundamentally unfair and is at odds with the values Albertans have about equality under the law.

Mr. Speaker, last year the Alberta Tax Review Committee undertook a comprehensive examination of Alberta's tax system. The committee held thorough consultations and public meetings with Albertans across the province. The committee received dozens of written submissions from stakeholder groups and from individual Albertans indicating their concerns, ideas, proposals, and opinions. All of this valuable input was carefully considered and taken into account in preparing the committee's final report and recommendations released in October of last year.

Mr. Speaker, Motion 502 is fully consistent with the recommendations of the Tax Review Committee. The committee specifically recommended a single rate of tax on income of 11 percent with a basic personal and spousal exemption of \$11,620. The current exemption is approximately \$6,450. Judging by the recommendations and calculations in the committee's final report, this looks to be a fair and reasonable proposal. Under those conditions almost all Albertans would receive some tax relief and provincial income tax revenues would not be seriously affected. In my opinion, the loss of provincial income tax revenue would be more than recovered through increased economic activity and the spin-offs and increased tax revenue generated from that activity.

Allow me to go over some of the positive outcomes that would be realized under the recommendations of the Tax Review Committee. The proposed changes would enable 78,000 lower income Albertans that currently pay provincial income tax to stop paying provincial income tax altogether. Mr. Speaker, 78,000 people is a lot of people. That's about 3 percent of all Albertans who would no longer have to pay provincial income tax at all. The Tax Review Committee recommendations would also benefit working poor families proportionately more than middle- and high-income families.

Mr. Speaker, before I conclude, I would like to address some of the arguments that critics of a flat tax tend to raise and that the opposition parties are no doubt sitting there ready to raise. Allow me to expose some myths.

The loudest and probably the least sound argument against a flat

tax on income is that it is not progressive. This, Mr. Speaker, is a myth. The principle of the more you earn the more you pay is completely preserved with a flat tax. For example, under the Tax Review Committee's recommendations Albertans earning \$30,000 would pay 6.7 percent of their annual income to the province. Those earning \$60,000 would pay 8.9 percent. At \$100,000 Albertans would pay 9.7 percent, and \$200,000 would be 10.4 percent.

The higher basic personal exemption, which would more than double under the committee's recommendations, certainly benefits lower income earners relatively more than high-income earners. For a low-income earner \$11,620 could be half of that person's wages, but for a so-called rich Alberta taxpayer \$11,620 does not represent a significant reduction in their overall taxable income.

Mr. Speaker, I think many opponents of a flat tax are opposed to it because they simply don't understand it properly or because they become angered when middle- and high-income earners get a tax break, period. I guess those people who are opposed to a flat tax must also be opposed to the principle of equality, because a flat tax is one of the truest forms of economic equality. Equality is not about special rights or privileges for certain groups. It is about equality for all citizens under the law, and that ought to include tax law too.

A flat tax on personal income would be efficient and fair. It could be made revenue neutral. It would enhance the Alberta advantage, that is the envy of the world. I think we owe it to Albertans to implement this, and I hope every member of this Assembly will join me in support of Motion 502.

Thank you.

MR. SAPERS: It's a good thought, hon. member.

The Tax Review Committee speculated about many things along with their flat tax proposal. They speculated about a sales tax, a consumption tax, in order to raise revenue. The Tax Review Committee wasn't alone in speculating about a sales tax. Just the other day in one of the Premier's media availabilities he talked about perhaps a new sales tax for Alberta, talking about the fuel tax surcharge that some of the municipalities are talking about. So when the hon. member brings forward a motion based on the work of the Tax Review Committee, I'm wondering if we're going to see a motion coming from one of the government members or government supporters now calling for a sales tax as the next piece in the piecemeal pie regarding tax reform in this province.

The key to any tax scheme and any change in taxes, at a minimum, must be revenue neutral. We've had the Treasurer stand in this Assembly and elsewhere and talk about sweat-soaked loonies and not wanting to pick the pockets of Albertans to any extent more than he has to. So at the very least it would have to be revenue neutral, if not in fact lower the tax burden.

A single rate tax model must also balance the principles of simplicity, fairness, efficiency, stability, and sustainability. These are all components of an effective tax regime.

Now, the implementation of a single tax rate in Alberta would require the acceptance of a substantial revenue loss over the short term in order to prevent a significant redistribution in the tax liability. I heard the hon. member talk about myths. One of the myths of a flat tax is that it would not shift the burden, and in fact it does. In any flat tax model -- and I would challenge the member to do the research -- you have to mitigate against the shift by adjusting the rate and also by taking a look at exemptions. Almost always there come in after the fact exemptions, which would just complicate the situation once again.

3:50

Now, I am sympathetic to wanting a fairer, more simple tax model

for Albertans and something that would also be sustainable in terms of revenue. It has become a dirty word to talk about governments taxing. We hear tax-and-spend so-and-so's from time to time. The fact is that every government in this country raises taxes. Every government. There are tax-and-spend Liberals, there are tax-and-spend Conservatives, and there are tax-and-spend socialists. There is tax-and-spend everything.

Let's just set the record straight. What we do is we agree that the Provincial Treasurer can reach into our bank accounts and take some money from us on the faith promise that government is going to exercise its fiduciary responsibility and spend that money wisely. So let's not label, you know, taxes as inherently evil. What they do is allow us to pay for the services that we all agree are necessary.

Now, a tax regime must have these accepted criteria, and I'm afraid that the hon. member's motion doesn't meet this test. They must raise the necessary revenues to pay for essential government programs and services. They must promote economic prosperity of individual Albertans. They must be stable, predictable, and efficient. They must provide a level playing field with respect of the ability to pay, whether that be a vertical equity or whether that be a measure of progressivity. A proper pattern of taxation among taxpayers with different income levels must be evident. It must be a simple, visible, effective, and accountable regime, and there must be a minimum -- and this is for my colleague from Peace River -- of regulation and administration.

On this side of the House we recognize that the current tax regime does not fully meet these criteria, and we believe there is need for federal and provincial governments to sit down and negotiate a comprehensive -- I'll say it again: comprehensive -- tax reform package, not piecemeal, not a little bit at a time, not a pre-election teaser, not great big headlines promising half billion dollar tax cuts but meaningful, comprehensive, sustainable tax reform so that we can all benefit from it.

Now, there is little doubt that the current tax system is complicated, overmanaged, and overregulated. The critical issue is: how do we eliminate this complicated administrative and bureaucratic red tape without unfairly redistributing the tax burden onto middle-income Albertans and small- and medium-sized businesses and low-income Albertans?

We believe that any tax system has to maintain an element of being progressive, and progressive is not a word that I use often because it's usually followed by another word. But I do believe that we have to be prudent in how we approach a progressive system, and that means that the tax burden should be shared proportionately by income classes based on their ability to pay. Those who are least able to pay should be spared the heaviest burden of taxation. Revenue-neutral single-tax proposals advanced so far do not meet the essential criteria of revenue sufficiency and progressivity.

A revenue-neutral single-tax rate leads to a significant redistribution of the tax liability or burden from high-income groups to middle-income groups. This is in direct contradiction to the principle of a progressive tax regime. On the other hand, a single-tax rate that mitigates tax shifts from high-income earners to middle- and low-income Albertans may not be affordable or sustainable within the context of a fiscal plan that is predicated on a balanced budget. I am certain that the hon. member does not want to speak contrary to his government's policy of maintaining a balanced budget.

Alberta Liberals do not support an increase in the tax burden on hardworking middle-income Albertans. We are opposed to tax grabs on the middle class, and I'm afraid that the hon. member's motion would result in such a tax grab.

Now, Mr. Speaker, because of these concerns -- that we maintain the elements of fairness, of equity; that we maintain revenue

neutrality; that we believe it's not fair to pay for tax cuts at the expense of proper budgetary amounts for core social programs such as education, social services, health care -- I would like to propose the following amendment to the motion on the floor. The amendment has been approved by Parliamentary Counsel. The amendment is being handed out. For the sake of time, because we're limited to an hour of debate on this, I'll read it into the record so we can proceed. Motion 502 is to be amended as follows: (a) by striking out "to implement" and substituting "to consider the implementation of"; and (b) by adding the following after "percentage of federal tax":

when it is affordable within the context of a balanced budget; it does not result in an unfair distribution of the tax burden on middle income and low income Albertans; and it does not have to be paid for by cuts to public health care and education.

Therefore, Mr. Speaker, the motion would now read as amended:

Be it resolved that the Legislative Assembly urge the government to consider the implementation of a single rate of provincial income tax based on a percentage of total taxable income rather than a percentage of federal tax when it is affordable within the context of a balanced budget, it does not result in an unfair distribution of the tax burden on middle-income and low-income Albertans, and it does not have to be paid for by cuts to public health care and education in Alberta.

That's my amendment, Mr. Speaker.

### **Speaker's Ruling Admissibility of Amendments**

THE DEPUTY SPEAKER: The chair has received the amendment and has some concerns with regard to the amendment as proposed by the hon. Member for Edmonton-Glenora.

While it may be in order in form, the chair would draw attention to the 1998 changes to Standing Orders. Standing Order 39.1:

- (1) A member who has a motion other than a Government Motion on the Order Paper may, subject to the Speaker's approval, amend the motion before it is moved in the Assembly.
- (2) Notice of the amended motion must appear on the Order Paper not less than 4 sitting days before the motion is moved.

Now, I realize this isn't quite that, but it does reflect that amendments may be made by proposing members.

This amendment in many senses is inconsistent with the time constraint of 55 minutes allowed for a private member's motion. Private members may only get one chance in every three or four or five years to have a private member's motion other than a government motion put forward. Then to have time taken with a rather substantial change, even though in the ordinary course of the business we have in the House that could be put forward, is an item of concern. It therefore could take up the majority of the time to discuss the amendment of this private member's motion that he or she may have waited so many years to put forward.

So the chair will exercise its authority to not permit this amendment to proceed. It introduces a number of new conditions.

The spirit, hon. members, of the 1993 changes to the Standing Order which afforded private members to put forward their motions other than government motions and their public bills other than government bills and allow them a fair amount of time to debate is still with us, hopefully, and we do have to remember that there are only 55 minutes of total debate.

The chair will remind hon. members on all sides of the House that it will take a closer look at any future proposed amendments to private members' motions. While the hon. member has rightly indicated that Parliamentary Counsel has okayed it in terms of the technical form, the chair has ruled otherwise.

So on the motion itself, we invite the hon. Member for Edmonton-Glenora to continue his discussion.

MR. SAPERS: Mr. Speaker, I'll be happy to do that as soon as I ask you, under Standing Order 13(2), for a little bit more clarity in terms of your ruling, because I am truly at a loss.

Just awhile ago in this Assembly we were dealing with a private member's bill where there was also a very restrictive time limit on debate, and the most substantial of all amendments was moved on that. It was a reasoned amendment which would nullify the debate, which would in essence kill that bill, and the Speaker allowed such an amendment at that time. Now, I'm trying to reconcile in my mind that ruling following the logic that you just presented on this ruling.

If, in fact, it is now the standard of procedure in this Assembly that we allow motions and private members' bills to go forward whether or not they conform with other rules of the House and we allow debate on motions to go ahead -- in fact, we insist on debate going ahead on private members' motions and bills without any amendment -- then I would like the chair to be very clear and say that that is the intent of his ruling. In which case I would also ask for some clarification as to when an amendment may be introduced into debate on a private member's motion, when an amendment may be introduced into debate on a private member's bill, and if in fact we have now set an entirely new normative form for proceeding on private members' business as a result of this ruling.

4:00

THE DEPUTY SPEAKER: The hon. member has asked a question of the chair. I thought that in my remarks I had indicated that I was dealing with private members' motions, not private members' bills because of the narrow restriction that's upon that. Also, if you recall, I made reference to the fact that the motion may be amended with the approval of the Speaker prior to. So if there's some little item that could be amended within that, that can be done up to four sitting days before so that it can be posted.

I was trying to make it that this is a ruling that deals with private members' motions, not private members' bills. Although I did talk about the spirit of both of them, the ruling is strictly with regard to private members' motions.

MR. SAPERS: Thank you, Mr. Speaker. So I take it further, then, that there is no . . .

MR. HLADY: A point of order, Mr. Speaker.

THE DEPUTY SPEAKER: The hon. Member for Calgary-Mountain View on a point of order.

### **Point of Order Speaking Time**

MR. HLADY: Yes. Thank you, Mr. Speaker. Under Standing Order 23(b): "speaks to matters other than . . . a motion or amendment."

What he's doing is effectively achieving what he's trying to do, which is killing the debate or the speaking time on this motion, Mr. Speaker. I would ask that the time he's spent delaying would be added to his total speaking time at this time.

THE DEPUTY SPEAKER: The hon. Member for Calgary-Mountain View does speak to a perceptual thing but not reality. Points of order in private members' motions, in private members' public bills, in all of the other activities that have time constraints to them within the Assembly do not count. So if we spent 40 minutes of the time allotted during the afternoon on points of order, then the motion under consideration would move to the next day so that not one minute is taken up by the clarifications the hon. member has sought.

Now hopefully we can go on with the debate. Edmonton-Glenora.

MR. SAPERS: Certainly, Mr. Speaker, and thank you for clarifying that, because I consider this to be very important because all private members cherish this opportunity.

I'm not trying to interfere with the proceeding on this. Only one question remains in terms of my understanding the procedure that's laid out. During the cut and thrust of debate, during the give-and-take that may happen on a private member's motion, it is conceivable that some agreement may be reached, some consensus may be achieved between members on amendments that would make a motion receive majority support that would otherwise not receive majority support. Perhaps you would just inform me, given your ruling, how that may happen. Otherwise, I'm afraid that it sort of reduces debate to a fairly futile exercise, unless we can actually achieve perhaps some agreement that some words could change. Perhaps my colleague would be agreeable to these changes -- I have no idea -- because it still fits with the tone of his original motion. So if we can't do it in the form that I attempted, I'm wondering what way we should do it.

THE DEPUTY SPEAKER: I think the hon. member, in hopefully his last clarification here, does ask a good question. Does the ruling this afternoon on the part of the chair preclude any kind of amendment from occurring? If we had an amendment that was agreeable to the proposer and to both sides, they already have a mechanism for dealing with that so they don't take up debate time. Even so, I can't bind other chairs, but I would see no reason why a nonhostile or an agreeable amendment couldn't proceed if it was wished by all sides, because of course in the end the Assembly is the arbiter of all things.

On the debate itself on the motion, the hon. Member for Edmonton-Glenora.

#### Debate Continued

MR. SAPERS: Thanks, Mr. Speaker. The motion without amendment unfortunately is one that I can't support. It's flawed, it is improper, it is not sustainable, and I'm afraid that it is something that would be contrary to the public good.

The Alberta Tax Review Committee recommended that the province move to a tax-on-income system, that the province should not consider separate collection of personal income taxes, that a single income tax return should be retained, and that new tax credits should not be added to Alberta's personal income tax system. In that regard I'm sure that the sponsor of the motion and I would agree.

The real issue is whether or not Albertans have been given an appropriate opportunity to assess the impact of such a major change in the tax collection regime in this province. Albertans must be able to carefully assess the implications of moving from a tax-on-tax system to a tax-on-income regime in order to ensure that the potential benefits of increased flexibility do not result in a tax shift to low- and middle-income earners or increase administrative and compliance costs for taxpayers.

I would challenge the sponsor of this motion to present not the political manoeuvrings of some politician in the United States of America but instead some hard data and analysis done in the Canadian context, because that analysis that has happened indicates that the compliance costs often go up because people are ever creative. Even in those single-tax proposals there have been opinions rendered about the types of loopholes and the ways that income may be split and may be shared and corporate structures and a whole host of other ways that people find in their ever creative way to get around the tax man's call to belly up to the bar, so to speak.

We have yet to see anything from the Alberta government on the design parameters of a tax-on-income regime. Now, I'm aware that

the member's motion is asking for it to be considered, and I suggest that it is being considered. It's being considered right now. The Treasurer's correspondence to me indicated that in fact the Tax Review Committee recommendation is being taken seriously. Business plans are being produced. No doubt numbers are being crunched. The data is far from complete; the results are far from known. Again, I'm wondering why we are so out of step, why we are so anxious to debate this motion now when we know full well -- and I'm sure that the member has asked the Treasurer casually, as I have, whether or not this kind of process is under way. If he hasn't, you know, I'd invite him to join me the next time I meet with the Treasurer, and we can ask the questions together.

Knowing full well, I'm assuming, that this process is under way, I question the value of this motion now, which in essence would urge the government to do something that it's already doing and that we're going to debate not only in the upcoming budget motion, because of the business plans that will be attached to it, in just a few short days but also in subsequent budgets. As indicated by the Treasurer, any such recommendation, if it's operationalized, will be the subject of I'm sure much discussion in budget 2000 when we get there.

Now, I am very suspicious that the Provincial Treasurer's attraction to a tax on income is not so much to increase the level of flexibility to reflect Alberta's priorities but more as a means to implement up to this point a more secretive agenda and one that I'm afraid the hon. sponsor of this motion is now complicit in, and that is this move to a single-tax rate. A single-tax rate has been the darling of another political party in this country but, again, is not one that has gained wide acceptance amongst those people who actually have to implement the work of government.

#### 4:10

Issues relating to the design of any tax-on-income regime -- for example, the nature of the rate structure, income tax brackets, income rates, the number and types of tax credits -- must be dealt with in an open and transparent manner with all Albertans and in a way that we can be certain they are understood. I believe there needs to be full consultation with Albertans on a tax-on-income move.

That includes the release of the promised federal/provincial discussion paper on tax on income that the Provincial Treasurer has said would form the basis for further consultations. We haven't seen that yet. I don't think there are any state secrets in that document. It would be nice if we had that document as a background to informed debate on both sides of the House. I'm aware of some of the content. I'm aware that in fact it's a pretty neutral analysis and that proponents and opponents to this motion would find some comfort in the material that would be provided. I think it would raise the level of understanding not just in this Assembly but also outside the Chamber so that when we talk to our constituents about this, we'd have some common language, some common definitions, and hopefully greater understanding of what the impact would be. As well, a detailed impact analysis of the effect of a tax-on-income scheme on various classes of taxpayers must be produced and laid before Albertans.

You and I may disagree on the experiences of other jurisdictions. One thing I think we will agree on is that that experience has been varied. There is no other economy that exactly mirrors Alberta's economy. It would be prudent to do the number crunching and provide that information so that taxpayers would know beforehand. Again, let's agree that it should be neutral. Let's agree that it should not be produced in-house but should be produced by organizations that we would consider to be expert organizations, and they exist in this province and elsewhere.

Any tax-on-income scheme must be designed to preserve the integrity of the tax base and allow for the provision of high-quality programs and services to Albertans. A lowest tax regime is only one goal of a government. Other equally important and valid goals include highest quality service for the money spent. It seems to me that we have to agree that health care and education are crucial to the continued economic growth and competitiveness of our society. There is survey after survey after survey in existence that indicate that when business leaders are deciding where to locate businesses and when to expand businesses, tax is only one part of the puzzle.

Sometimes larger pieces of the puzzle include things like access to high-quality health care, access to high-quality public education, access to recreational activities, access to a pristine environment. These are factors that are considered by business and industry. So it's not just: lower the tax and they will come. It's a matter of building the kind of society that we can all be proud of and where everybody has an equal opportunity to benefit from that society.

A tax on income should only proceed within a fiscal planning framework that has sufficient stabilization elements to respond to unforeseen economic events and to assist in sustaining core programs in health care, education, social services, child welfare, et cetera. Now, this is a key component that is missing from the government strategy. We have for years been proposing that a stability fund be created to help us through the bumps, the dips and the dives, the roadblocks, and the pressure points. I think I've used all the language that the government uses to describe . . .

MRS. SOETAERT: Yes, you have. Very good.

MR. SAPERS: Now, without such a stability fund it is very difficult to rationally put forward a long-term proposal that this kind of tax change would have to be part of. I'm sure the hon. member doesn't want to propose that we go to a tax-on-income regime just for the short term. This would have to be something that would be sustainable. I'm sure we agree on that.

So if it's going to be sustainable, then the whole notion of stability has to be a component of it. The way that we can guarantee some stability in such a volatile economy, even though Alberta's economy is thankfully more diversified now than it was even five years ago, is to have a stability fund.

MRS. McCLELLAN: Thanks to good government.

MR. SAPERS: No. I think it's thanks to the hard work of Albertans, hon. minister.

So without the component of . . .

### **Speaker's Ruling Decorum**

THE DEPUTY SPEAKER: The chair does hesitate to interrupt the hon. minister in her intercession there. There is a speaking order, and if you wish to be on the list, the chair would be happy to place you on there.

Also, hon. member, your seatmate is on occasion speaking when your microphone is on, so it does go through the sound system. I'd just remind you that we should only have one person speaking on that microphone at a time, and everyone else would be listening.

Edmonton-Glenora.

### **Debate Continued**

MR. SAPERS: Thanks, Mr. Speaker. You know, Liberals don't mind sharing, but that's all right. [interjection] Uh-oh. Now, you

know, Mr. Speaker, you just admonished the minister, a different minister, and I won't get drawn into this across-the-floor chitchat, that would just be so disruptive in this Chamber.

Before I was so rudely interrupted, my point was about a stability fund. Now, despite the over \$7 billion in accumulated surpluses over the past four years, this government has failed to build sufficient stabilization mechanisms into its fiscal plan to sustain a structural surplus in the event of a prolonged economic downturn. Seven billion dollars. It reminds me of those bumper stickers that I've seen about, you know, praying for another boom and promising not to pee it away. Mr. Speaker, it's a bumper sticker. It's part of our culture. I hope that I didn't just introduce another phrase that'll be ruled unparliamentary at some time in the House. There are some other bumper stickers about taxation that unfortunately I can't read into the record because they involve gestures and not words.

In any case this government, I'm afraid, could have taken some direction from those bumper stickers, because we've had \$7 billion in accumulated surpluses over the last four years. We have put it towards the debt, but we haven't done anything to help really ensure the sustainability of our program funding. As the Treasurer was saying earlier today in question period, we've had alternate days where the good Treasurer talks about the rosy days ahead and the bad Treasurer talks about the doom and gloom and the downturn. So we have this sort of Dr. Jekyll and Mr. Hyde schizophrenic response to the economic climate, and we think the prescription for that particular split in personality may be this stability pill. The stability pill would have had a significant implication for debate on this motion should it have existed.

So I would say that absent from the motion is any notion of how we would in fact maintain the sustainability of the change in taxation that would result from this because the government refuses to build such a fund for the province.

Now, Mr. Speaker, I regret that my time is up.

THE DEPUTY SPEAKER: The hon. Provincial Treasurer.

MR. DAY: Thank you, Mr. Speaker. I'm pleased to rise for a few moments today just to briefly address this particular motion. I don't think it'll be any great surprise to anybody that I support the intent here. The Member for Edmonton-Glenora actually has given what I think anybody would want to have contemplated and in place if in fact this type of thing were to go ahead. He talks about sustainability and affordability. He talks about the fact that the present system is very complicated and that it's overregulated. There should be consultation. It should result in lower taxes, not higher. It should be a quality-of-life issue. Indeed, with the tens of thousands of people who are moving to this province, we can't honestly say, though I might like to, that the sole reason they're coming here is because of the enviable tax structure. It is in fact also a quality-of-life issue. And there's a happy coincidence between jurisdictions and governments that lower taxes and the quality of life. Those two seem to coincide.

4:20

The Member for Edmonton-Glenora talked about the fact that taxes are necessary, and I think we all recognize that. It's also a well-known historical fact that the tax system, especially the income tax system, was first introduced really as a war measures act in the First World War and was debated in the House of Commons. It's also I think a fairly well-known fact, though we sometimes forget it, that in the midst of that debate an MP got to his feet and was opposing the 1 percent personal income tax at that time, even as a war measures act to raise the necessary funds to do what had to be

done in the war. He made a statement. He said that if we as elected people allow a tax of 1 percent on somebody's income, mark my words: the day will come when there will be a government so bold as to dare to attempt to exact 3 percent from somebody's income. They laughed him out of the place. They said that no government would ever have the shameless audacity to tax 3 percent of somebody's income. An amazing statement. They laughed at him, Mr. Speaker.

We don't have to go through the somewhat sad and sordid history from the First World War up till even our present time to look at how governments have continued to layer tax upon tax and have continued, at what I believe is a punitive level, to burden taxpayers with the responsibility of funding programs, many of which the taxpayers themselves were not even demanding at the time they were handed to them as a gift by election-hungry politicians.

You can look at many different programs. Mr. Speaker, there was great debate -- for instance, you can go back to approximately 1948, I believe, to the whole debate at the federal level on the family allowance. There may be some debate pro or con on that particular allowance, but in fact the population was not screaming for that. It's just one example of how there's been down through the decades a progression of governments of all political stripes -- Liberals have not cornered the market in terms of making promises that can't be kept and then taxing people to keep up to those promises. They've led the parade, but they haven't been the sole perpetrators of that evil deed. Others have also followed.

There has been -- and I might add at a variety of levels: federal, provincial, and municipal -- this propensity for governments as they approach election time to promise certain things to people. They then follow through by invariably having to raise taxes somewhere and at some level to fulfill the promise and to make sure the gift arrives at the door of the hardworking taxpayers. That's not just a Canadian phenomenon. That goes on throughout the western democratic world.

Well, that particular tide began to turn in Alberta in 1993 when Ralph Klein articulated an amazing election promise. He said in 1993: all I promise you is less. Basically that's what we said: less of us as government and more for you. Mr. Speaker, every day through 1993, '94, '95, '96, and '97 the opposition members got to their feet as that promise was being fulfilled and as government was being restructured and reformed and as taxes were not being raised but as a matter of fact being lowered. They got to their feet and they preached the message of impending doom for every citizen in the province. We would die starving, diseased, and homeless in the streets and uneducated. The message was there. What were they at the time? The 22 horsepeople of the apocalypse were galloping towards an election . . .

MR. SAPERS: It was 32.

MR. DAY: Was it 32? That's how diminished they are in my mind already.

Mr. Speaker, we promised less. Ralph Klein and his government promised less. [interjections]

### **Speaker's Ruling Decorum**

THE DEPUTY SPEAKER: I wonder if the minister would refer to members by either their constituency or their portfolio as opposed to the person. It's a convention here in the Assembly that we not do that.

At the same time, it's not necessary for every comment to receive an additional rejoinder.

MR. DAY: I'm pleased to withdraw the reference to our Premier as Ralph Klein. I will cease doing that.

### **Debate Continued**

MR. DAY: So, Mr. Speaker, when those of us, at least those of us among the government cohorts, who were elected and seeking reelection at the time returned to our homes and our loved ones, we were able to say with all honesty, "Honey, we shrunk the government." We really were able to say that. In fact, we reduced the size of government and its spending by 20 percent, and because of that we were able to keep taxes down.

Now we have this somewhat bold motion that we should move, as I'm reading here, "to implement a single rate of provincial income tax based on a percentage of total taxable income rather than a percentage of federal tax." I think it's well known but not well understood because it is complicated, Mr. Speaker, that provinces other than the province of Quebec, which collects its own taxes, have affixed themselves at some place on the federal tax ladder, hooked onto that ladder as it were, and said: this will be our rate of provincial income tax.

Going with that are a number of restrictions. There isn't really the ability to move in the area of basic exemptions or deal with certain problems or challenges that come up. Bracket creep, for instance, that insidious form of taxation where governments of all stripes and all levels, including ours for a number of years, actually took in more taxes from people without raising their taxes just because inflation pushed people up that tax ladder. We could look them in the eye and say, "We're not actually taxing you more." In fact we were taking more money from them and eroding their purchasing power.

All of these different elements, Mr. Speaker, we could be free of if we did delink from the federal tax ladder, as it were. I've been quite open and public about the fact that we have been in those negotiations with the federal government and in fact do have approval to do that should we so decide.

Mr. Speaker, I'd be happy to cease my remarks if I thought there would be a vote on this today. Are there other speakers over there? [interjection] Okay. Thank you for allowing me that quick clarification.

Continuing on, Mr. Speaker. What the member is proposing is a system which in fact reflects back to that bold MP who in 1915 stood in the House of Commons and warned about governments continuing to concoct new ways of taxing people. If we were to delink everything we do provincially on the taxation side, it becomes far more transparent. We can no longer blame a federal government if they raise or lower their rate and then we can't, because in fact we would be delinked from that. We can't blame the federal government for bracket creep, and we can't blame them for the lack of flexibility to deal with single-income families and double-income families in a more equitable way, for instance. We stand more transparent, and we stand more accountable.

Those alone are compelling reasons for that particular item to be considered, and it makes the system easier for citizens to understand. It was a federal Liberal Finance minister two decades ago -- and I'm not saying that Conservative federal Finance ministers were any better; they had their problems too. It was indeed a federal Liberal Finance minister who was honest enough -- I credit him with this -- to say at that time that he did not think there were six people in the country who understood the tax act. I appreciate the honesty of that, but, you know, just being honest enough doesn't fix the problem.

I see my time is running out. I'll continue on this the next day. Thank you.

THE DEPUTY SPEAKER: I hesitate to interrupt the hon. Provincial Treasurer, but the time limit for consideration of this item of business has now expired.

head: Government Bills and Orders  
head: Second Reading

4:30 **Bill 13**  
**Appropriation (Supplementary Supply) Act, 1999**

THE DEPUTY SPEAKER: The hon. Provincial Treasurer.

MR. DAY: Mr. Speaker, as I shared some thoughts on this at first reading, I will simply move this now for second reading.

These are areas of priority to Albertans. If you look at the supplementary supply list, you'll see a heavy concentration in the areas of education, health, and advanced education. Mr. Speaker, we have been subjected to phenomenal and explosive growth in this particular province, and there are a number of other reasons why these are here today. I'm sure members will be supporting this spending, which in fact I hear requests for on almost a daily basis, especially from the opposition side. I know that there will be a linking of arms as we continue to meet the priority needs that Albertans have asked us to meet.

Thank you, Mr. Speaker.

THE DEPUTY SPEAKER: The hon. Member for Edmonton-Norwood.

MS OLSEN: Thank you, Mr. Speaker. I just have a few comments to make in relation to King Day's, I mean the Treasurer's, supplementary estimates number 2. We have to remember that, yes, our Treasurer in this province is in a race with the previous two Treasurers, the hon. Dick Johnston and the hon. Jim Dinning, and that race he's winning. He's winning that race because he is fast on the track of far exceeding any special warrants or supplementary supply that either of those two Treasurers requested.

You know, the Treasurer talks about all the wonderful things in this province, and there is absolutely no question that the economic situation in this province is very good. I do, though, have to question, and maybe at some point the hon. Treasurer will be able to answer some of these questions for me because I know he's full of knowledge. I would like him to be able to answer why every single year this government's budget is way out of whack. Why is it that prudent assumptions in the budget, according to most economists, will come within 1 or 2 percent of the actual forecast, but this minister is way out of whack? I'm not talking about his capacity; I'm just talking about his budgeting. I don't understand that, and I know he has a wealth of knowledge and that he will be able to at some point explain that to me. It just doesn't jibe with some of the other things I've read.

Now, I notice that the Minister of Justice can't answer my questions, and I do have some concerns about the notion that in Justice the supplementary estimate of \$2,324,000 is requested to provide additional funding for salaries and benefits owing to judges as a result of a Court of Queen's Bench judgment. Let's not forget that this is to Provincial Court judges, and I'm wondering why new appropriations have been made to the Court of Queen's Bench both in the Edmonton and Calgary regions. We know that there must be appropriations as a result of the judgment, and very happy to see that the judges are getting an increase after a number of years.

[Mrs. Gordon in the chair]

The other issue around that is that we knew, Mr. Treasurer, that the Supreme Court wanted the compensation issue dealt with, and long before that budgeting cycle occurred, the minister could have included an amount in his budget that he felt was prudent. That didn't occur because he just wasn't sure what was going on. In fact, the government wasn't sure whether they were going to uphold judicial independence or still consider judges employees. We do know, Madam Speaker, that they are not employees of the government. In fact, they would be recognized as a third arm of the government in some respect in that judicial independence and compensation issues have been outlined as being separate and distinct from government entities since the mid-1700s. I hope that we can keep with that tradition and we don't continue to bash our judges for some of the things that are going on either with the selection process, with the compensation issues, or with decisions.

Again, why not have a prudent forecast, knowing full well that the Supreme Court of Canada has decided that this issue had to be resolved and that likely there was going to be a substantial increase in salaries to the courts? So that's of some concern to me. Again, we're not falling within that 1 or 2 percent variance on either side in relation to budgeting.

We do know that the government has put forward in this supplementary supply any number of requests for funding. Yes, the need for some of this funding is absolutely necessary, but it's how it comes to be. The issue of \$40,000 for ballot boxes for the office of the Chief Electoral Officer. Although I am on Leg. Offices and I do know that a higher sum for these boxes was rejected, now it's \$40,000, and again we have to have an appropriation in order to access the money. We knew there was discussion on these boxes last year. So why are we in this situation today?

Community Development. Again the need for funding. We talked about that last night; I think it was a million dollars to host the world championships. That's excellent. What are the spin-offs to the communities? Some \$386 million dollars I believe it is. I wanted to comment last night, and I didn't get to finish my comments to the Minister of Community Development in relation to how she expects the games to impact communities and some of those issues.

I know that my constituency is going through a revitalization and in fact has approved some plans for streetscaping. Also, we're looking at having the small businesses become more sustainable. How do we do that? Well, the first step is cleaning up 118th Avenue from a streetscape perspective. The second area is looking at the crime and safety issues and looking at the boarded and derelict housing.

#### **Speaker's Ruling Decorum**

THE ACTING SPEAKER: Excuse me a moment, hon. member.

Would the Provincial Treasurer like to use the pages and send notes back and forth, and the hon. Member for Edmonton-Riverview, the same thing. If you want to talk, there is a space available at the back. I think Edmonton-Norwood has the floor.

Thank you.

MS OLSEN: I could go and referee those discussions out there, but I'm tied up right now.

#### **Debate Continued**

MS OLSEN: I'm hoping the Minister of Community Development is alive to some of the needs in the 118th Avenue, Alberta Avenue, Norwood area. I do think it would be a bit of an embarrassment to have all these folks coming to the city, all this money going towards

the games and the spin-off coming to the community, yet the very community where a majority of the events are going to be receives nothing in terms of the spin-offs or in fact any assistance for enhancements. So I would like to explore that a little bit further with the hon. minister.

I think I need to move on and find some other little items here for discussion, Madam Speaker.

Family and Social Services. I was a little disenchanted with the discussion from the hon. Treasurer the other day. I don't get disenchanted by the hon. Treasurer very often, but I was the other day. I was because he made some sort of suggestion asking why we would question the need for supplementary supply with regards to social services. He was suggesting that, well, maybe we didn't want to see the sterilization victims' claims dealt with. You know, I was a little bit concerned that these comments were an attempt to make it look like we did not care about what was going on. Again it's a matter of prudent forecasting.

4:40

The government knew this was a problem and has been a problem for a number of years. They knew what the process was going to be. The government also knew what the potential payouts were going to be. Why were the contingent liabilities not addressed in that respect? Why are we now asking for more money? It's not just the Alberta Liberals that want to know. We want to make sure that the Provincial Treasurer is giving us the best economic assumptions possible, absolutely the best, coming within that 1 or 2 percent. There's a problem because he knew that these particular needs had to be filled, yet he continues on his track to be the big spender in supplementary supply. I don't get it. He talks about being the Treasurer who is the most fiscally responsible. In fact, he would love to stand up and take that bow. He can't right now, Madam Speaker, because I'm speaking.

I'm disturbed at the notion that he has to continually bring forward to us, because of his assumptions or because he hasn't communicated to the other hon. ministers exactly what he expects and those ministers haven't been astute enough to bring forward the appropriate assumptions -- maybe that's it. I think that's it. You know, I think there's a communication problem. That's why the assumptions are so out of whack. That's gotta be it.

MS CARLSON: Why doesn't he report it in the updates? That would be responsible.

MS OLSEN: Yeah, that would be very responsible. Quarterly updates: yes, yes, yes. Oh, I think the Treasurer is still in that discussion with the Auditor General though. I don't think they've come to an agreement on that. I think they're going to be in that debate for some time yet, Madam Speaker.

However, we do absolutely, unequivocally support the spending requirement for social services, and we also absolutely support good fiscal management. We haven't seen that. You can't be out of whack; you can't be that far out of whack on either side. It's not just the negative side. You have to look at the positive side. You have to balance the sheet. I don't know; I think the minister is a little bit off balance.

Then I referred yesterday to the notion, that black stock thing we were talking about yesterday, that there was this big black cloud. I wonder if he came up with that term for self-description. I'm not sure.

THE ACTING SPEAKER: Hon. Member for Edmonton-Norwood, I don't know what that has to do with Bill 13. Please stick to the subject matter.

MS OLSEN: I'm trying to become educated, Madam Speaker. Trust me; I know that the Treasurer is going to educate me.

So I just wanted to get back to the big spender, the whole issue of the minister spending so much money. I'm just wondering when it's going to come to pass, Madam Speaker, that we won't have another year of the Treasurer becoming actually the grand pooh-bah. Instead of being just the king of supplementary supply, he's going to go one step further maybe next year and be the grand pooh-bah.

With that, Madam Speaker, I will take my seat. Those are just my observations. I know I'm going to get an education; right?

THE ACTING SPEAKER: The hon. Member for Edmonton-Riverview on Bill 13.

MRS. SLOAN: Thank you, Madam Speaker. I'm pleased this afternoon to speak to Bill 13, the Appropriation (Supplementary Supply) Act, 1999. It has now become an obvious pattern, of course, for this government to bring forward millions and millions of dollars through this process on an annual basis. I find it interesting that this is a trend and that it's categorized within the act itself in the majority of the sections as operating expenses and capital investments.

Now, if we were to place that in the context of a household, as this government so often likes to do, it would seem to me that most Albertans could tell you on an annual basis what their core operating expenses are going to be and what capital investments they may want to make, whether that be for computer equipment or a new household washer and dryer or whatever. While the government always attribute their ability to manage this province in a household context, it doesn't seem that they are able to uphold that commitment to Albertans when it comes to the supplementary supply.

We have before us, I believe, this month \$101 million in additional supply allocations for the year '98-99, and I find it of interest, as I've reviewed all of the allocations proposed, that the government has made it a practice to make achievement bonuses. This comes up in a couple of areas. I believe the Auditor General's report is one area, and advanced education is another. Now, if the government has committed to our public service that they will receive performance bonuses, why is that not a budgeted expense? Probably because this government likes to hold the public service out on a limb, so to speak, and in essence indicate that if they don't perform or they don't meet the targets that have been set by the various departments, those performance bonuses will not be allocated. From a strictly financial sense, why would the government not incorporate those expenditures into their regular budget? There's no explanation, Madam Speaker, as to why that is.

The other sort of general point of interest is that we didn't see any money brought forward in the estimates for the downloading on municipalities, which has been a common practice of this government in the past few years. We have a number of municipalities that are struggling to maintain core services while their populations are growing and industry within their boundaries is growing. They are looking for all kinds of different ways to try and address those demands while the government sees fit to bring forward expenditures for allocations for computers and advancing the year 2000 initiative. It doesn't seem that they find it of importance to do anything about the state of our municipal authorities and the increasing demands they are having placed on them for services.

The other thing I find of interest is that the appropriation act doesn't bring forward any allocations to address deficits for regional health authorities or school boards or even child welfare authorities. We have of course only one child welfare authority in existence, in actual operation, Madam Speaker, but we now already have on record evidence that that authority is operating with a deficit I think



somewhere in the neighbourhood of \$2 million. Why are regional health authority and school board and child welfare authority deficits not viewed by this government as something that should be addressed? Rather, as was the case last week, we have the experience of having the Minister of Health announce that he's firing one of his own appointed boards, and the whole state of health care in that region is put in a state of disarray.

Further to that we have Albertans saying that they want a commitment from this government for a plan, a solid, reliable process for the delivery of health care in this province. Yet the government seems to respond by saying that, instead, these delegated authorities, appointed albeit, need to struggle along and almost flounder from one budget year to the next budget year having these deficits hang over their heads. The reality is, Madam Speaker, that they're underfunded. That's been stated many times both inside and outside this Assembly.

4:50

If we just took our budgeting process very simply, we would say that at the end of the budget year, if the government hasn't sufficiently allocated enough resources to a particular entity, they would erase that deficit or balance out the allocation and provide that. It does seem to occur for some things like capital expenditures or physicians. The principle is applied in the area of physician expenditures in the appropriation. The physicians, certainly with good reason I'm sure, billed more than they were budgeted this year. So the government said: okay; we'll bring forward an amount in the appropriation to address that overexpenditure. The principle's there, but oddly while it's applied to the physicians as one component of the health sector, it's not applied to the regional health authorities. It's not applied in a similar fashion to the school boards. It's not applied in a similar fashion to municipal governments.

Another area that was exempted from any allocations and has certainly been an area where some urgent address has been required is the area of subsidized housing in this province. Again, that's been raised a number of times both inside and outside the Assembly. We know that it's not only an urban issue, that it's becoming very much a regional issue. We see allocations in the appropriation for Transportation and Utilities. The minister is saying that he is bringing forward funding for construction projects to allow for '99-2000 projects, primary highway construction, something that undoubtedly is of importance. But why, if we consider roads to be a priority, do we not consider safe, affordable housing in this province to be a priority?

When I look, Madam Speaker, in the area of Municipal Affairs, I believe that for the most part the majority of the allocation has been provided to authorize a transfer of money from operating to capital to upgrade the ministry's computer network and e-mail system, and while there is -- no. I'm corrected as I look here. For the administration of housing programs there is not an appropriation in this act in that area.

I raise the question: how does the government in fact make the decisions about what areas they're going to address? It's not at all consistent, as I've pointed out. I suppose I could be very abrupt and just say that it's sloppy budgeting. We're not talking about just a few dollars and cents; we're talking about millions of dollars. It seems to me that there should be some way of projecting and providing for those things within the regular budget.

I'd like to turn specifically to a couple of the areas that I have not mentioned as yet, one being health. I recall that last year there was an allocation within the appropriation bill for physician services. It occurs to me, I guess, that a couple of things are probably happening here. I think the demand for physician services in the province has

grown. Unquestionably that has played a part in billings exceeding the budgeted amount. More than likely, I suspect, another element of that occurring is the fact that the area has been underfunded, as have most aspects of the health sector, for the last five years.

The appropriation bill did not provide any allocation for initiating any type of primary care, integrated models. It, oddly enough, doesn't make any allocations to address the growing number of families living in poverty in this province. We currently look at those things, I think, with the old stovepipe mentality: they must be someone else's responsibility; they can't fall within my ministry.

There were additional allocations, \$6 million I believe, for the increased use of blood and blood-related products and another million to provide settlement of legal claims. The legal claims issue is of huge interest to me. We don't see a very detailed explanation in the estimate itself, but certainly we have all heard both anecdotal and factual information about the increasing litigation in the health field. Much of it in my experience has been related to people not being able to get adequate access to services when they needed them or in some case or fashion the system failing them. There have been incidents both in Edmonton and Calgary where young children, in fact infants, have died as a result of inadequate intervention.

We all know that emergency departments are swamped. They're like MASH units. Not only are they used for the treatment of acute trauma victims but are now becoming the department for housing people who cannot get a bed in the institution. As a result of that, I must express my respect and admiration for the employees that continue to work in those settings and attempt to provide the best possible care they can to the people that are admitted. However, we don't see an allocation in the supplementary supply that will do anything to address those circumstances. We don't see an allocation for additional beds. We don't see an allocation that would increase the operating rooms, the time in which those theatres can operate, an attempt to do something about the waiting list. I wonder why that is not occurring.

In the area of Family and Social Services actually in the last five years the child welfare caseload has grown to be the largest ever in the history of this province. We don't see an allocation that would do anything to analyze why that's occurred and what the department is doing about it. We see that there have been appropriations, in my opinion somewhat token allocations, in the areas of child and family services. I say "token" because the government within the last 18 months has cut both early intervention programs and day care operating allowances and now seems almost by accident to have come to the recognition that there is a need for those services and there should be some allocation made.

I would respectfully submit that there should be a stable and consistent approach to the provision of those services, particularly early intervention and day care. It's regrettable that a government with any intelligence can't really grasp the concept that investing in children will save you money. Seven dollars for every dollar invested is what the research says, and you just can't get the math on that.

5:00

Again, as I've said recurrently throughout my remarks this afternoon, I can't figure out how this government makes decisions on what will make it into the appropriations and what won't, but it would seem to me that when you've got 148,000 children living in poverty, a growing number of those -- I think the annualized figure is somewhere in the neighbourhood of 20,000 -- that are at some point in the year requiring child welfare services, it might be a good financial and policy investment to examine why that is happening, but that isn't occurring. Regrettably it's not mentioned in the appropriations, and that is unfortunate.

The other area that we know has increased in social services in the

last year has been the AISH and assured support caseload. Again, it seems odd to me that there has not been a distinct reference made to an appropriation in that area. I guess I'm left with the question: how did the ministry in fact address the increased expenditures in those two programs over the last year? We know the caseload has gone up. Correspondingly the expenses have gone up.

I hate to be suspicious, but it seems to me that there's a juggling of dollars and a reduction, and we see an example of this in the areas of SFI. We've got an allocation or reduction in the supports for independence area, and that is transferred up for programs for ministry support services. The notes, regrettably, don't explain what the allocation in ministry support services or income support to individuals and families is for, Madam Speaker. Why is that? We have, I would submit, a very, very sketchy outline of where and why this million dollars is being allocated through the appropriation bill at this time. [interjection] I think the minister of advanced education wanted to talk about special warrants, but I know that there's a process for going on the speaking list. So if he wants to advocate for that, then he can certainly do so. I actually haven't heard him speak about that before.

THE ACTING SPEAKER: Hon. Member for Edmonton-Riverview, through the chair, please, and I will put anyone that wishes to speak on a speaking list.

MRS. SLOAN: Thank you.

We're also reminded as well that there's been a number of recommendations made by the Auditor General in the last year with respect to a number of program areas. Certainly health was one, and he talked in his '97-98 report about deficiencies in health planning. He noted business plans and budgets hadn't been finalized. It's odd to me, Madam Speaker, that that is not something that has been mentioned or allocated for in the appropriation act. I know that the Auditor General's report -- while, I would submit, it could be perhaps more detailed and investigative -- has identified a number of areas where this government needs to be more alive to its responsibilities, and I'm not sure where the government actually addresses those recommendations, but it doesn't seem to be in any way clear that they have addressed them in the appropriation act.

Just moving quickly to Municipal Affairs, an area which I talked generally about in terms of deficits, we have noted that there's a couple of specific areas where perhaps the government could provide more details. We'd like to know which municipalities are . . . [Mrs. Sloan's speaking time expired] I'll conclude my comments, Madam Speaker.

Thank you.

THE ACTING SPEAKER: The hon. Member for Edmonton-Calder.

MR. WHITE: As briefly as possible, Madam Speaker, I'll address the issues. Hon. members on both sides of the House wish that to be. A matter of some urgency in this House is dinner of course.

Madam Speaker, I would like to speak to the bill and the assignment of, it seems to be, extra moneys every year, the instruction to save on operating expense and to reshuffle them where you can expend it before the end of the fiscal year. Well, that does not sound to me to be sound fiscal planning and direction. It may not be specific as to direction. In fact, I'm sure, I'm positive it would never be this Treasurer's specific direction in order to do that. It would be the furthest thing from his mind; however, his actions of bringing forward every year what, I can safely say, is a massive amount of money in supplementary estimates is tantamount to giving the authority to those bodies to do just that. Now, if in fact that was by design and not by accident, then I can say that it's seeking the right

purpose, but certainly not by the member opposite in charge of finance of the province. I'd like to speak later, if we have time, on the generalities of this form of budgeting, but I shall do that in a moment.

First, I'd like to bring to the House's attention a part of the Auditor General's act that relates, Madam Speaker, to this budgeting, to the budgeting of the Auditor General's office and the authority. Under the *Statutes of Alberta*, chapter A-49, section 9(1), the office of the Auditor General, in effect it says that the select standing committee -- and the select standing committee in this case refers to the Select Standing Committee on Legislative Offices -- is the body that the Auditor General is supposed to pass the budget through, not just their annual budget but subsequent budgets, particularly if the House happens to be sitting. In this case, the House happens to be sitting while this matter is before it.

Well, I would assume then -- perhaps without taxing the office of the Legislative Counsel too heavily to clarify the matter at some other time - and I would say: look; in my view and in the reading of the section, that committee should be reporting that the Auditor General requires more funds for whatever purposes than the scheduled budget that was passed earlier in the year as a subsequent spending. Now, I should leave that point alone for the Treasurer and in fact for the Legislative Counsel to review further.

The point is, speaking again of the Auditor General's office, it's a little difficult to direct one to review the books, as it were, of any department and then make recommendations on how to make better use of those funds and be the reporter of any errors in judgment and have an independent audit in the true sense when in fact your salaries are related to the moneys that a government is able to save.

I point out that on page 12 of the supplementary estimates book under the reasons for supplementary estimates requested, the 1998-99 performance review and therefore the expenditures of funds on bonuses for staff in the department will be related to the government's budgeting of net debt payment.

5:10

I think I heard the hon. Member for Lethbridge-West, who is the minister in charge of advanced education, explain the government's position as it relates to the overall budget, and I accepted that. It was quite reasonable in that a number of the departments could not and should not have it as their mandate to save money in expenditures. I think he spoke of health care and social services and those areas. Whereas other departments to do in effect the same job could be charged with the responsibility of saving the government money as an overall expenditure.

However, the Auditor General is a very, very special office. It's not a normal department. In fact, right after the definitions in the act the Auditor General is referred to as "an officer of the Legislature," not of the government. So how can one base the bonuses on that single purpose? The purpose of the Auditor General to seek higher performance is to make comment on how the moneys are expended, not solely on the savings. That would be only one small part of the ledger, the same as the explanation from the minister that I just outlined, that a number of the departments, be it Social Services or Health or Education, are not charged with the deliverance of the least cost service, because that would be relatively easy.

So I question how the Treasurer can relate this bonus in that manner. I suspect that there would be and should be a convening of the Standing Committee on Legislative Offices to make that review as to the performance of the entire department as it's outlined in the legislation, as well as the individual performance of the Auditor General himself, not his entire office.

I do have a number of other concerns, and they particularly relate

to those departments we have before us moving from operating to capital expenditures. Now, when one does that -- we do that as members all the time in the operation of our constituency offices, because we have to expend that in that manner. But for a department with a three-year business plan laid out in advance supposedly, it's not reasonable. At the start of the year you need, in this case, some ballot boxes, and you have to budget for them on an ad hoc basis, the same as the Department of Municipal Affairs. If the Department of Municipal Affairs actually needed computers and upgrading in their stations, they knew that well in advance. This is not something that comes on overnight, that has to be expended before the end of March. This is a long-term planning project. As a matter of fact, most computing services that go into effect have a due date and say: look; at that point X out there, whether it be three years or five years, that's when we must upgrade. Every year you plan on that. It just doesn't fall out of the sky.

Madam Speaker, I have a number of things to say, but I'll have to get on the speaking list for subsequent readings of this bill and would therefore like to have a vote on this matter. I understand that the Treasurer would love to have a vote on this, and I know that the Member for Whitecourt-St. Anne is in dire need of sustenance, of supper. Therefore I shall take my seat.

THE ACTING SPEAKER: The hon. Provincial Treasurer to close debate.

MR. DAY: Question.

[Motion carried; Bill 13 read a second time]

[At 5:16 p.m. the Assembly adjourned to 8 p.m.]

