

Legislative Assembly of Alberta

Title: **Monday, May 1, 2000**

1:30 p.m.

Date: 00/05/01

[The Speaker in the chair]

head: Prayers

THE SPEAKER: Welcome back.

I would remind members to remain standing after the prayer for the singing of our national anthem. I would also ask members to remain standing in order that we may pay tribute to a former colleague who passed away recently and to also commemorate the National Day of Mourning.

Let us pray. As we begin a new week, help us, O Almighty, to also begin with the principle of You as the giver of all things. Amen.

I would now like to invite Mr. Paul Lorieau to lead us in the singing of our national anthem.

O Canada, our home and native land!
True patriot love in all thy sons command.
With glowing hearts we see thee rise,
The True North strong and free!
From far and wide, O Canada,
We stand on guard for thee.
God keep our land glorious and free!
O Canada, we stand on guard for thee.
O Canada, we stand on guard for thee.

Alois (Al) Paul Hiebert

June 4, 1938, to April 23, 2000

THE SPEAKER: Hon. members, last week my office received notice of the passing of a former member, Mr. Al Hiebert, who passed away on April 23, 2000, at the age of 61 in Edmonton, Alberta. Mr. Hiebert was first elected in the election held March 14, 1979, and served until May 8, 1986. During his years of service he represented the constituency of Edmonton-Gold Bar for the Progressive Conservative Party.

During his years in the Legislature Mr. Hiebert served on the select standing committees on Privileges and Elections, Standing Orders and Printing; Private Bills; Public Affairs; Public Accounts; Legislative Offices; and Law and Regulations. He also served on the following special committees: the Auditor General Search, the Chief Electoral Officer Search, and the Ombudsman Search.

Mr. Hiebert leaves his wife, Lorraine, and children, JoAnne, Arlene, Lois, and Douglas. With our admiration and respect there is gratitude to members of his family who shared the burdens of public office. Our prayers are with them.

In a moment of silent prayer I ask you to remember Al Hiebert as you may have known him. Rest eternal grant unto him, O Lord, and let light perpetual shine upon him. Amen.

National Day of Mourning

THE SPEAKER: I would now ask members to observe a moment of silence to commemorate the National Day of Mourning, April 28, 2000, a solemn day when Canadians remember and recognize those workers who were killed or have been injured on the job.

Please be seated.

head: Introduction of Visitors

MR. PASZKOWSKI: Mr. Speaker, I'm pleased today to introduce to you and through you to members of the Assembly Senator the

Honourable Maxine Henry-Wilson, the Minister of Information for Jamaica. Accompanying her is the high commissioner for Jamaica, His Excellency Raymond Wolfe, and Ms Carolyn Goulbourne-Warren, information attache, Jamaican consulate general's office.

Jamaica is a Caribbean island with a very rich culture and a long history. Many Albertans enjoy traveling to Jamaica and relaxing on its beautiful, white sandy beaches, particularly if there is a cold Alberta winter. We appreciate the warm hospitality Jamaicans always have shown to visitors from Alberta, and we're glad to have the opportunity to return their hospitality.

I'm pleased our honoured guests have come to visit us, and I wish them a productive and enjoyable stay while they are visiting us in Alberta. I'd ask them now to rise and receive the usual warm welcome of this Assembly.

head: Presenting Petitions

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

MR. GIBBONS: Thank you, Mr. Speaker. I am pleased to submit names of 218 Albertans from different parts of the province – Evansburg, St. Albert, Edmonton, Sherwood Park, Fort Saskatchewan, Camrose, and Spruce Grove – urging the government “to stop promoting private health care and undermining public health care” in the province.

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

MR. BONNER: Thank you very much, Mr. Speaker. It gives me a great deal of pleasure today to present a petition to the Assembly. This petition is signed by 211 Calgarians, and it is urging “the government to stop promoting private health care and undermining public health care.”

Thank you.

THE SPEAKER: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

MRS. SOETAERT: Thank you very much, Mr. Speaker. I, too, have a petition signed by 221 people from Calmar, Devon, Seba Beach, Pickardville, St. Albert, Morinville, Spruce Grove, Ardrossan, Beaumont, and Edmonton, and they are urging “the government of Alberta to stop promoting private health care and undermining public health care.”

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

MR. DICKSON: Thank you, Mr. Speaker. I'm delighted this afternoon to present a petition signed by 213 Calgarians in the constituencies of Calgary-Varsity, Calgary-North West, Calgary-West, Calgary-North, and I think even a couple from Calgary-Buffalo. They're petitioning this Assembly to urge “the government to stop promoting private health care and undermining public health care.”

Thank you.

THE SPEAKER: The hon. Member for Lethbridge-East.

DR. NICOL: Thank you, Mr. Speaker. It's a real pleasure today to rise and present a petition to the Legislature from 3,255 Albertans from Lethbridge, Coaldale, Raymond, Picture Butte, Taber, Blairmore, Calgary, Pincher Creek, Claresholm, Fort Macleod, Magrath, and Medicine Hat. These petitioners are asking the

Legislative Assembly to urge the government to introduce legislation requiring a minimum of two people in after-hour workplaces.

THE SPEAKER: The hon. leader of the third party.

DR. PANNU: Thank you, Mr. Speaker. I have two petitions to table today. The first petition is signed by 1,038 Albertans opposed to Bill 11 from Grande Prairie, Valleyview, DeBolt, Sunset House, Whitecourt, Cayley, Medicine Hat, Sherwood Park, Edmonton, Fort Saskatchewan, Nisku, Gibbons, Stony Plain, Cold Lake, Carvel, Redwater, Jasper, Duffield, Darwell, Alberta Beach, Wanham, Calgary, Redcliff, Rimbey, Bluffton, Camrose, and Morinville.

The second petition, Mr. Speaker, is signed by 56 Albertans from Edmonton, Spruce Grove, Stony Plain, Grande Cache, and Calgary, and the petitioners are asking the Assembly to urge "the government to use its legislative powers to help resolve the labour disputes at the Calgary Herald."

Thank you, Mr. Speaker.

head: Reading and Receiving Petitions

THE SPEAKER: Hon. members, a little patience, please. We have quite a list today.

The hon. Member for Edmonton-Manning.

MR. GIBBONS: Thank you Mr. Speaker. I would ask that the petition with respect to support for public health care that I introduced in the last week of session be now read and received.

THE CLERK:

We the undersigned citizens of Alberta petition the Legislative Assembly to urge the government of Alberta to stop promoting private health care and undermining public health care.

1:40

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

MS OLSEN: Thank you, Mr. Speaker. I, too, wish the petition that I presented on the 20th of April signed by 276 Albertans requesting stopping the promotion of private health care and the undermining of public health care be now read.

THE CLERK:

We the undersigned citizens of Alberta petition the Legislative Assembly to urge the government to stop promoting private health care and undermining public health care.

THE SPEAKER: The hon. Member for Edmonton-Gold Bar.

MR. MacDONALD: Thank you, Mr. Speaker. I request that the petition I presented to the Legislative Assembly on Thursday, April 20 from 218 Albertans requesting stopping the promotion of private health care and the undermining of public health care now be read and received.

Thank you.

THE CLERK:

We the undersigned citizens of Alberta petition the Legislative Assembly to urge the government to stop promoting private health care and undermining public health care.

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

MS BLAKEMAN: Thank you, Mr. Speaker. I would ask that the petition I presented on Thursday, April 20 signed by 235 Albertans opposing private health care be now read and received.

THE CLERK:

We the undersigned citizens of Alberta petition the Legislative Assembly to urge the government to stop promoting private health care and undermining public health care.

THE SPEAKER: The hon. Member for Edmonton-Mill Woods.

DR. MASSEY: Thank you, Mr. Speaker. With permission I'd request that the petition I presented on April 20 with regards to private health care now be read and received.

THE CLERK:

We the undersigned citizens of Alberta petition the Legislative Assembly to urge the government to stop promoting private health care and undermining public health care.

THE SPEAKER: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

MRS. SOETAERT: Thank you very much, Mr. Speaker. I, too, would ask that the petition I presented regarding the privatization of health care be now read and received.

THE CLERK:

We the undersigned citizens of Alberta petition the Legislative Assembly to urge the government to stop promoting private health care and undermining public health care.

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

MR. BONNER: Thank you very much, Mr. Speaker. I request the petition I presented signed by 219 Albertans requesting that the promotion of private health care and the undermining of public health care be stopped now be read and received.

Thank you.

THE CLERK:

We the undersigned citizens of Alberta petition the Legislative Assembly to urge the government of Alberta to stop promoting private health care and undermining public health care.

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

MS CARLSON: Thank you, Mr. Speaker. I would ask that the petition I presented signed by 276 Albertans in support of public health care now be read and received.

THE CLERK:

We the undersigned citizens of Alberta petition the Legislative Assembly to urge the government of Alberta to stop promoting private health care and undermining public health care.

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

MR. DICKSON: Thank you, Mr. Speaker. I'd ask if the two petitions I had presented on April 20 with respect to concern about private health care expansion might be now read and received, please.

THE CLERK:

We the undersigned citizens of Alberta petition the Legislative Assembly to urge the government to stop promoting private health care and undermining public health care.

We the undersigned citizens of Alberta petition the Legislative Assembly to urge the government to stop promoting private health care and undermining public health care.

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

MRS. SLOAN: Thank you, Mr. Speaker. I'm pleased today to rise as well and seek your indulgence that a petition I tabled on April 20 with respect to citizens' opposition to the privatization of health care in Alberta now be read and received.

THE CLERK:

We the undersigned citizens of Alberta petition the Legislative Assembly to urge the government to stop promoting private health care and undermining public health care.

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

MR. SAPERS: Thank you, Mr. Speaker. On April 20 I presented a petition signed by 274 Albertans requesting that this government stop promoting private health care and undermining public health care. I would request that that now be read and received.

THE CLERK:

We the undersigned citizens of Alberta petition the Legislative Assembly to urge the government to stop promoting private health care and undermining public health care.

THE SPEAKER: The hon. Leader of the Official Opposition.

MRS. MacBETH: Thank you, Mr. Speaker. I ask that the petition standing in my name and tabled on April 20, 2000, with respect to the government undermining public health care and promoting private health care now be read and received.

THE CLERK:

We the undersigned citizens of Alberta petition the Legislative Assembly to urge the government to stop promoting private health care and undermining public health care.

THE SPEAKER: The hon. Member for Lethbridge-East.

DR. NICOL: Thank you, Mr. Speaker. I'd request that the petition I submitted last week standing on the Order Paper under my name concerning public health care protection please now be read and received.

THE CLERK:

We the undersigned citizens of Alberta petition the Legislative Assembly to urge the government of Alberta to stop promoting private health care and undermining public health care.

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

MS LEBOVICI: Thank you, Mr. Speaker. I also request that the petition I presented from 119 Albertans who know that they are right when they ask the government to stop promoting private health care and undermining the public health care system now be read and received.

THE CLERK:

We the undersigned citizens of Alberta petition the Legislative Assembly to urge the government of Alberta to stop promoting private health care and undermining public health care.

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

MR. WICKMAN: Thank you, Mr. Speaker. I would request, too,

that the petition I filed last from a number of citizens opposing private health care be now read and received.

THE CLERK:

We the undersigned citizens of Alberta petition the Legislative Assembly to urge the government to stop promoting private health care and undermining public health care.

THE SPEAKER: The hon. leader of the third party.

DR. PANNU: Thank you, Mr. Speaker. I rise to request that the petition I tabled on April 20 be now read and received.

THE CLERK:

We the undersigned residents of the province of Alberta hereby petition the Legislative Assembly of Alberta to pass a Bill banning private for-profit hospitals in Alberta so that the integrity of the public, universal health care system may be maintained.

THE SPEAKER: The hon. Member for Lethbridge-East.

DR. NICOL: Thank you, Mr. Speaker. I'd like to request that the petition standing on the Order Paper under my name concerning the protection of workers in after-hours employment now be read and received.

THE CLERK:

We, the undersigned residents of Alberta, petition the Legislative Assembly to urge the Government of Alberta to introduce legislation requiring a minimum of two people on shifts from dark to daylight.

head: Notices of Motions

THE SPEAKER: The hon. Government House Leader.

MR. HANCOCK: Thank you, Mr. Speaker. I rise to give oral notice of the following motion.

Be it resolved that further consideration of any or all of the resolutions, clauses, sections, or titles of Bill 11, Health Care Protection Act, shall when called be the first business of the committee and should not be further postponed.

head: Tabling Returns and Reports

THE SPEAKER: The hon. Minister of Human Resources and Employment.

MR. DUNFORD: Thank you, Mr. Speaker. I have two tablings today. The first is regarding employment standards information for employers and employees in the restaurant and hospitality industry.

Secondly are the answers to the questions that came up in Committee of Supply.

THE SPEAKER: The hon. Minister of Learning.

DR. OBERG: Thank you very much, Mr. Speaker. Today I have six tablings. The first one is from the Alberta Building Trades Council, which represents 22 locals of various unions around the province. This letter is in favour of Bill 23 and the amendments to the Apprenticeship and Industry Training Amendment Act.

The next five are from Construction Labour Relations, An Alberta Association, the Merit Contractors Association, the Alberta Construction Association, the Motor Dealers' Association of Alberta, and the Construction Owners Association of Alberta, all in favour of Bill 23.

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

MS CARLSON: Thank you, Mr. Speaker. I have three tablings today. They are from Allison Burstin of Canmore, Barbara Hardt from Calgary, and Kristian Kiml from Calgary. They are all in opposition to the Genesis proposal for Spray Valley, another issue that this government would like to force closure on.

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

MS BLAKEMAN: Thank you, Mr. Speaker. I have two tablings today. The first item I'd like to table is one of only five letters that I have received in favour of Bill 11. This is written by a constituent, Kyle Franz . . .

MRS. SOETAERT: One, eh? Okay.

MS BLAKEMAN: Out of five.

The second is the appropriate number of copies of a new publication called *The Thorn*. I believe this is their premiere issue, so I encourage everyone to have a look at this.

Thank you.

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

MR. GIBBONS: Thank you, Mr. Speaker. I have three tablings today, and I have the appropriate number of copies of each. The first one is a letter from four residents of Edmonton-Manning who are psychiatric nurses concerned with Bill 11.

1:50

The second one, Mr. Speaker, is about a great evening I went to last Thursday, April 27. It was called the 2000 Rotary integrity awards to Edmonton and area citizens for their contributions to business and community. This was made up of 12 clubs in the Edmonton area, eight from Edmonton and four from the outside areas.

The third one, Mr. Speaker, was a weekend full of events in northeast Edmonton, and it's called Together 2000, a reunion of people who attended north Edmonton public and St. Francis Catholic schools prior to 1950. There were 500 in attendance, and they came from all over the world. So the roots of north Edmonton have branched out from there.

Thank you.

THE SPEAKER: The Member for Edmonton-Gold Bar.

MR. MacDONALD: Thank you, Mr. Speaker. I have two tablings this afternoon. The first one is a letter from Robert Blakely, the president of the Alberta Building Trades Council, endorsing Bill 23.

The second tabling I have this afternoon is from Joanne Ramondt. She is a striking *Calgary Herald* employee, and she is urging the government to resolve this long and divisive labour dispute.

Thank you.

MRS. SLOAN: Mr. Speaker, facts about health care are very important, and I'd like to table two reports today that will contribute to the factual information relative to our health care system in Alberta. The first is a report titled Health Care Facts, primarily facts which come from Alberta Health and Wellness, including a breakdown of CEO and executive salaries by regional health authorities in Alberta.

The second report is the first annual report of the Canadian

Institute for Health Information. This report contains a great deal of information that would be relevant for the government to consider in the context of Bill 11, and I regret to say that they most likely will not have a chance to read this substantive report before closure is invoked tomorrow evening.

Thank you.

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

MR. SAPERS: Thank you, Mr. Speaker. I have five copies of a two-page document. The documents are reprints of web pages from voteAlberta.org, the first dated the 24th of April, 2000, the second from the 30th of April. What it shows is that support for Bill 11 from those people who have voted at this web site has decreased from 27 percent to 23 percent, so 76 percent of the more than 2,700 Albertans who have voted in this format are firmly against Bill 11.

MRS. SLOAN: That's reason to bring in closure.

THE SPEAKER: Hon. Member for Edmonton-Riverview, did you have another tabling?

MRS. SLOAN: Regretfully, Mr. Speaker, I don't.

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

MS LEIBOVICI: Thank you, Mr. Speaker. I have three tablings this afternoon. The first is a speech given by Dr. Dennis Modry and submitted to the Fraser Institute. It's entitled Medicare is Killing Us: Patient Choice in a Re-engineered Health Care System. I think it's the basis for this government's Bill 11.

The second is a statement by the Interfaith Coalition on Justice in the Workplace, where there are nine recommendations under the heading: Is Bill 11 Good for Albertans?

The third is the Angus Reid poll on April 20, 2000, which indicates that 59 percent of Albertans are against the new health care scheme.

Thank you.

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

MR. WICKMAN: Thank you, Mr. Speaker. I have two tablings today. The first one is from Kenman Gan, which is a letter expressing concern about osteoporosis.

The second is a number of letters all in opposition to Bill 11, and I'll just read out the names to expedite things: Steve Virag, Len Douziech, James Fleckenstein, M. Boisvert, Barb Baker, Edwin Parks, Linda Cheu, Dorothea Thielmann, Noel Somerville, Joseph Buijs, Brent Jeffery, Keith Leal, and one jointly signed by James Edwards and Iqbal Lakhani, all in opposition.

THE SPEAKER: The hon. Leader of the Official Opposition.

MRS. MacBETH: Thank you, Mr. Speaker. I am pleased – well, maybe “pleased” is the wrong word in light of the closure motion by the Government House Leader. Let me table the text of a eulogy for the burial of Bill 11 which was given this weekend in Ponoka on Friday, April 28 at 10:30.

Secondly, I'd like to table a list of contributions to the Progressive Conservative Party of Alberta with some interests in private health care, Mr. Speaker.

THE SPEAKER: The hon. leader of the third party.

DR. PANNU: Thank you, Mr. Speaker. I've got five tablings. The first four are letters or statements signed by Albertans opposed to Bill 11.

The first one is from Carol and Murray Roy from Camrose expressing opposition to Bill 11.

The second one is from Mr. Con Duemler from Edmonton opposing Bill 11.

Then there are two statements; the first one signed by 96 Albertans who are opposed to Bill 11 from Andrew, Lamont, and Chipman, and another similar statement signed by 13 Albertans from Clyde, Rochester, and Westlock. They're all opposed to Bill 11.

The last one, Mr. Speaker, is a document that I'd like to table today. This is the Calgary regional health authority personal conflict of interest guidelines for medical officers. This is dated January 2000.

Thank you, Mr. Speaker.

MR. JONSON: Mr. Speaker, I'm pleased to table with the Assembly the annual report of the Alberta Dental Hygienists' Association for the year ended October 31, 1999.

head: Introduction of Guests

THE SPEAKER: The hon. Member for Redwater.

MR. BRODA: Thank you, Mr. Speaker. It's my pleasure to rise today to introduce to you and through you to the members of this Assembly 100 bright, enthusiastic students from the Morinville high school. Accompanying them are four adults: teachers Rosie Kruhlak, Debbie Wojtkiw, Michelle Boucher and parent helper Bonnie Brochu. They are seated in both the members' and public galleries. I'd ask them to please rise and receive the traditional warm welcome of this Assembly.

THE SPEAKER: The hon. Minister of Learning.

DR. OBERG: Thank you very much, Mr. Speaker. On behalf of my colleague the Minister of Economic Development and MLA for Calgary-Shaw I wish to introduce to you and through you Miss Victoria Conway. Victoria is a grade 6 student from his constituency and is here to learn about the government of Alberta. She is seated in the members' gallery, and I would ask her to rise and receive the warm welcome of the Legislative Assembly.

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

MR. BONNER: Thank you very much, Mr. Speaker. It gives me a great deal of pleasure today to introduce to you and through you and to all members of the Assembly 25 bright students from St. Anne Catholic elementary school, which is located in Edmonton-Glengarry. They are accompanied today by Mr. Shawn Carson, their teacher. They are seated in the public gallery, and with your permission I would ask that they now stand and receive the warm, traditional welcome of the Assembly.

My second introduction, Mr. Speaker, is a member of the Edmonton-Glengarry constituency. His name is Jim Ragsdale. Jim is sitting in the members' gallery, and it gives me a great deal of pleasure today to introduce to you and through you and to all members of the Assembly Jimmy Ragsdale. Jim, I'd ask that you now stand and receive the traditional warm welcome of the House.

head: Oral Question Period

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

Closure on Bill 11

MRS. MacBETH: Thank you, Mr. Speaker. Well, it's obvious that the Premier has lost his patience with democracy, and rather than allowing Bill 11 to have full and open debate in this Assembly, we have now been given the introduction of closure. Have the Premier's special interest groups been exerting so much pressure that he has listened to the very few and has invoked closure in order to satisfy them?

MR. KLEIN: Mr. Speaker, notice was given to bring about closure because there has to be some finality. This gives everyone an opportunity to vote. Closure simply means that we're bringing about a process to have a vote on this issue.

Mr. Speaker, the Liberals are on record 33 times saying the bill cannot be amended to make it acceptable to them. They are on record 14 times saying nothing will stop the complete filibuster of Bill 11. So just as a filibuster is a tool of the Legislature, closure is a tool of the Legislature.

Mr. Speaker, having said that, it seems that they're very anxious to speak on this bill. In one breath they say that they want to filibuster it, that nothing will be acceptable in terms of amendments, yet the Member for Edmonton-Centre has spoken on this bill five times, the Member for Edmonton-Glengarry two times, the Member for Edmonton-Ellerslie five times, the Member for Calgary-Buffer 10 times, the Member for Edmonton-Manning four times, the Member for Edmonton-Meadowlark eight times.

2:00

THE SPEAKER: I think we'll move on, with brevity being the key.

MRS. MacBETH: Mr. Speaker, thousands of Albertans are on record as saying: pull this bill. So why is it that the Premier thinks the protection of public health care in this province doesn't need more debate? Could he share his perspective on that with Albertans, please?

MR. KLEIN: I'd be very happy to, Mr. Speaker, because the bill in its entirety is designed to protect the public health care system as we know it today and to fulfill our commitment to the fundamental principles of the Canada Health Act. If the Liberals are opposed to those principles, let them stand up and say so now.

MRS. MacBETH: Mr. Speaker, this Premier has refused to meet with the citizens who come to the Legislature. He's now closed off debate. Why doesn't he just call an election and pull his blasted bill? Chicken. Call an election.

MR. KLEIN: Mr. Speaker, we're only in the third year of our mandate. There will be an election called sooner or later, and I'm sure overall, when Albertans have an opportunity to consider the bill in question in the context of our six-point health care plan, when they put it together with the fantastic financial record that this province has, when they look at the economy and they look at this province being the envy of all provinces in the country, you know what? They're going to give us another mandate. Just watch and see.

Private Health Services

MRS. MacBETH: Mr. Speaker, this Premier has not presented a shred of evidence in this Legislature to show that his private health care policy will not increase costs and waiting lists. In fact, in setting the rules that private companies can play by, this government

demonstrates its intent to sell off our public health care assets. Since 1993 private health care services, management, and an insurance company have poured over \$300,000 into the Alberta Progressive Conservative Association coffers and those of individual candidates. My questions are to the Premier. Are substantial financial contributions to the Progressive Conservative Association of Alberta the only way the Premier will listen to the people of this province?

MR. KLEIN: Mr. Speaker, is this hon. Leader of the Official Opposition saying that no doctors, that no operators of private doctors' offices or private clinics have donated to the Liberal party? If she is saying that, I don't think she is telling the truth.

MRS. MacBETH: Mr. Speaker, how much does the average Albertan have to contribute to the Premier's party before he will start listening to their concerns about health care?

MR. KLEIN: Mr. Speaker, this leader of the Liberal opposition knows about donations to Tory candidacy both during the elections and leadership campaigns because she was part of it and a very, very substantial recipient of many donations to her own constituency and her party when she was a Tory.

THE SPEAKER: The hon. Leader of the Official Opposition.

MRS. MacBETH: Thank you, Mr. Speaker. Why will the Premier meet with and listen to large political donors, yet when ordinary citizens gather, the Premier simply turns a cold shoulder?

MR. KLEIN: No, I don't, Mr. Speaker. I just don't do protests, especially Liberal-organized protests.

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

Bill 11 Publicity

MRS. MacBETH: Thank you, Mr. Speaker. It has been 25 days since the Premier promised to release the true costs of his massive taxpayer-funded propaganda campaign. Now the ads that have been unleashed show another barrage of television and radio spots for its private health care proposal propaganda complete with blatant deceptions on issues such as similarity with other provinces' legislation and reducing waiting lists. My questions are to the Premier. Will the Premier promise to release all of the invoices, all of the receipts, all of the contracts today, as he promised, so that Albertans can find out how much of their money has been spent on propaganda for the government's private health care policy?

MR. KLEIN: First of all, Mr. Speaker, not one single cent has been spent on promoting a private health care policy. Not one single cent.

MRS. MacBETH: So in the absence of a response, as the Premier promised, will he just confirm this estimate prepared by the Official Opposition, Mr. Speaker, which shows that the real costs of the taxpayer-funded propaganda campaign are now nearly \$2.7 million and counting?

MR. KLEIN: Mr. Speaker, there hasn't been a single cent spent on a propaganda campaign. Yes, money has been spent on a campaign to get the truth out.

The shameful waste of taxpayer money is contained in this document that appeared on the web site where it says, "Join the fight

for Alberta's Public Health Care. Understanding Bill 11 The Private Hospital Act." Mr. Speaker, that is fraudulent; that is wrong. There never has been and never will be before this Legislative Assembly a bill called the private hospital act, and for the Liberals to go out and to tell the public, using taxpayers' dollars, that there is a bill in this Legislature called the private hospital act is untruthful. It's a flagrant misrepresentation of the facts, and they should be ashamed of themselves.

MRS. MacBETH: Mr. Speaker, why did this government spend so much money over the past weekend with its new message on its campaign when its whole intention was to issue a closure motion today?

MR. KLEIN: Mr. Speaker, a reasonable amount of money has to be spent to get the truth out. The truth, as I say, is in the bill, which purports to become law. There is nothing that is more truthful than the law. But in light of the massive misinformation campaign being conducted by the Liberals, the NDs, and all of the unions combined – I would suggest that they have spent millions and millions of dollars to spread misinformation to put out fraudulent material – I think that Alberta taxpayers deserve to know the truth, and a reasonable amount of money to get the truth out there is not an unreasonable expenditure.

THE SPEAKER: The hon. leader of the third party.

Closure on Bill 11

(continued)

DR. PANNU: Thank you, Mr. Speaker. For the past six months the Conservative government has defied the will of Albertans and chosen instead to placate a few private business interests like those at HRG. As a final insult to Albertans the government has introduced closure to the most important, crucial, and hated piece of legislation in Alberta's history. My questions are to the Premier. Why is the government so afraid of public opposition that it needs to choke off debate in this ruthless manner?

2:10

MR. KLEIN: First of all, it's not ruthless. It's a tool of the Legislature, Mr. Speaker.

As I've indicated before – and I'm sure the ND opposition is of the same bent, the same mind as the Liberal opposition in that they would want to filibuster this bill – at the rate we're going now, our researchers estimate that it would take until December of the year 2003 to debate this bill. Seven times the hon. Member for Edmonton-Strathcona has spoken on this bill. That's in addition to the countless hours he has spent in question period questioning myself and the hon. Minister of Health and Wellness and other ministers on this particular matter. When the opposition members make it quite clear that they are going to filibuster this and filibuster this, there has to be a point where the vote is called. That's democracy.

DR. PANNU: Mr. Speaker, I'm surprised that this powerful Premier is afraid of this one single member prolonging the debate beyond his limits of tolerance.

My second question to him: will the Premier have the courage to join me outside the Legislature this evening and justify his decision to suspend democracy in Alberta, and if not, why not?

MR. KLEIN: To stand in front of a thousand committed NDs and a spattering of Liberals – Mr. Speaker, as I've said before, I recognize

that politics from time to time is a blood sport, but I'm not a masochist. No.

DR. PANNU: Thank you, Mr. Speaker. If the Premier doesn't have the courage to call a general election, will he at least call a by-election in Edmonton-Highlands before proceeding with this closure motion, and if not, why not?

MR. KLEIN: Mr. Speaker, an election will be called in due course. We have a mandate of a maximum of five years. Like the Liberals and the NDs we're in the process now of nominating candidates. There will be an election in the fullness of time.

You know, once Bill 11 is through, people will see that this is not the end of the world, that this has done something very significant to enhance and protect public health care as we know it today. Mr. Speaker, politically speaking, I think they don't want to see that happen. They don't want to see that happen. That's why they want to prolong the debate. That's why they want to keep us in the House, so they can continue with their campaign of malicious misinformation and confuse the Alberta public. They don't want to see this bill passed, and they don't want to see Albertans saying: "What was all the fuss about? This is working. This hasn't destroyed public health care. This has gone the extra step to protect health care."

THE SPEAKER: The hon. Member for Banff-Cochrane, followed by the hon. Member for Edmonton-Glengarry.

Bragg Creek Water Quality

MRS. TARCHUK: Thank you, Mr. Speaker. My question is to the Minister of Environment. The University of Calgary has released the results of a study that indicates that 39 percent of drinking water wells in the hamlet of Bragg Creek are contaminated. Would the minister please tell us whether his department concurs with these findings?

THE SPEAKER: The hon. Minister of Environment.

MR. MAR: Thank you, Mr. Speaker. By way of background the study that was conducted was a joint project between students from the University of Calgary as well as the regional health authority, and in my review of it we can say that the students did a very comprehensive study. As the hon. member indicated, 39 percent of the water wells in the hamlet of Bragg Creek were found to be affected by contaminants from private sewage systems used in the hamlet. I can confirm that this number is consistent with earlier water well surveys conducted by the Department of Environment.

MRS. TARCHUK: Thank you. My second question is also to the Minister of Environment. Can the minister tell us how private sewage disposal systems in Bragg Creek are impacting water quality in the Elbow River?

MR. MAR: Well, first of all, Mr. Speaker, I'd like to comment and emphasize that the water quality in the river is still good. My department has been studying water quality trends in the Elbow River for some time. We are, however, seeing a trend in increasing levels of nutrients, bacteria, and sediments, and while these levels are not sufficient to cause alarm, I am concerned about the possible long-term environmental effects associated with shallow groundwater contamination in the hamlet of Bragg Creek.

Mr. Speaker, this has been a long-standing issue with the residents

in the hamlet of Bragg Creek, and I understand the concerns that the residents have with respect to the cost of a wastewater pipeline and the resulting impacts on the hamlet. The Department of Environment is committed to working with the residents in the hamlet as well as with the regional health authority, the MD of Rocky View, and groups such as the Bow River basin council to protect water quality not only in the Elbow River but also in the groundwater. Currently, the council is working with the community and stakeholders to develop recommendations about the flow and water quality in the Elbow River.

MRS. TARCHUK: My final question is also to the same minister. As stated, constituents are concerned about the financial and population growth impacts of a wastewater pipeline to Calgary. Can the minister tell us more about what solutions are available for the hamlet of Bragg Creek?

THE SPEAKER: The hon. Minister of Environment.

MR. MAR: Thank you, Mr. Speaker. I'd like to emphasize that there is not one simple solution to this particular problem. There are a number of options available, including individual pump-out tanks to a wastewater pipeline to the city of Calgary. My department, in addressing this particular issue, has concluded that a wastewater pipeline to Calgary is a practical long-term solution for the hamlet of Bragg Creek and will also provide benefits to the broader region. However, it is important that we work together to find a solution that Bragg Creek residents will ultimately be comfortable with, so the department is dedicated to working, as I indicated, with stakeholders in the area.

THE SPEAKER: The hon. Member for Edmonton-Glengarry, followed by the hon. Member for Calgary-Currie.

Closure on Bill 11 (continued)

MR. BONNER: Thank you, Mr. Speaker. Hundreds of thousands of Albertans from across this province are speaking out against this government's private health care policy. Rallies, petitions, e-mails, faxes, letters, and phone calls: Albertans are just saying, "No dismantling of public health care." The Premier has one last chance to admit that closure on Bill 11 is a mistake. Will he undertake to instruct his House Leader not to move closure?

MR. KLEIN: Of course not. Notice of closure has already been given. No, I'm not going to instruct it, Mr. Speaker.

The Liberals and the NDs are the only ones talking about a private health care policy. This government is talking about protecting health care. [Disturbance in the gallery]

THE SERGEANT-AT-ARMS: Order!

MR. KLEIN: Protecting health care: that's what we're talking about. That is the name of the bill before us. The only people talking about private health care are the Liberals. As a matter of fact, the leader of the Liberal opposition says that if private health care can find a place, then why not let it happen? She is widely quoted as saying that. So the Liberals and the NDs are the only ones talking about private health care. The only ones.

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

MR. BONNER: Thank you, Mr. Speaker. Also to the Premier: what is the test to move closure on health care? How many hours of debate, how many people at a rally does it take, Mr. Premier?

MR. KLEIN: Well, Mr. Speaker, I've already indicated that thus far the opposition members have risen to speak to this bill 84 separate times. There has been a total of 2,071 minutes, or 34.52 hours, of total debate on this bill, plus another 12.5 hours of question period time on Bill 11. That's 47 hours combined. That is the most that any bill in the history of this Legislature has ever been debated.

2:20

Now, I said to the Liberal opposition: if you don't filibuster, we won't use closure. Mr. Speaker, they are on record 14 times as saying that nothing will stop the complete filibuster of Bill 11. Fourteen times they have stated that they will filibuster this bill. I have promised that there would be no closure if there was no filibuster. They have not promised that there would be no filibuster. Therefore, I am now promising that there will be closure.

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

MR. BONNER: Well, Mr. Speaker, over 50 government MLAs have not spoken to this bill.

Will the Premier stop hiding from the truth and agree to show up this evening and face Albertans in the people's Legislature to discuss health in this province?

MR. KLEIN: Absolutely. I go many places and attend many functions and talk about Bill 11. No, I'm not going to go to Liberal-orchestrated protest meetings or ND-orchestrated protest meetings or protest meetings organized and orchestrated by the Canadian Union of Public Employees or the Friends of Medicare backed by the Alberta Federation of Labour or the United Nurses Association or the Alberta Teachers' Association. No. Of course not.

Mr. Speaker, there were six people associated with my constituency who attended the Friends of Medicare rally in Calgary. Just to give you an indication as to how these people were treated, they had a table set aside, and it said: this is for Tory supporters; it's vacant because we can't guarantee their safety. At the back of the room were the writings of Trotsky and Lenin and Che Guevara. One of our people said: what has this got to do with Bill 11? The person behind the desk replied: it has nothing to do with Bill 11; this is about protecting the rights of workers. They were snapping pictures of our people. They announced who they were and where they could be located on the bullhorn. Finally, fearful for their safety, they left the rally. That's what those rallies are all about, and that's why I don't do those kinds of protests, never will.

THE SPEAKER: The hon. Member for Calgary-Currie, followed by the hon. Member for Edmonton-Gold Bar.

School Construction and Renovation

MRS. BURGNER: Thank you, Mr. Speaker. I recently met with the ABC charter school as well as the Waldorf school in my constituency. Both of these schools have space requirements which need to be addressed. The Calgary board of education is proceeding with the learning environment action plan and met recently with Calgary caucus to outline their plans. The master plan for CFB Calgary is also considering community needs in their discussions. Clearly there is a need to communicate between our schools and the community to respond to the appropriate allocation of resources to meet the needs of students. To the Minister of Infrastructure: how

will the learning environment action plan, or LEAP, as it's called, be considered or implemented by government?

THE SPEAKER: The hon. Minister of Infrastructure.

MR. STELMACH: Thank you, Mr. Speaker. The Calgary board of education initiated the LEAP project, which is the learning environment action plan. From that has come a request for the disposition of seven schools. The action committee, the task force, had members from of the Calgary board of education, the Calgary Catholic school board, Alberta Infrastructure, Alberta Learning, and the city of Calgary. There were seven public schools and two separate schools that were identified for disposal.

We will be reviewing each of the nine individually and recommending alternate and best uses or disposition on those schools that have come forward. As of today no recommendations have been made as yet, but we are in the process of making those recommendations.

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

MRS. BURGNER: Thank you, Mr. Speaker. To the same minister: will private or charter schools be given equal consideration if any excess space is identified by the Calgary board of education?

MR. STELMACH: The task group, Mr. Speaker, will certainly look at the best use for each of those facilities, and the needs of the private and charter schools will definitely be considered.

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

MRS. BURGNER: Thank you, Mr. Speaker. Is the minister considering the growth of the number of students in these schools in facility planning in the future?

MR. STELMACH: Mr. Speaker, there is a process in place for reviewing enrollment growth. We also have criteria put in place that the School Buildings Board follows quite closely. The School Buildings Board, of course, is the independent body that reviews all of the applications and facility funding decisions. At the same time, we now also have a committee comprised of members of the Alberta School Boards Association, Alberta Learning, and Alberta Infrastructure looking at the whole issue of utilization rates and how those fit into future funding decisions as well. All of that information will come to this body sometime in June.

Thank you.

THE SPEAKER: The hon. Member for Edmonton-Gold Bar, followed by the hon. Member for Wainwright.

Cancer Treatment

MR. MacDONALD: Thank you, Mr. Speaker. Mismanagement of health care by this government continues. Timely treatment for cancer is unavailable in Edmonton because of a severe shortage of radiation therapists. Fourteen months ago the final report of Alberta Health entitled Current and Emerging Health Workforce Issues in Alberta identified a shortage of radiation therapists at the Alberta Cancer Board. This now has resulted in unacceptable waiting lists for radiation therapy, which are so long that the Cross Cancer Institute no longer meets national treatment guidelines for breast or prostate cancer patients. My questions are to the Premier. Why was nothing done to address this shortage when waiting lists were identified because there was a shortage of staff?

MR. KLEIN: These questions are specific to the delivery of health care. I'm going to have the hon. Minister of Health and Wellness answer these and subsequent questions.

Thank you.

MR. JONSON: Mr. Speaker, Alberta Health and Wellness has worked with professions and occupations in the health workforce in terms of establishing an overall health resource plan for the province in terms of professionals and workers. We have added through the good offices of the Department of Learning a number of training positions in our postsecondary institutions across the province. We have also announced additional internships for physicians. We have anticipated that there will be a demand for health care workers.

Now, Mr. Speaker, the Alberta Cancer Board is taking every possible measure to retain and to attract and to move the technician resources that there are in this province and use them effectively. I would draw to the attention of the opposition members of the House generally that this is a situation that has been faced before and more dramatically by other provinces in Canada. It is my understanding that there are provinces in eastern Canada that have been sending patients out of Canada to receive treatment in the United States. We are still optimistic that we can cope with the situation here.

THE SPEAKER: The hon. Member for Edmonton-Gold Bar.

MR. MacDONALD: Thank you, Mr. Speaker. I guess the rest of my questions, then, will be directed to the minister of health. Given that last month recent graduates in radiation therapy left the province, why did this government wait so long to renegotiate wage increases in an effort to retain and recruit these necessary and vital health professions?

MR. JONSON: Mr. Speaker, we have through the Alberta Cancer Board been at the table. We have negotiated, I think, within a very reasonable period of time additional compensation for the radiation technicians. That has been part of our overall effort in this particular area.

THE SPEAKER: The hon. Member for Edmonton-Gold Bar.

MR. MacDONALD: Thank you, Mr. Speaker. My next question, also to the hon. Minister of Health and Wellness: given that 10 radiation therapists are urgently needed in this city alone, can the minister tell this House how many radiation therapists are currently being trained at the Cross Cancer Institute?

Thank you.

2:30

MR. JONSON: Mr. Speaker, I'm quite aware, as I've indicated, that we have a shortage. It is a shortage nationwide.

In terms of the Cancer Board, which is of course very, very concerned and working hard to meet this particular challenge and rectify the situation, they have negotiated I think fairly and reasonably with the technicians with respect to remuneration. I think that will help. They are looking, as I've said, at the best deployment of the staff that's available to them, and as I've indicated, this is not unique to Alberta although we are certainly very, very concerned about the situation here as it applies to people in Alberta. [Dr. Oberg rose]

THE SPEAKER: I'm sorry. We're well beyond my definition of brevity.

The hon. Member for Wainwright, followed by the hon. Member for Edmonton-Manning.

Grain Transportation

MR. FISCHER: Thank you, Mr. Speaker. My question is to the Minister of Agriculture, Food and Rural Development. Last week the federal Liberals' Canadian Transportation Agency announced another increase of 4.5 percent in freight rates charged directly to the farmers. This is in addition to an average increase of more than \$17 per tonne all absorbed by the Alberta farmers since the elimination of the Crow rate. The Premier has written the Prime Minister demanding quick action on transportation reform, and I know that the minister of agriculture has lobbied Ottawa in favour of implementing the Kroeger/Estey reports. To the minister: what does last week's announcement mean to Alberta farmers?

MR. LUND: Well, Mr. Speaker, of course, this is very concerning to us and to all Alberta farmers. The fact is that this increase in freight rates will come directly out of the farmer's pocket, and we estimate that it'll probably mean between \$11 million and \$12 million direct increased cost to the Alberta farmer.

Now, that's the direct cost. There's another cost here that we have to also recognize, and that is the fact that the price on the domestic market is somewhat related to the export market. So when you create a lower price for the farmer at his gate by this increased cost of transportation, you are also going to be lowering the gate price for the domestic market.

In direct costs it looks like a farm of about a thousand acres of wheat will have an increased cost of \$1,400 to \$1,600. So it's very significant when you consider that this is increased cost. We've got the cost of fuel going up; fertilizer is going up; land prices are going up. It's not a pretty picture.

THE SPEAKER: The hon. Member for Wainwright.

MR. FISCHER: Thank you. Having not heard a decision out of Ottawa on the issue of transportation reform, how does the minister plan to pressure Ottawa to ensure that maximum efficiencies will be sought rather than the full burden of the costs being continually passed on to the farmer?

MR. LUND: Mr. Speaker, last spring the Premier and I met with a number of organizations, and these organizations have representation from right across the prairie provinces. All of them were urging that we push ahead with the reforms that we find in the Estey/Kroeger reports. I went down to Ottawa and met with eight senior ministers in the federal government along with representation from the Prime Minister's office, from the Privy Council. We were urging that they move forward with the reforms that are suggested in the Estey and then the Kroeger implementation reports. We're worried that they may just come with part of it.

One of the examples, of course, would be a cap on the rail. While that would help and would be a good thing particularly in light of this most recent increase, the difficulty is that that's only one component of a more major problem that we have, and until the government starts to listen to these groups from across the prairie provinces as opposed to the people on the board of the Canadian Wheat Board, we are going to have a problem. So we are going to continue to lobby. We'll be on the phone, we'll be writing letters, and we will be speaking to ministers of the federal cabinet.

MR. FISCHER: Is this indecisiveness on grain transportation reform a systematic example of Ottawa's record of contempt in dealing with the issue facing Alberta farmers?

THE SPEAKER: Well, hon. Minister of Agriculture, Food and Rural Development, if a question ever invited an opinion, that certainly did. So let's stick to the facts and briefly.

MR. LUND: I will stick to the facts. Thanks, Mr. Speaker. The facts speak for themselves. The fact is that the Alberta farmer was left out of the most recent announcement for Saskatchewan and Manitoba. The fact is that the Alberta farmer has had a vote on dual marketing while the federal government has chosen to ignore it. There have been a number of other cases where in fact the Alberta farmer has spoken loud and clear that they want reforms, but these reforms have not been forthcoming. Mind you, they're dealing with Liberals.

THE SPEAKER: The hon. Member for Edmonton-Manning, followed by the hon. Member for Highway.

Mental Health Services

MR. GIBBONS: Thank you, Mr. Speaker. On November 29, 1999, the Minister of Health and Wellness stated in this House, "Since 1993-94 spending has increased 100 percent or it's doubled as far as community mental health services are concerned." In contrast to that claim the now disbanded Provincial Health Council of Alberta commissioned a national health practice report by Deloitte & Touche in 1997, which found that between 1992 and '96 mental health expenditures were reduced by 4 percent for community services and mental health was reduced by 9 percent. To the Minister of Health and Wellness: will the minister provide proof of his claim that spending to deal with the mental health crisis has increased by 100 percent when in fact funding for community programs appears to have decreased?

MR. JONSON: Well, first of all, Mr. Speaker, I think it's important for the hon. member to recognize that this is the year 2000, and he is quoting from a period of time between 1993 and 1996, as I understand it. The questions that he is referring to me were raised with me last fall, in 1999, and I'm quite prepared to provide him the statistical information he's seeking.

MR. GIBBONS: Will the minister of health commit funding to a comprehensive system of community-based services in line with nationally endorsed best practices in mental health reform?

MR. JONSON: Well, Mr. Speaker, the statistic that I was referring to before – that is, a doubling of the overall financial effort in terms of community programs – is the case. We have a number of initiatives under way. Most recently we announced – and this would be above the money that I mentioned earlier – a program for anorexia/bulimia treatment, something very much needed. I think we are leading in many ways in that particular area now in the country. We have been active participants in the children's mental health initiative through Alberta Learning. I could go on with quite a long list of initiatives that are under way in the area of a community-based system of support for those people in the mental health system.

MR. GIBBONS: Will the minister answer as to how Alberta's psychiatric hospitals, in particular the Ponoka hospital, fit within the contemporary system of mental health care delivery in this province?

MR. JONSON: Mr. Speaker, it is recognized that there is a necessity to have a hospital type of facility for the care of the mentally ill.

One of the things, of course, that has happened and that the system is not given a great deal of credit for is that the length of stay in these hospitals is reduced. Certainly the whole area of mental health treatment has changed a great deal, but there is still a need in the system for hospitals.

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

Workers' Compensation Board

MR. HERARD: Thank you, Mr. Speaker. On Thursday, April 20 the Minister of Human Resources and Employment, in response to a question from my colleague from Calgary-Cross, agreed to take additional steps to let seriously injured workers know that a WCB service review and a WCB appeal system review process are currently under way. Despite the minister's latest press release extending the deadline for submissions to May 15, I'm finding that many injured workers have no knowledge that the process is even taking place. Can the Minister of Human Resources and Employment explain what additional steps he is taking to ensure that WCB injured workers know how to participate in this process?

2:40

THE SPEAKER: The hon. Minister of Human Resources and Employment.

MR. DUNFORD: Thank you, Mr. Speaker. There seems to be some concern about the amount of knowledge that injured workers might have in order to provide input. It was one of the reasons, then, that in my answer previously I talked about perhaps the need for MLAs to become directly involved. We've tried to examine what it is that in fact we have done, particularly with the questionnaire that's been involved. I'm assuming that the hon. member is questioning about the ability we have to get that questionnaire into their particular hands.

I would like to point out to the hon. member and the rest of the members here in the Assembly that we have provided 500 of these questionnaires to the Alberta Injured Workers Association, 300 have gone to the opposition parties here in the Legislature, 300 were sent to the Calgary injured workers group, and then 50 were sent to the group that has been recently formed down in my area. Actually, they were sent to Taber, but they are the southern Alberta chapter of the Injured Workers Association. We have also sent out and responded to 600 individual requests. So, Mr. Speaker, we have something in the order of 1,750 questionnaires out there, and of course we're awaiting their return.

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

MR. HERARD: Thank you, Mr. Speaker. Given that the latest press release announcing the extension for submissions to May 15 has not been published by any daily or weekly newspapers that I'm aware of, will the minister place ads in those dailies and weeklies to make sure that we get meaningful input for a meaningful outcome?

MR. DUNFORD: Well, again I want to indicate to the hon. member and to members here in the House that in putting together the government MLA input committee, I had not contemplated the expenditure of funds for the realm of advertising in terms of input. As I stand here today, I'm still not inclined to do that.

I believe that it is my responsibility as a steward of taxpayers' money to use my budget, as other ministers do, in the most meaningful way and of course in a way that's based upon the business plans

that have been approved by this Legislature. I know that with advertising you have the constant problem of: are you getting through the clutter of advertising that's out there, or are you simply adding to it? Thus far in my analysis of the situation, with 1,750 questionnaires that have gone out to the specific groups that we are concerned about in this input review, I do not see the need for paid advertising with the use of taxpayers' money.

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

MR. HERARD: Thank you, Mr. Speaker. With great trepidation, to the same minister: what's the good of having a review process on the WCB service and appeals issue without funding an appropriate communications plan, which results in what you've got today? The majority of injured workers don't even know that it's happening.

MR. DUNFORD: Well, I'm not prepared to accept at this time that a majority of the injured workers are not knowledgeable of the particular situation. Through the initial discussion about what was going to be done regarding the Workers' Compensation Board, there were a number – I don't recall them initially, Mr. Speaker – of press reports about whether or not the minister was doing enough, whether he wasn't doing anything. The opposition managed to get into the situation, as they should. I mean, that's a responsibility that they have here. Every MLA in this House has had an opportunity to deal with this particular situation.

It was determined, Mr. Speaker, that the simple addition of a service review by the WCB would not be enough, so I was able to arrange, I believe on behalf of every MLA sitting in this room, the opportunity to provide some input. If not directly to the WCB, they could do it to this government input committee. Every MLA has had an opportunity to do that, so now if the message is not getting through, I ask all MLAs to look in their mirrors.

Private Health Services (continued)

MS CARLSON: Mr. Speaker, it's now day 25 since the Premier promised to release the 30 blank pages from his private hospitals policy research. This Premier's suppression of the contents of his 30-page private hospitals policy is as toxic to democracy in this province as the Premier's \$440 million hazardous waste plant was toxic to the pocketbooks of taxpayers. There's something hazardous about this government's behaviour when it comes to health care, and it's called hiding the truth. My questions are to the Minister of Health and Wellness. Given that the government keeps talking about giving Albertans full information on health care, why are the minister and this government withholding the 30 blank pages from their private hospitals policy playbook? When are they going to keep their promise and release the documents?

MR. JONSON: Mr. Speaker, there is no private health or private hospitals paper.

MR. SAPERS: Point of order.

THE SPEAKER: The hon. Member for Edmonton-Ellerslie. We recognize that the hon. Member for Edmonton-Glenora wants to raise a point of order later.

MS CARLSON: Mr. Speaker, to the same minister. Given that this document says "private hospitals policy" on page 31, on page 34, on page 41, on page 44, and on page 47, will the minister promise

Albertans that they will see the full 30 pages from the private hospitals policy, not some sanitized version prepared by his \$8 million Public Affairs Bureau, before the final, forced vote on his private health care policy?

MR. JONSON: Mr. Speaker, I believe that this question has been raised before, and as I've indicated, the matter is being followed through on according to the rules that apply as far as the release of information and our own legislation in this Assembly.

MS CARLSON: Stop the stonewalling, Mr. Minister.

Will the minister put the \$8 million Public Affairs Bureau and the \$5 billion Ministry of Health and Wellness on full alert and give Albertans access to the 30 blank pages tomorrow, before the closure vote hits the floor of this Legislature and that bill is gone forever?

MR. JONSON: Mr. Speaker, as I've indicated, the legislation that applies to this particular matter is being followed, and that is the process that's in place.

2:50

head: Reading and Receiving Petitions

THE SPEAKER: In 30 seconds from now, hon. members, I'll call on the first of five members to participate in Recognitions.

The hon. Member for St. Albert, followed by the hon. Member for Edmonton-Centre.

Creative Library Service Award

MRS. O'NEILL: Thank you, Mr. Speaker. The Alberta Library Trustees Association board established the creative public library service award in 1986 to recognize innovative achievements, activities, programs, and partnerships. So it is with pride and appreciation that I wish to note that a service that connects seniors to our community through Internet training as well as the formation of a book club has made the St. Albert library this year's creative public library service award winner.

As the Minister of Community Development noted, the St. Albert library responded to a real need in the community by providing useful, imaginative, and creative services. We all know that this week, May 1 to May 7, is Alberta Library Week, and as such it is dedicated to raising awareness of library services and promoting lifelong learning in our communities.

I wish to take the opportunity now to express my appreciation for the remarkable resources offered at St. Albert Public Library.

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

Library Week

MS BLAKEMAN: Thanks very much, Mr. Speaker. Today is the first day of Library Week in Alberta, and I want to recognize, celebrate, and give a cheer for our libraries. I know that many of us have fond memories of the local library from our youths, whether that be for the summer reading contests or for that special librarian who helped you find the information you needed to finish your student essay. Well, keep those memories in a safe place, but open your eyes to what is happening now.

Let me tell you, libraries are happening places today. To quote the nearest 15-year-old: sweet. All libraries have computers with Internet access, and many have rentals of tapes, CDs, and even videos. So any Albertan with a library card can access the Internet, even accessing *Hansard* at www.assembly.ab.ca. Libraries have kept up with changes in technology, and this year's theme is Reading is Smart Technology.

Sadly, the government is still funding libraries on a 1997 per

capita basis. Given the increase in population for many Alberta centres, this has really made it difficult for the staff and the boards. So this week get way cool and check out your local library, and while you're there, give the staff a big smile and a thank you.

Thank you.

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

Fort McMurray Oil Barons

MR. BOUTILIER: Thank you very much, Mr. Speaker. It's my pleasure today as MLA for Fort McMurray, the oil sands capital of the world, to extend my congratulations to the Fort McMurray Oil Barons for not only winning the Alberta Junior Hockey League but as of yesterday defeating the British Columbia Chilliwack Chiefs to win the Doyle Cup and Pacific championship. They now move on to the premiere of national championships, the Royal Bank Cup, to be hosted here in our province of Alberta, in fact in the city of Fort McMurray, May 5 to May 14, starting this Friday. As co-chair of the national event, along with Robert Campbell and 500 volunteers we're very proud to be hosting all of Canada in junior A hockey. We wish all teams from across Canada the very best in this national championship.

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

Earth Day

MS CARLSON: Thank you, Mr. Speaker. Yesterday was Earth Day, the day when we remember the finite nature of our planet and the need to preserve it for future generations. As caretakers of this planet we must safeguard the biodiversity that exists here now. Environmental diversity is crucial because of the interdependence of living things.

Since this interdependence is not fully understood, human beings must be careful to respect and preserve all species in sufficient numbers. This means preserving their habitat as well. Unfortunately, this government has not committed to this goal. We see Bill 15, the Natural Heritage Act, shelved for another year because of ministerial infighting. We see a government approve the import of hazardous waste from around the world in spite of significant public opposition.

On Earth Day we remember that time is running out, and I call on the Alberta government to return to the vision that originally inspired the special places program, to become inspired by what we can still save in this province. They are headed in the wrong direction.

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

55th Anniversary of Liberation of Holland

MR. BONNER: Thank you, Mr. Speaker. It is my pleasure to rise today and recognize the contributions made by Canadian soldiers from the Lord Strathcona's Horse regiment in the Second World War. On April 19, 1945, soldiers from this regiment liberated the village of Nunspeet, Holland. This was the last village liberated by this regiment, and the Dutch people have not forgotten these heroic Canadians. Now, 55 years after this historic moment, the people of Nunspeet have honoured our veterans with a memorial, placed next to the town hall where the liberation was signed.

Mr. Speaker, our veterans are honoured when Canadians recognize their contributions, but to hear thank you from half a world away and 55 years later, to know that people have not forgotten their sacrifices and that Dutch children will continue to be told of the

battles fought by Canadians must be a special honour, which words fall short of truly expressing.

Mr. Speaker, war is a horror that no person should have to endure. I believe the best way for Canadians to honour the victories of our veterans is to never forget their sacrifices and to continue to be a nation that leads the peace process around the world.

Thank you.

THE SPEAKER: Hon. members, before calling Orders of the Day, I have notice of at least three points of order. Hon. Deputy Government House Leader, do I have notice of a fourth? The hon. Opposition House Leader, first point of order.

Point of Order Abusive Language

MR. DICKSON: Mr. Speaker, I'll collapse my second one into the first one because it was the same wording used by the Premier. This relates to the first set of questions and the authority would be 23(j), "uses abusive or insulting language of a nature likely to create disorder." I heard the Premier say that 14 times the Liberals said that they would filibuster Bill 11. That was in the first set of questions. Then he came back and said it later.

Well, Mr. Speaker, I spend as much time in this Assembly probably as any member, and I specifically have never heard a single member of my caucus at any time in the entire debate on Bill 11, at second reading or in Committee of the Whole, talk about a filibuster. The Premier was waving some papers, and hopefully he tabled those, but I challenge the Premier to find a single time when a member of the opposition caucus said that what they were about was a filibuster.

Now, that's an American invention. You don't find it in the parliamentary authorities, but in December of 1912, when the Naval Aid Bill of Sir Robert Borden was being debated, that was a filibuster. In 1983, when the bell-ringing episode occurred in the House of Commons, that was a filibuster. To have members of the Official Opposition stand up and make thoughtful, forceful debate about a bill that they can see through . . . [interjections] If the 15 members of the government caucus don't understand when the wool is being pulled over their eyes, the opposition clearly does not have that problem. We see the bill for what it is. If you look at the *Hansard*, it speaks for itself. You go through and you read the *Hansard*. That is not a filibuster. It's people repeating and emphasizing and stressing weaknesses in a bill that's ill conceived, poorly drafted. Then all of that's compounded with this enormous \$2.7 million marketing campaign.

So, Mr. Speaker, this is not a filibuster, and I challenge the Premier or the government representative to find a single incident in *Hansard* where a member of my caucus has said that the opposition had undertaken a filibuster in Bill 11. Nothing could be further from the truth.

Thank you.

THE SPEAKER: The hon. Deputy Government House Leader on this point of order.

MRS. NELSON: Yes. Thank you, Mr. Speaker. I'm pleased that the Opposition House Leader raised the issues of the response to the debate and particularly in committee of the opposition to Bill 11. When the Premier was talking about progress and the time frames that were involved in the debate at committee – when we last debated the bill, the last evening we were in debate, I believe we had spent a number of hours on subamendment A1, section A, and all we were trying to do was to add the dentists to the clause, "physician or dentist." That was the only amendment, and I don't believe that we've got off that.

3:00

Just to give you some idea of how this debate has gone, I will say that the hon. Member for Edmonton-Glenora, who is chitchatting over there, is quoted in *Hansard*, page 1002, on April 13:

When we think there's enough support to defeat the package of amendments or at least this amendment, if they can't be further corrected, then I guess we'll allow it to get to a vote. But until then, I don't think any government member should be operating under the impression that debate will be swift on these government amendments. The government amendments, in my reading of them, don't do a lot to deal with the . . . bill. So we will carry on with debate on this amendment as we see fit, and I look forward to additional opportunities myself to participate.

Then the Leader of the Opposition, who was having a hissy fit here today, came with: we believe the bill is beyond amending and needs to be pulled completely; they are scrambling in desperation to find out how they can get the bill somehow palatable to Albertans. Then she says: I don't think this bill is amendable. It goes on and on.

Another one. This is about the amendments. The Member for Edmonton-Meadowlark: it won't make any difference; the bill is flawed; what they need to do is to go back to the drawing board; what they're doing is just continuing to move towards privatization of health care; it won't make any difference at all.

It goes on and on. There's a whole list of them. It doesn't matter what the amendment is, Mr. Speaker. One of the members opposite said that this bill is narrow and there's no option, no amendments, no tinkering, no bill; scrap this bill. Right at the back, Edmonton-Manning.

It just goes on and on. There's a whole list of them. There's no intent, Mr. Speaker, for the amendments that have been put forward in this House to be debated in a logical, rational fashion by the opposition. In fact, if you look at the debate and the hours that have been spent on the first amendment, there's been everything else discussed but that first amendment, which was simply to add the dentists to the original bill with the physicians. Then entering into a subamendment on that clause was another play to deliberately delay passage, and there were other amendments to come.

Quite frankly, Mr. Speaker, you can go on. Every one of them has just gone off on little tangents and said: it doesn't matter what comes forward, we're not going to debate it; we're not going to deal with the issue; we're not going to look at the amendment; there'll be no tinkering; there'll be no responses. I don't know what you would call that but filibustering.

I don't think there is a point of order. I think the Premier was simply telling the truth, telling Albertans how many hours have been spent to simply add the word "dentist." That's all we've got to on this bill on the amendments. It is ludicrous to carry on like that. I think the point of order is ill founded. I don't think that there is one, Mr. Speaker, and I hope you'll rule in that way.

THE SPEAKER: Hon. Opposition House Leader, you rose twice on it. We've dealt with both of them at the same time, so I don't have to get up twice to deal with this?

MR. DICKSON: I'm sure, Mr. Speaker. If I was not clear, the second one was a second reference by the Premier to exactly the same point, so my arguments would apply to both, please.

THE SPEAKER: Well, one has had the ability to review the Blues, so here's what the Blues say. These are the words of the hon. leader of the government:

So just as a filibuster is a tool of the Legislature, closure is a tool of the Legislature.

Mr. Speaker, having said that, it seems that they're very anxious to speak on this bill. In one breath they say that they want to filibuster it, that nothing will be acceptable in terms of amendments, yet the Member for Edmonton-Centre has spoken on this bill five times; the Member for Edmonton-Glengarry, two times; the Member for Edmonton-Ellerslie, five times; the Member for Calgary-Buffalo, 10 times; the Member for Edmonton-Manning, four times; the Member for Edmonton-Meadowlark, eight times.

At that point in time the Speaker interjected and talked about brevity. Then a little later, again the leader of the government:

Mr. Speaker, notice was given to bring about closure because there has to be some finality. This gives everyone an opportunity to vote. Closure simply means that we're bringing about a process to have a vote on this issue.

Mr. Speaker, the Liberals are on record 33 times saying that the bill cannot be amended to make it acceptable to them. They are on record 14 times saying that nothing will stop the complete filibuster of Bill 11.

So there's certainly reference to the use of the word "filibuster," which is an acceptable word in the parliamentary text which we have.

In essence, the chair looks at this, hears this, and basically would note that one person's filibuster is someone else's legitimate democratic expression. We might have two versions of the categorization of the same action. That ends that.

The hon. Member for Edmonton-Glenora on a point of order.

Point of Order

Offending the Practices of the Assembly

MR. SAPERS: Thank you, Mr. Speaker. This is, I suppose, an accumulation. I'm rising under Standing Order 23(1), which reads in part: "introduces any matter in debate which offends the practices and precedents of the Assembly." That is, of course, that a member will be called to order if that happens.

I'm referring specially to the exchange that involved my colleague from Edmonton-Ellerslie and the Minister of Health and Wellness. Of course, I could have also risen when the Premier, as he has on several occasions, said: the government has no private health care policy. Specifically what triggered my intervention, Mr. Speaker, and what I'm hoping you will call the minister to order for is his assertion that there is no private health care policy.

My colleague from Edmonton-Ellerslie was making specific reference to a package of information that was provided to the Official Opposition on February 3, 2000. It comes from Alberta Health and Wellness information services unit in correspondence signed by Mr. Roger D. Mariner, the freedom of information and privacy co-ordinator. The package of information, Mr. Speaker, which is several pages long, in no fewer than a dozen places and perhaps even more, if my count is faulty, makes specific reference to: private hospitals policy and policy position on private hospitals, cabinet, October 1999, for example, for discussion only. Throughout the pages it talks about the private hospitals policy of the government.

The minister and the Premier may wish that they had no private hospitals policy. They may be trying to convince Albertans that they have no private hospitals policy, but clearly from the government's own Department of Health and Wellness in policy document papers, in briefing notes provided to cabinet, in copies of e-mail between senior members of the minister's policy branch there is repeated reference after reference after reference to the private hospitals policy of this government.

The government can't have it both ways. They should not be introducing into debate in this Legislature something which is contrary to the practices and precedents and that is to be misleading about what government policy is.

I would ask you, Mr. Speaker, to call the Minister of Health and

Wellness to order, to accept responsibility for the private hospitals policy and for the paperwork provided by his own department, which makes repeated reference to the private hospitals policy, so that we can get on with dealing with what this bill is, and that is a bill that creates private hospitals under the name of surgical facilities.

THE SPEAKER: The Deputy Government House Leader.

MRS. NELSON: Well, Mr. Speaker, the only people who keep spewing about private hospitals in this Legislature and outside are the opposition.

He talks about misrepresentation. The documents that the hon. member is waving came from focus groups that looked at concepts prior to a policy decision coming forward by this government. Clearly, in this bill the first clause says: there will be no private hospitals in the province of Alberta. That's the policy statement. The misrepresentation of standing up with photocopied sheets, that were letter sized and that they've put to 11 by 14 and wave around as blank little pages and have their little hissy fits, has gone on long enough in this Legislature. They talk about misrepresentation and misleading Albertans. That's the only group that's doing it.

The policy of this government has been clearly enunciated in Bill 11: there will be no private hospitals in the province of Alberta. End of debate right there. For him to run around and say something different is misrepresentation, Mr. Speaker, and I hope you'll rule on that.

3:10

THE SPEAKER: Well, the only thing the chair is going to rule on – and this was raised time and time again in the days prior to the break – is that question period is a time for the solicitation of facts and information with respect to government policy. It's not a time for debate. So when debatable points are introduced in questions in the question period, I guess this leads to this sort of thing. So let's deal with the question period the way we're supposed to, and we'll have ample opportunity to debate whatever it is we're supposed to debate. No point of order. Let's move on to Orders of the Day.

MS OLSEN: Shame on you.

THE CLERK: Government Bills and Orders . . .

THE SPEAKER: Mr. Clerk, please sit down.

Did the chair hear the hon. member say to the chair, "Shame on you," in terms of this ruling? I'm going to give the hon. Member for Edmonton-Norwood an opportunity to rise and say it to the chair or withdraw it.

MS OLSEN: I'll withdraw that, Mr. Speaker. I'll withdraw the comment that I said, "Shame on you." Thank you.

head: Orders of the Day

head: Government Bills and Orders

head: Second Reading

Bill 18 Alberta Personal Income Tax Act

[Adjourned debate April 3: Mrs. McClellan]

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

MS OLSEN: Thank you, Mr. Speaker. I'm pleased to rise today and offer some comments on Bill 18, the Alberta Personal Income Tax

Act. In fact, my comments on Bill 18 are not favourable. The object of this bill is to establish the rules and procedures of implementation and administration of Alberta's 11 percent single-tax system, as originally announced in the government's budget.

This is a significant deviation from the way Albertans are taxed now, and the government would like to put forth that this is the best and the only way to tax Albertans. Well, I think we need to put some perspective to it. I think we need to talk about some of the background and the history of how this government feels it's been brought to this place and how, I guess, the opposition feels that Albertans will not be fairly taxed. Fair taxation is the issue here, Mr. Speaker.

I have to point out that although the Provincial Treasurer seems to maybe admire some of his southern neighbours and looks at some of the fiscal policy in the south, especially the Republican view certainly falls in line with his ideology probably, let's also note that the U.S. right wing, the Republican Party and its extremes, have also distanced themselves from this tax strategy. They have said: "You know what? This isn't a fair and equitable system, and we are not going to pursue this path. This is not a tax strategy we want to see for the citizens of the United States." They have a tremendous number of economic think tanks in the U.S. that talk about this.

Let's go to the history, Mr. Speaker. We'll go back a couple of years, to December 1997, when federal and provincial finance ministers agreed that provinces should be able to levy tax directly on taxable income. It was also agreed that provinces could choose to move to a tax-on-income structure or remain within the tax-on-tax structure.

Under the agreement reached between the federal and the provincial finance ministers, the following elements are applicable to this structure. The provinces would agree to adopt a federal definition of taxable income as a base upon which to levy provincial income tax. The provinces would agree to limit the number of provincial tax brackets, including a zero rate on a narrow first bracket. The provinces would be permitted to establish a distinct block of provincial nonrefundable tax credits, to be multiplied by the lowest nonzero provincial rate. The provincial credits would be based on the federal credits but would add supplemental provincial amounts. I think it's interesting that this province would be involved in a tax credit system as we're talking about health care and we're talking about the federal responsibility and the federal share – this particular government doesn't like the idea of tax credits – and would misinform Albertans about how much, between a tax credit and the actual cash, is being paid by the federal government. I find it interesting that they would want to adopt a tax credit system here.

Provinces would retain access to existing low-income tax reductions with either individually based or family-based income testing, and not all provinces would have to move to the tax-on-income system at the same time. Some provinces would levy tax on income while other provinces could continue the current system of levying tax on tax.

In October 1998 the Alberta Tax Review Committee recommended that the province of Alberta move to a new system of tax on income from the current system of tax on tax. As to the elements of the tax-on-income system in Alberta, the Alberta Tax Review Committee made the following recommendations. They stated that the province should introduce a single rate of provincial income tax. The single rate should be set at 11 percent for all taxpayers, and the basic personal and spousal exemptions should be increased to \$11,620 and fully indexed to inflation.

They also stated that the temporary deficit elimination taxes, the flat tax rate of .5 percent and the 8 percent Alberta surtax, should be eliminated in conjunction with the implementation of the 11 percent

single rate. According to this committee, the implementation of the 11 percent single rate with personal and spousal exemptions of \$11,620 would have taken an additional 78,000 low-income Albertans off the provincial tax rolls and would have reduced the differences in provincial income taxes paid by double- and single-income families.

So, Mr. Speaker, that's a bit of the history of how we got to where we are today.

I think there are some other key points that we need to talk to as well. In the province's budget the government adopted the key recommendation of the Alberta Tax Review Committee, and the following key elements of the Alberta tax plan were presented at that time. They stated that in 1999 Alberta matched the federal increase in the basic and spousal exemptions to \$7,131 and \$6,055 respectively. The 8 percent surtax was to be eliminated by July 1, and the .5 percent flat tax and the selective tax rate were to be eliminated on January 1, 2002. On the other hand, the committee did recommend that they go hand in hand, that the deficit elimination taxes be eliminated at the same time that a flat tax is brought in. The 11 percent single rate on taxable income is to apply as well.

Mr. Speaker, there are some flaws with this whole notion, as we have spoken to. There are some major flaws. I want to focus on the 11 percent single tax rate. The first thing I want to draw to the attention of the Assembly is the fairness and equity issue. I believe that fairness and equity are being compromised under this particular tax system. The distribution of tax cuts under the 11 percent single rate is skewed towards the 4 percent of tax filers earning above \$100,000, while the 39 percent of middle-income tax filers earning between \$30,000 and \$70,000, who pay over 45 percent of the provincial personal income taxes in this province, receive smaller tax cuts as a percentage of the current PIT paid. So where's the fairness in that? It's the middle-income people who are also again getting shafted by a tax system.

This also erodes the progressive nature of the tax system. All taxpayers regardless of taxable income pay the same 11 percent single rate. This is mitigated to some extent by the fact that some 132,000 Albertans are taken off the provincial tax rolls because of the increase in basic and spousal exemptions of \$11,620.

3:20

We talked about the tax grab on the middle class. Those taxpayers who earn less than \$70,000 in taxable income would receive a larger provincial tax cut under the current tax-on-tax system starting in 2001 – that's the existing system – if the federal tax measures announced in the 2000 federal budget are flowed through than they would under an 11 percent single-rate system. So already the notion of this flat tax system, this single-rate system, has created a problem in terms of how the government is going to show an actual reduction to Albertans.

Taxpayers in the high-income bracket, above \$60,000, would have a significantly lower Alberta marginal tax rate under this system as well, but the marginal tax rate for the low-income earners would rise to 11 percent from 7 percent, and the tax rate at 11.4 percent, I believe it is, for the middle income would be reduced by only .44 percent, Mr. Speaker, under this particular scheme.

Also, when we talk about the tax grab and look at the alignment between the existing federal structure and the existing provincial structure, we see that the greater reduction in that structure would occur in that particular system for the middle-income earners. So again we have some concern about who is going to get the biggest share of the tax break, and it's not the people in my constituency, Mr. Speaker, not them at all.

Let's talk about the higher marginal rates for low- and middle-

income earners. That's going to prove to be an interesting issue. As we've already said, we're talking about trying to flatten out the tax rate, but we still have those low-income earners who are still going to remain taxed. Their particular marginal rate is going to go up. That's significant given the notion that this is supposed to be in the best interests of the middle-income people, and that's just not bearing out to be true.

I think what's interesting is that the hon. Treasurer and the Premier and this government could get into: who's going to lower taxes further? Well, we know who can lower our taxes further, and it's not this government. They don't have the base to do that. First of all, they don't have enough taxes to do it. Second of all, they don't have enough money to do it. Even reducing this particular tax now to give the tax break that Albertans were supposed to receive if they were to remain under the current system, which they won't receive, is going to cost this government far more money than they anticipated.

You know, I wonder how that whole concept is going to come to a conclusion. Is it going to be a tax race? Who can lower the taxes fastest? Who can give the biggest tax break? Is that the kind of game that the government wants to get into? I don't think that's in the best interests of Albertans, because let's not forget that when we're talking about tax reductions, we're talking about tax strategies, and strategy is the operative word here. So we don't want to get into a position where we're playing a game of who can reduce their taxes the fastest here.

I think it's important, Mr. Speaker, to point out that a comparable \$877 million tax reduction package under the current tax-on-tax system consisting of the elimination of the 8 percent surtax, about \$162 million, the elimination of the flat tax rate, about \$325 million, retaining the Alberta selective tax reduction, about \$85 million, and a reduction in the basic federal tax on tax from 44 percent to 41 percent, about \$305 million, would result in a far more equitable reduction on all taxes across the board, including, as I've said before, significant tax cuts for middle-income earners.

A key point here is this whole notion that the flat tax is going to be the be-all and the end-all, and that just isn't true, Mr. Speaker, and it has been pointed out by other chartered accountants in this city. Mr. Brad Severin, I believe, has identified that as a huge deficiency in the tax policy that this government is going to.

I'll be interested in hearing from the Treasurer or anybody else that can help me understand how they're going to meet the tax reduction that they aimed for without causing considerable concern in other areas of fiscal restraint or having to make adjustments by reducing the flat tax rate from 11 percent to, say, 10 or 9.5 percent. At 9.5 percent that would cost a significant amount of money.

You know, if we look at the whole issue of the tax grab and if we look at that based on the federal tax measures, we see that, and I'd just like to highlight a few key points here. In 2001 a taxpayer earning \$35,000 will pay about \$2,300 in provincial taxes under the current tax-on-tax system while paying \$2,700 in provincial taxes under an 11 percent single rate. That, Mr. Speaker, is a tax grab of about \$186. If we look at 2004, that same \$35,000 income earner will pay about \$2,200 in provincial taxes under the current tax-on-tax system while paying \$2,500 in provincial taxes under the 11 percent single rate. That tax grab is \$322.

Mr. Speaker, if we look at the \$50,000 income earner, they'll pay just over \$4,000 in provincial taxes under the current tax-on-tax system, and under the proposed 11 percent system they would pay \$4,221, a tax grab of about \$177. If we look at that same income earner, by 2004 we look at \$3,700 in provincial taxes under the current structure and \$4,100 under the 11 percent tax structure, and that is a \$379 tax grab.

If we just keep looking at that, as you move up now, look at the \$65,000 a year wage earner. Under the current system they pay \$5,700, and under the 11 percent rate they pay only \$5,800. That, Mr. Speaker – and this is where you can see the actual rate for the higher income earners is less – is only a tax grab of \$76. If we look at that into 2004, we also note that same \$65,000 income earner will pay \$5,300 under the current system and \$5,800 under the 11 percent structure. That's a tax grab of \$436.

Mr. Speaker, my time is running short here, but I think the point is clear. Going to the 11 percent tax scheme – and it becomes a real scheme in my view – deprives middle-income earners in this province of an acceptable rate of tax reduction. They don't see the intended tax reduction by this government, and it behooves me as to why the government would want to continue on this path when there is no tax break for Albertans under the 11 percent scheme.

Thank you.

3:30

THE SPEAKER: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

MRS. SOETAERT: Thank you very much, Mr. Speaker. This is my first opportunity to speak to Bill 18, and I'm glad to do that. I have to tell you that it takes a bit of doing some homework for me to speak to this bill.

[The Deputy Speaker in the chair]

I think a lot of people, unless they take some financial courses or go to some accounting courses or some business management courses, kind of just deal with taxes with a blind eye. They just know they have to pay them. I see some people disagreeing, but listen to the whole discussion. They know they have to pay taxes. They know stuff comes off their cheque. They're very busy with life, and then come time to file their income tax, they hand it over to somebody who does it for a living and they do it. They're glad if they get some money back and upset if they have to pay a little extra, but on they go with life. But what we all have in common is that we don't want to pay more taxes. We realize that we pay them for the benefit of what we value, so we pay them, but we don't understand sometimes the intricacies of how they are paid and how different levels happen.

Here we have a proposal that looks simple. It looks simple. In fact, a lot of people don't understand there's a federal level and a provincial level. They think: oh, good; I'll only be paying 11 percent on all my taxes. That's totally false. I like to think I'm an average person, but I don't think the average person truly understands all the implications of an 11 percent flat tax. It may seem simpler, but I don't think it's fairer. So I'm glad to take a few minutes to talk a bit about it and to talk about some of the things that this bill will do if it goes through.

It's going to unhook from the federal system by levying a provincial tax on taxable income rather than on a basic federal tax as of next January. A single provincial rate of 11 percent will apply on taxable income as of next January as well. We're going to have basic and spousal exemptions of \$11,620 established as of next January and indexed to Alberta CPI, and then other federal nonrefundable tax credits will continue to apply and will be indexed to Alberta's CPI.

Now, I remember the Treasurer who had the young couple in the gallery when he brought in his budget and talked about how it will save them money, et cetera, et cetera. But what he hadn't accounted for was the federal budget and how this flat tax is actually going to

hurt some Albertans, because the federal minister did a far fairer job of reducing taxes. So I'm hoping there are going to be amendments, and hopefully we can see them before we get into committee. Are there going to be amendments to this bill, Mr. Acting Treasurer? I'm hoping there are going to be amendments to Bill 18 in committee, the 11 percent one. The changes at the federal level, I'm thinking, may make you want to rethink some of the things because it's not going to be as fair as it could be if you addressed that. He's going to think about that, I'm sure.

In the 2000 tax year alone under the federal government tax plan the middle-income tax bracket will be reduced from 26 percent to 24 percent as of July 2000. So there will be an increase in the threshold of the middle- and high-income tax brackets to \$30,000 and \$60,000 respectively, and the basic and spousal exemptions will increase to \$7,231 and \$6,140 respectively.

Its impact on these tax measures on Alberta could be \$66 million in the 2000 tax year alone. As a result of the impact of the federal government tax measures through to the year 2004, it's going to happen that Alberta taxpayers below \$70,000 in taxable income are going to be paying more in provincial personal income taxes under an 11 percent single tax rate in the 2001 tax year and subsequent tax years than they would under the current tax-on-tax system.

On March 14, this past March 14, the Provincial Treasurer announced that the provincial government reduced the 11 percent single rate and raised exemption levels in order to flow through the federal government tax measures contained in their budget. But on March 15 it was announced by the Premier that the government would introduce amendments to Bill 18, the Alberta Personal Income Tax Act.

Remember the big kerfuffle? We had the big announcement here of the 11 percent cut. Then the federal budget came out, and it was: oh, my gosh; this isn't going to be good for Albertans. So the Premier said: well, we're going to have amendments to our bill. But we haven't seen those yet, so I'm assuming they must be in the works or worked out. Actually, if the Acting Treasurer were really smart, he could send those amendments early. We'll look at them and be ready to support them or not support them. Maybe they're not drafted. I don't know. Anyway, I know that announcement was made, and I am sure that those details will follow. In all fairness it's really hard to support this at this reading if we don't know what the amendments are going to be, because to support this would be unfair to Albertans.

Now, if we talk about some of the major flaws in this bill – and I think all of us like to talk about fairness and equity. Well, certainly I do. When you look at this, the distribution of tax cuts under the 11 percent rate is skewed towards 4 percent of the tax filers earning more than \$100,000. They get a bigger break than anyone else, so we have to wonder who this bill is for. If it's only serving a select few at the very top end of the pay scale, then it's not the best move for this province, certainly not when we're thinking: how can we serve all of the people of Alberta, not just a few at the top end of the pay scale? It's skewed towards the 4 percent of tax filers earning above \$100,000, while 39 percent of middle-income tax filers earning between \$30,000 and \$70,000, who pay over 45 percent of the provincial personal income taxes in Alberta, receive smaller tax cuts as a percentage. So we've got something that isn't fair for everyone and certainly beneficial for a few.

The progressive nature of the tax system will be eroded. All taxpayers, regardless of taxable income, will pay the same 11 percent to the extent that some 132,000 Albertans are taken off the provincial tax rolls because of the increase in basic and spousal exemptions. What happens is that there's going to be a tax grab on the middle class, taxpayers who earn less than \$70,000. You know

what? People think: oh, well, \$70,000 is a pretty good wage. It certainly is, but when you're raising children and they're going to college and they need vehicles to get to and from university or a bus pass, et cetera, et cetera, of course every dollar saved helps during those very expensive years. I do believe that people have expensive years in their lives. Once your mortgage is paid off and your car payment is paid off and your kids are done going through college and maybe they've left home, just maybe there's money left at the end of the month.

Now, I'm not there yet, and the Speaker in the chair right now says that he isn't there either. [interjections] We've got people who didn't get a good enough break, Mr. Speaker, but that's okay. I am speaking about what the 11 percent tax means, and you can speak very generically at this second reading about taxes and what they mean to families.

3:40

Of course I think we do have to look very seriously at what this bill means to the middle income. It's going to be a higher tax grab for them. Taxpayers who earn less than \$70,000 in taxable income would receive a larger provincial tax cut under the current tax-on-tax system starting in the year 2001 if the federal tax measures announced in the 2000 federal budget flow through than they would under an 11 percent single-rate system. This is due to the fact that the distribution of tax cuts under the 11 percent single rate is skewed towards those taxpayers earning \$100,000.

Now, you know, Mr. Speaker, I had to read this, and I've read it over three times. This is confusing stuff to the average person out there. The reality is that this is not a good bill for middle-income earners. Simply put like that, most of us know that there will be less dollars in our pocket, in the middle income, if this goes through.

Higher Alberta marginal rates for low- and middle-income earners, assuming the elimination of the .5 percent flat rate tax in January of 2001 goes through – taxpayers in the 17 percent bracket, which is up to \$30,000, and 24 percent of the middle-income tax bracket, which is between \$30,000 approximately and \$60,000, would have a higher marginal rate under the 11 percent single rate than they would under a tax-on-tax system in the 2001 tax year. Taxpayers in the high-income tax bracket, above \$60,000, would have a significantly lower Alberta marginal rate under the 11 percent single-rate tax than under the current tax on tax. Those are some flaws I see in this bill. I'd like to see some changes made to this.

Let's have a look at some other fairness and equity that I think is compromised under Bill 18. If we talk about the 39 percent of Alberta taxpayers in the income class between \$30,000 and \$70,000 per year, they receive a cut of an average of 9 percent in their provincial taxes under the 11 percent single rate. The top 1 percent of Alberta tax filers in the income class of \$150,000 and over per year receive an 18 percent cut in the provincial taxes under an 11 percent single rate. I just don't see that as fair. Unless I'm missing something – and I welcome others to join the debate to explain it to me – I have real concerns that the group around the \$40,000 to \$50,000 is going to only see a 9 percent cut and the people over \$150,000 will see an 18 percent cut.

I guess it's the old argument: well, those people have worked harder for their money; they get to keep more of it. I guess that is an argument, but we can also say that I'm glad I have the ability to pay. Those struggling on minimum wage – I'm glad I make a better wage than that and can afford to pay more than they can. I'm grateful for the opportunity to have a job that pays better and to work at that. Not everyone has the capability of making a large income. We can say: oh, some people just don't work hard enough. That's not true, Mr. Speaker. That's not true. Lots of people work very, very hard,

but they truly only have the ability to make a minimum wage.

I have concerns that we're going to a very self-centred, me first, what I make is mine kind of mentality in this province. I think we're forgetting that collectively we do care about our neighbours. Part of that caring is making the tax system as fair as it can be. I agree that nobody likes to pay more than their share of taxes. On the other hand, we should be grateful that we have the ability in our personal lives to make the money that allows us to pay taxes, that we're not sitting there below the poverty line and going to food banks or going to local organizations to maybe help our children with school fees.

I look at the whole issue of taxes maybe not from an accountant's point of view or a business management point of view but maybe from a social or a community point of view, where we try to make it as fair as we can. You know, if I'm making a decent wage, I don't want to pay over half of it into taxes. I don't. But I also know that I do have to pay some and that there are others who I'm going to have to help along the way. When looking at this bill, I do think we've missed some of the fairness in this issue.

A few more points about fairness and equity in this. The middle 39 percent of Alberta tax filers in the income class between \$30,000 and \$70,000 receive 26 percent of the total tax cuts under the 11 percent single rate. The top 4 percent of Alberta tax filers in the income class of \$100,000 and over receive 31 percent of the total tax cuts under this flat tax rate. So once again we've got a difference, where people making more money are getting more of a cut than people making less money. I just don't see that as equitable as it could be. Maybe that's my own perspective, but that's the way I see it.

Alberta's tax filers in the lowest 52 percent of the income scale – that's under \$30,000 – get an average annual tax reduction of \$358 under this single rate. Alberta tax filers in the middle 39 percent – that's between \$30,000 and \$70,000 – get an average annual reduction of \$368 under this single rate. The top 4 percent of Alberta tax filers of the income scale – that's over \$100,000 – get an average annual tax reduction of \$4,000. The top 1 percent of Alberta tax filers – that's over \$150,000 – get an average annual tax reduction of \$9,000.

A taxpayer with \$35,000 in taxable income paid \$2,499 in provincial taxes in 1999 but pays \$2,571 in provincial taxes under the flat rate that this proposes. So that's a tax increase of \$72. I'm hoping that wasn't the intent of this bill. I don't think the homework has been done on this like it needs to be, especially after the federal budget came down. Now, a taxpayer with \$50,000 in taxable income paid \$4,333 in provincial taxes in 1999 and will pay \$4,221 in 2001. So that's a cut of 2.6 percent. A taxpayer with \$65,000 in taxable income paid \$6,344 in 1999 and pays \$5,871 under this flat rate. Now, that's a cut of 7.5 percent. Meanwhile, a taxpayer with \$100,000 in taxable income paid \$11,342 in provincial taxes in 1999 and pays \$9,721 under this single rate in 2000. That's a cut of 14.2 percent. So you see the differences. The higher we get, we get a larger cut percentage-wise. I don't see that as fairness across the board.

However, a taxpayer with \$125,000 in taxable income paid \$14,912 in provincial taxes in 1999 and pays \$12,000 in provincial taxes in 2001. He gets a tax cut of 16 percent.

I only have one minute. I can't believe it. I'm just getting into this.

I guess I have concerns about this bill, very big concerns. The feeling out there is: oh, this must be a good thing. In reality, it's a major tax grab on the middle-income earners, so I have deep concerns about this bill. I haven't seen the amendments. I'm anxious to see those. I can't support it the way it stands right now.

It's interesting. I've only had, to be honest, about four calls on

this whole thing from people who truly understand this. They're not in support of it, and they're saying: look; I used to be an accountant; I used to be a treasurer's assistant.

I thank you for the opportunity to speak, Mr. Speaker.

3:50

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

MR. GIBBONS: Thank you, Mr. Speaker. It's a pleasure to stand and speak today on Bill 18, the Alberta Personal Income Tax Act. When we look at the bill in its entirety, we start wondering: why was it brought forward? Was it the spin toward a federal election, or was it in actuality what Albertans were asking for? You know, it was interesting in today's paper. According to one letter to the editor on this particular item, is there some correlation between this and Bill 11, with this present government talking about Bill 11 and bringing it in because of some vested interests and people backing private hospitals? Then we get back to this particular item. Is this something to do with the vested interests, that this present government only cares for those with \$70,000 plus as an income?

I really believe that we do have a concern with taxes throughout the country, but at the same time we're not the United States. We do like luxuries in different things, but we do have to look at taxes in their entirety. Taxes should be another item that should be dealt with from the top down and dealt with as the federal Treasurer brought out this year, where some of the tax cuts – I know we get a lot of complaints and a lot of flak thrown at myself that maybe he should have been paying down more of the debt, but at the same time, everybody was demanding some cuts to certain things or the paying of dollars toward more of our programs.

The object of Bill 18 is to establish the rules and procedures for implementing and administering Alberta's 11 percent single-rate tax system as originally announced by this provincial government in Budget '99. Alberta's 11 percent single-rate system has the following major components. Alberta will delink or unhook from the federal system by levying provincial income tax on the taxable income rather than on the basic federal tax as of January 1, 2001. The single-rate 11 percent provincial tax will apply on taxable income as of January 1, 2001. The basic personal, spousal, and equivalent-to-spouse exemptions will be established at \$11,620 by January 1, 2001.

Other federal and nonrefundable tax credits really relate to the age amount, dependant amounts, CPP and EI contributions, pension income amounts, disability amounts, tuition and education amounts, medical expenses, caregiver amounts, interest on student loans, and donations and gifts. They will continue to apply and will be levied at 11 percent of the maximum amount permitted by each credit. The basic personal, spousal, and equivalent-to-spouse medical expense, pension, education, caregiver, age, and disability credits will be indexed to inflation on a year-to-year basis.

The full cost of implementing Alberta's 11 percent single-rate tax is estimated at \$852 million for the 2001 tax year, Mr. Speaker. The government is estimating a \$181 million, or 21 percent, recovery on the implementation of the 11 percent single rate in the 2000 tax year, leaving the net costs of implementation at \$671 million. According to the government, by the year 2006 Alberta's real gross domestic product is expected to be about 1 percent, or \$1.3 billion, larger than it would have been without the tax change. Alberta employment is expected to be about 20,000 higher based on the scenario we're looking at.

You know, as I peruse *Hansard*, I look at what the Acting Treasurer said when introducing this bill: let's get down to lowering

taxes. But I look at the graphs that illustrate Albertans' yearly income. As the Provincial Treasurer at the time was putting a spin on his budget, he stressed that Albertans making \$50,000 would be getting major reductions. Well, the case is that as we go through different graphs and we look at this, it isn't so. I am concerned that this is another case of words: how are we spinning this?

Now, the problem that I have with Bill 18 is the fact that more of this increment is politically driven as a tax reform. The government would have us believe that they have to delink from the tax-on-tax system to pass along the true tax savings, but as the facts come out on Bill 18, what we will quickly discover is that all Albertans would receive more than their fair share of tax relief if we simply lower the existing rate.

The government would also argue that we had to move to a flat tax to get rid of bracket creep. Well, similar to what we're seeing in many other cases, there seems to be a lack of planning before some of these bills go forward. So when I hear the government defend its own ideologically driven bill to the exclusion of the facts, it makes me wonder exactly whose interests they are serving. Of course, we know that Bill 18 answers that question. They are serving the interests of a select group of taxpayers that they seem to be listening to, similar to what was brought out in question period today as to who this government or the Premier is really listening to on some of these bills.

Mr. Speaker, you may be interested to know that this government has increased taxes by billions of dollars since 1993. In fact, over 12 percent of the fiscal dividend, over 12 percent of the more than \$9 billion worth of budget surpluses have come about exactly as a result of tax increases. While the government prides itself on saying that the only way taxes are going is down, of course the facts tell us an entirely different story. I'd hope that the government will quickly rethink the position on flat tax and will come up with the conclusion that it is not a fair implementation of taxes, that it's an unequal distribution of benefits, and that it destroys some of the parts of Canadian tax policies which have made this country one of the most desirable places in the world to live and this province one of the most prosperous places in the world to actually do business.

I think the government at its peril will dismantle this kind of progressive tax regime by pushing this one through. Right after talking about the budget, the Treasurer at the time said that he's considering personal income tax cuts in the year 2000. This wasn't anything that was announced in the budget, but it was part of the government tax plan. Why did the Treasurer actually start pushing for this? Like I mentioned before, I think it was a push towards where he was actually thinking of going over the next few months of his life.

In December '97 federal and provincial finance ministers agreed that the provinces would be able to levy tax directly on taxable income. It was also agreed that the provinces could choose to move to a tax-on-income structure or remain with the current tax-on-tax structure.

You know, Mr. Speaker, what I'm seeing by going through a lot of this literature is that there are major flaws in the 11 percent single-rate tax. Fairness and equality actually come out loud and strong. The distribution of tax cuts under the 11 percent single rate is skewed toward the 4 percent of tax filers earning above \$100,000 while 39 percent of the middle-income tax filers earning between \$30,000 and \$70,000, who pay over 45 percent of the provincial personal income tax in Alberta, receive smaller tax cuts as a percentage of current PIT paid.

4:00

The progressive nature of the tax system is eroded. All taxpayers

regardless of their taxable income pay the same 11 percent rate. This is mitigated to some extent by the fact that some 132,000 Albertans are taken off the provincial tax rolls because of the increase in the basic and spousal exemptions to \$11,620. Taxpayers who earn less than \$70,000 in taxable income would receive a larger provincial tax cut under the current tax-on-tax system starting in 2001. The federal tax measures announced in the 2000 federal budget are flawed, though, under the 11 percent single-rate system. This is due to the fact that the distribution of the tax cuts under the single rate is skewed toward those taxpayers earning over \$100,000.

You know, we look at higher margins for Albertans in tax rates for lower and middle-income earners. Assuming the elimination of a .5 percent flat rate tax on January 1, 2000, taxpayers in the 17 percent bracket and the 24 percent middle-income tax bracket would have a higher margin rate under the 11 percent single rate than they would under a tax-on-tax system in the 2001 tax year. Meanwhile, taxpayers in the high-income tax bracket – that is, \$60,000 plus – would have a significantly lower Alberta margin rate under the 11 percent rate of tax than under the current tax-on-tax.

I'd like to point out that a comparable \$877 million tax reduction package under the current tax-on-tax consisting of elimination of the 8 percent surtax eliminates the flat tax rate. Retaining the Alberta selective tax reduction and the reduction of basic federal tax-on-tax from 44 to 41 percent, which actually stands for \$305 million, would result in a fairer and more equitable reduction of taxes for Albertans, including significant tax cuts for middle-income earners. Now, just think about an attempt to rectify the major flaws of the 11 percent single rate by proposing a constructive amendment to improve the prospect of significant tax cuts for middle-income earners by flowing through the federal tax measures. What the minister should be proposing back to us is that the 11 percent single rate be reduced to 10.5 in the 2001 tax year. Maybe we've got to be careful about what is actually presented, because when you start getting into \$30,000, \$35,000, they are following the actual current rate.

Mr. Speaker, back to the fairness and equality comprised under Bill 18. The middle 39 percent of Alberta tax filers, in the income class between \$30,000 and \$70,000, receive an average of a 9 percent cut in their provincial taxes under this 11 percent single rate. The top 1 percent of Alberta taxpayers, in the income class of \$150,000 and over per year, receive an 18 percent cut in the provincial tax under the 11 percent single rate. The middle 39 percent of Alberta tax filers, in the income class between \$30,000 and \$70,000, receive 26 percent of the total tax cut under the 11 percent single rate. The top 4 percent of Alberta tax filers, in the income class of \$100,000 and over, receive 31 percent in total tax cuts under this 11 percent single rate. You know, Alberta's tax filers are the lowest, at 52 percent, on the income scale between zero and \$30,000, with an average annual tax reduction of \$358 under the single rate.

Now, Mr. Speaker, we can go through this and bring all of these figures out, but the fact is: has the government actually gone into looking at different margin rates for lower income earners? We look at what can happen to these earners over the next few years, and Bill 18 is a tax grab on the middle class based on the federal reduction measures contained in the 2000 federal budget. In 2001 a taxpayer earning \$35,000 will pay \$2,385.69 in provincial taxes under the current tax-on-tax system while paying \$2,571.80 in provincial taxes under the 11 percent single rate. That is by all measures a tax grab by this present government of \$186, and this keeps creeping up each year. By 2004 it's \$322.76.

Mr. Speaker, Bill 18 may also force Alberta taxpayers with income derived exclusively from dividends of up to \$24,114 to pay the provincial tax under the 11 percent single rate when we currently

could earn the dividend tax free under the existing tax-on-tax system. That is because the 11 percent single-rate system establishes a rate of 32 percent on gross dividend income. If the equivalent dividend income credit is conformed with the current treatment under the tax-on-tax system, it would be 33.8 percent.

We need to get some answers on some of these items, Mr. Speaker, and I hope that maybe when we get into amendments, we can see some of these coming at us. We're making policies on the fly, and we are going to feel this over the next few years. It's obvious that the government has not done their homework by assessing the distribution effect of the 11 percent single rate on various income classes and family types as it relates to the impact of federal government tax measures once the province delinks the tax-on-tax system in 2001. That is why the government will be required to amend Bill 18 in order to reduce the 11 percent rate and increase the exemption level to ensure that all taxpayers receive the same benefit under the 11 percent single rate as they would by remaining under the tax-on-tax system. We need only examine the record over the past eight months to see that this government has been making, as I mentioned before, policy on the fly without assessing the impact on taxpayers.

Mr. Speaker, at this time I will sit down and let one of the other members speak to this bill.

THE DEPUTY SPEAKER: The hon. Member for Edmonton-Gold Bar.

MR. MacDONALD: Thank you very much, Mr. Speaker. It's a pleasure to rise in the Assembly this afternoon and enter into the debate on Bill 11, the Alberta Personal Income Tax Act. There has been a lot said not only in this province and in this country . . .

DR. WEST: A point of clarification. He addressed it as Bill 11.

MR. MacDONALD: I apologize to the hon. minister. The minister is absolutely right. This is Bill 18. I don't know how I could have become fixated on Bill 11, especially with closure on Bill 11 today. Maybe that's why: I'm disappointed. But I did say, "Bill 11, the Alberta Personal Income Tax Act," Mr. Speaker, and I apologize to the hon. minister. I'm amazed, and I compliment his keen hearing.

In regards to Bill 18, the flat tax has been discussed, Mr. Speaker, in various jurisdictions, not only in this province and in this country but in the United States of America as well. In fact, some presidential candidates have devoted their entire presidential campaigns to this idea of flat tax, and none of those individuals has even come close to the presidency. They've had difficulty even winning primaries.

4:10

When we have a look at this notion of flat tax, we have to look at the thoughts of others. There have certainly been accountants come forward who have reservations. Many groups have come forward. At the moment, the only benefit that I can see in this proposed flat tax of 11 percent is raising the personal exemption to slightly more than \$11,000. This allows some tax relief, and I congratulate the government, in the development of this policy, for looking at this issue of tax relief for stay-at-home parents. That is a very positive thing in this bill, but I don't think it is reason enough that we should devote all our attention to this concept. That tax relief could be done in many ways, and when we discussed this in this Assembly earlier in Motion 506, I was disappointed with the discussion that came about regarding alternatives to the spousal exemption.

When we look at the highlights of Bill 18, Mr. Speaker, the

province will unhook from the federal system by levying provincial tax on taxable income rather than on the basic federal tax as of January 1, 2001. Now, when that occurred, we saw suddenly the comments not only by media people but also, as I said before, from the accountants, and they confirmed what the hon. Member for Edmonton-Glenora had been saying for months, that perhaps this was not as fair as we had thought.

Now, the Treasurer of the day acknowledged that the 11 percent rate would put working couples at a disadvantage. This was back in March, and this is the quote, Mr. Speaker: one-income families do very well, even after the federal government makes these changes, and we will make adjustments that will sweep in for all families. When we look at this, we have to acknowledge what the hon. Member for Edmonton-Manning said, and that was that this is making taxation legislation on the fly, or words to that effect. The hon. member is absolutely right.

If we go back to December of 1997, federal and provincial finance ministers agreed that provinces should be able to levy tax directly on taxable income. It was also at that time agreed that provinces could choose to move to a tax-on-income structure or remain within the current tax-on-tax structure. Under the agreement reached between the federal minister and the provincial finance ministers, the following elements were applicable, and this is information for all hon. members of the Assembly. Provinces would agree to adopt the federal definition of taxable income as a base upon which to levy provincial income tax. Provinces would also agree to limit the number of provincial tax brackets, and it's interesting to note that this included a zero rate on a narrow first bracket. Provinces would also be permitted to establish a distinct block of provincial nonrefundable tax credits to be multiplied by the lowest nonzero provincial rate. The provincial credits would be based on the federal credits but would add supplemental provincial amounts.

Now, with this agreement provinces would also retain access to existing low-income tax reductions with either individual-based or family-based income testing, Mr. Speaker. Not all provinces would have to move to the tax-on-income system at the same time. Some provinces would levy tax on income while other provinces could continue the current system of levying tax on tax.

When we look at the Alberta Tax Review Committee – this is going back to October of 1998 – the committee recommended that the province of Alberta move to a new system of tax on income from the current system of tax on tax. As we discuss this bill, we need to note the recommendations that were made by the Alberta Tax Review Committee. The recommendations are thus, Mr. Speaker. The province should introduce a single rate of provincial income tax. The single rate perhaps should be set at 11 percent for all taxpayers. The basic personal and spousal exemptions should be increased to \$11,620 and fully indexed to inflation. The temporary deficit elimination tax and the 8 percent Alberta surtax – and this goes back to what has been said in this Assembly and also outside this Assembly at various public forums and what has been said by the hon. Member for Edmonton-Glenora – should be eliminated in conjunction with the implementation of the 11 percent single rate.

Now, the hon. member was talking about the elimination of the flat tax and the Alberta 8 percent surtax, and I want to make that perfectly clear for all hon. members of this Assembly. It is next summer, I believe, that the 8 percent surtax is going to be eliminated. When we look at the studies that have been completed and we look at what has happened, we need to take a moment and point out some – they're not inconsistencies – flaws in this Alberta 11 percent single rate tax. I believe that these are the major inconsistencies or flaws, whatever you want to call them. I believe that fairness and equity are compromised, and the reason for this would

be the distribution of tax cuts under the 11 percent single rate. This can be skewed, and I'm not going to go into any details on that at the moment because I think other hon. members of this Assembly have been very thoughtful in their remarks regarding this whole idea of fairness and equity. That's for everyone, regardless of their income, regardless of whether they're earning \$10,000 or whether they're earning \$100,000.

I would like to see the disposable income of Albertans increased. When we look at the disposable income of Albertans, they're working harder and harder for less. This has been documented at the University of Calgary by an economics professor and his staff. They did a study of three American states and the province of Alberta, and the reason why they chose Oklahoma, Colorado, and Texas in America, Mr. Speaker, was because of the composition of the economy in relation to agriculture and natural resources and activities that are involved in extracting those natural resources. In the last decade the disposable income of workers in this province remained flat while in America, in Colorado, Texas, and Oklahoma, there were significant increases in the disposable income of the workers, in the amount of money they had in their pockets to spend on whatever they wanted to. Whether it be on private health care or not, I'm not going to say, but what they wanted to spend their money on after payday was their business.

4:20

So the notion that Albertans have that they're working harder and harder and harder for less certainly is true. It's unfortunate, but it is true. If people are working hard, then they should be rewarded. I don't think that the tax system is going to be improved by this scheme. There are certainly a number of groups and a number of citizens that think this is ideal – and they certainly are entitled to their opinions – but it is not going to be for the benefit of the majority of Albertans. In fact, I believe it will be a tax grab, Mr. Speaker, on the middle class. The reason why I would say that is because taxpayers who earn less than \$70,000 in taxable income would receive a larger provincial tax cut under the current tax-on-tax system starting in the year 2001.

Now, this gets back to the discussion that we had a little earlier about increasing the disposable income of Albertans. Some hon. members across the way always describe these individuals as severely normal. Well, the severely normal people I believe are earning in that range of income. If we are to have the distribution of the tax cut that is due under the 11 percent single rate, the majority of the benefits or the strongest gain is certainly not going to be made by those in those income levels but in the \$100,000 range and over. This is quite unfortunate. It is quite unfortunate. It is something, I believe, that the majority of Albertans, as they study this issue, are beginning to realize.

We need to talk about taxes certainly, but we don't need to launch political campaigns on one specific idea. We look at what happened whenever some individuals made calculations and discovered "oops." Well, I was there. I was present when the hon. Premier stated that adjustments will have to be made. If it is not the case, then, that we are going to have a substantial tax cut for the individuals as it was described in their targets – we'll see what happens with this whole idea.

We need to be talking to all Albertans whenever we say that we're going to have fair taxation, Mr. Speaker. The middle 39 percent of Alberta tax filers, in the income class between \$30,000 and \$70,000 per year, receive on average a 9 percent cut in provincial taxes under the 11 percent single rate. Nine percent. The top 1 percent of Alberta tax filers, in the income class of \$150,000 and over per year, receive an 18 percent cut in their provincial taxes under the 11 percent single rate. Is that fair?

Perhaps the individuals in the income class of \$150,000, with

closure on Bill 11, are going to be able to go to these private hospitals and have who knows what accomplished in the surgical centres or private hospitals. Who knows what they're going to be able to spend their money on? But the middle 39 percent of Alberta tax filers, in the income class between \$30,000 and \$70,000, receive 26 percent of the total tax cuts under the 11 percent single rate. Now, is this fair? Is this equitable?

The top 4 percent – now, this is very interesting – of Alberta tax filers, in the income class of \$100,000 and over, receive 31 percent of the total tax cuts under the 11 percent single rate. Is this fair? Is this equitable?

The top 1 percent of Alberta tax filers in the income scale – this is \$150,000 and over – get on average an annual tax reduction of \$9,700 under the 11 percent single rate.

MR. HERARD: Yeah, but how much are they paying?

MR. MacDONALD: The top 4 percent of Alberta's tax filers, in the income scale of \$100,000 and over, get an average annual tax reduction of \$4,700 under the 11 percent single rate.

Mr. Speaker, I heard an hon. member over there mumble, "How much are they paying?" The whole idea of fair and equitable taxes belongs in every bracket, no matter where you're at. A government that's only creating taxes and tax breaks for the fortunate few, for the rich and the powerful and the influential, this to me is a signal of a government that's out of touch. Not only is it out of touch with the taxpayers; it's also out of touch with people who are seeking treatment for illness in the public health care system. This is further evidence of a government that's out of touch, whenever we do not have a fair and balanced tax system.

We have to ask ourselves: who is this going to benefit? I know people ask that question with Bill 11 all the time, but I'm asking it here with Bill 18. Who is this going to benefit?

MR. HERARD: The people who've been paying for everything.

MR. MacDONALD: The hon. member across the way said: the people who keep paying for everything. Well, that's an interesting observation from the hon. member, but we have to devise policies, as I said before, that are balanced for everyone, not the fortunate few, not the individuals who are – and I don't want to go there, where there are tax laws for political contributions, because I think I would be a voice in the wilderness there. This whole idea of tax credits and what laws we can make or what laws we can enact – oh, my time is up, Mr. Speaker. I'm disappointed.

With those comments on Bill 18, I would cede the floor to an hon. colleague. Thank you.

THE DEPUTY SPEAKER: The hon. Member for Edmonton-Mill Woods.

DR. MASSEY: Thank you, Mr. Speaker. I appreciate the opportunity to make a few comments about Bill 18, the Alberta Personal Income Tax Act, at second reading and to speak to some of the principles that are embedded in the bill or that are supported by the bill.

Before I look specifically at those principles, I wanted to talk a little bit about the context in which this bill comes forward in our province at this time. One of the unfortunate things, I think, in talking about tax cuts is the absence of any consideration of why we pay taxes in the first place. Just exactly what is it that we are trying to do through our tax system? I know it's fairly clearly understood by most of us that the tax system is used to pay for government

services that we need and for the administration of those services, but we seem to be long on rhetoric about the need for less tax and very short on rhetoric in terms of the good that those tax dollars that we do pay do for society and for our community. I think that's unfortunate for a number of reasons. First, I think it tends to negate the responsibilities we have as citizens for the well-being of others in our community and the well-being of the community itself. Again, I say that's unfortunate.

4:30

A tax system, for all we rail about it – and it's been railed about since time biblical – is a powerful instrument in terms of community development and support of individuals. So I'm always somewhat I guess reluctant to jump onto the "let's cut taxes" bandwagon without pausing for at least a few minutes and reflecting upon the purposes of those taxes and what we try to do with them. That's an important consideration in this province because we have been, up until recently, one that was very, very dependent on resource revenues, and boom-and-bust cycles have been, I guess, one of the strongest characteristics of our economy in the province.

I guess I would have liked to have seen Bill 18 – and all the other suggestions that we've had from the government – put into the context of some long-term plan for the province. Where are we going, and what is it exactly that we are going to have to pay for, now and in the future? How are we best able to pay for them? How does Bill 18, how does a flat tax proposal fit into that larger scheme?

We've seen a lot of tax changes since I first came to the Legislature in 1993. There have been some changes, some dramatic changes; for instance, in the taxing authority of school boards. They no longer have that ability. The municipalities have been very vocal in their concerns about the lack of tax revenues for them to carry out the obligations that they have. We have seen the machinery and equipment tax abolished, and I recall some of the discussions when that particular tax was deleted. There were promises about new investment that that would bring to the province and new jobs that that would bring to the province, yet I don't recall – and I may have missed it, Mr. Speaker – any report back to ratepayers on those promised benefits. Did the abolition of that particular tax bring the kinds of benefits that were promised by those who supported its abolition?

We've seen a lot of tinkering in terms of gasoline taxes, and there have been a number of announcements. On November 23 of last year the Premier mused about the lowering of the 9 percent per litre gasoline tax. Later that year he mused about a tax rebate for Albertans. Even later, after Christmas of 1999, the Premier was talking about a \$100 tax rebate for Albertans.

Starting at the beginning of the year, on January 7, the Provincial Treasurer started talking about personal income tax cuts for the year 2000. A little later that same month the Treasurer said that the government was talking about eliminating or reducing health care premiums. The very next day the Treasurer indicated that any surplus would be used to pay down debt rather than being used to provide tax cuts in 2000. On January 26 the government's 18-cent reduction in the mill rate for the education property tax applicable to the 2000-2001 fiscal year amounted to about a \$22.50 tax cut for the average homeowner. In February the Treasurer announced – I think at that time it was the eighth time the Treasurer had made this announcement – that there would be an 11 percent flat tax scheme in the provincial budget.

[The Speaker in the chair]

So there's been a whole series of announcements from the

government about taxes – income, personal, gasoline, municipal – and I suspect that a lot of that rhetoric culminates in what we have before us in Bill 18. I think all of those announcements only add to the discomfort many Albertans feel, that the tax changes have not been very carefully thought through and that they are predicated on some questionable economics.

I look at the kind of trickle-down economics that drove the tax cut rhetoric in Thatcher's England and in Reagan's United States, and a lot of that seems to be what we're hearing here, that somehow or other people have more disposable income, that that's going to be spent and that will improve the economy. So we hear some of that same rhetoric here.

I hear, on the other hand, worries from Albertans that the promoters of the tax cuts are forgetting about the very, very dire need our health system finds itself in. They're forgetting about the concerns that parents across the province are raising about schools: the underfunding of schools, the increasing class sizes, and the lack of resources. They're forgetting about children living in poverty. They focus on the tax cut as being a distraction from those very real issues that many Albertans are concerned about.

If you look at the polls, a number of polls have indicated that when you ask Albertans about tax cuts, it will rank third, fourth, or fifth in terms of their fiscal concerns in the province, and the majority of them would still prefer that money be spent on the health care system and on schools prior to tax cuts being undertaken.

I did a short survey in my own constituency, and certainly the overwhelming evidence from what is a very informal and not at all scientific survey from that group of constituents was that tax cuts were very low on the agenda compared to the need for putting more money into health care and into our schools.

The other concern is that there's only one person that pays for public services, and no matter how we cut it, we all end up paying one way or the other. Our history in the last number of years in the province has been to shift that burden to a number of user fees. I think the last total was something like 700-plus user fees in the province. Of course, the government has been forced by the courts to look at those user fees and to ascertain whether they are really fees for service or are really, as many of them are, taxes.

4:40

One of the other concerns is that things will worsen for people at the bottom end of the economic scale. Although there are exemptions for very low income earners, the benefits of this bill will accrue to those people who earn above middle income, and the people at the lower ends are going to actually end up paying more. So there's a continuation of what has become almost a war against low-income families in the province that is again perpetuated through Bill 18 were it to become law.

I wanted to talk about some of the specific principles that we hold important and then to measure those principles against Bill 18. The first principle, of course, is that the tax system should be fair. I think the calculations that other speakers have read into the record show that this proposal, the 11 percent flat tax, is not fair in terms of treating all ratepayers the same. That's an important principle to have violated and I think one that many in this House are going to have difficulty supporting when Bill 18 does come to a vote, because there are enough inequities built into the tax system now that building in more through Bill 18 I think should be the last thing that we are about.

I think one of the other important principles is that the tax system should be progressive, not regressive. Income tax rates rise as taxable sums increase, and that's considered a progressive tax system, while in a regressive system sales tax and GST are consid-

ered regressive. The burden decreases as taxpayer income increases, and that's what is a characteristic of Bill 18, that it's not progressive.

I think my colleague from Lethbridge was able to outline four other principles that are in the bill and are worthy of comment. The first is that we should unlock or unlink ourselves from the federal system. Again, it's a principle that I think would find general support in that it does allow us, then, to be masters in our own house, and it allows those changes to be made unrelated to what is happening on the federal scene.

A second principle the member outlined was that the relationship between wage earners and income tax should be adjusted for family circumstances. Again, that's become the history of our tax system in this country, that we do recognize the value of families and their need for support, and we have made adjustments to the tax system to accommodate families and their particular circumstances, particularly low-income families. So I guess there are two sides to this principle: the adjustments for families, but that is balanced against the proposal being regressive in many ways.

A third principle was that the federal accommodations, the federal tax point system where credits are made available for the province, are left untampered in this legislation. Again, I think most would support that, that there won't be changes made at the federal level to in any way influence what's proposed in Bill 18 or change what Bill 18 would have.

Of course, the fourth principle, that there should be a flat rate, is the one that we are arguing very strongly against in terms of the implications for middle-income and lower income Albertans. That flat rate, as the calculations have shown and as outside independent analysts have indicated, is not fair and is certainly not equitable.

So with those few comments, Mr. Speaker, I look forward to more detailed consideration of Bill 18 at the committee level. Thank you.

THE SPEAKER: The hon. Leader of the Official Opposition.

MRS. MacBETH: Thank you, Mr. Speaker. I'm pleased to rise and speak to second reading on Bill 11, the Alberta Personal Income Tax Act.

SOME HON. MEMBERS: Bill 11?

MRS. MacBETH: I did it too. I'm wrong. I'm sorry. It's a Freudian slip, Mr. Speaker. We're just so overcome by the closure thing. In fact, it is Bill 18, the Alberta Personal Income Tax Act. Actually, at the end of my remarks I will show how in fact Bill 11 and Bill 18 are quite linked in terms of the way this government views the world. [interjections]

You know, they were really quiet until I stood up. I don't understand it. They were just sort of sitting there doing their work, and suddenly they are awake to the fact that there are some problems with this flat tax they have put into Bill 18.

Anyway, Mr. Speaker, I would like to speak to a couple of points on this bill. First of all is the whole question of a progressive income tax system and why we have it and why it's important that any tax cuts be done within a progressive structure. Secondly, why the single-rate tax is a bad thing, in our view. Finally, I want to look at the combined effect of the flat tax plus some other pieces of legislation and some other actions this government has put into effect which in their combination create the reality of some very disturbing things in terms of where this government is heading.

First of all, let me then move to the whole issue of progressive tax. Mr. Speaker, when I spoke on Bill 11, I talked about the whole question of values in terms of how Canada had originally been structured. We have built a country; we have built a Constitution.

We have built structures within our country and our Constitution to try and share our commitment to each other. Certainly, when we think about the reality of some provinces having greater fiscal capacity than the others, we've embodied in our Constitution the whole concept of equalization. Equalization, of course, ensures that there are have and have-not provinces, yet fundamentally we are all, first and foremost, Canadians.

The fact is that we are fortunate enough to live in a province with the wealth of resources that exist in Alberta, and high commodity prices for those resources have given Alberta remarkable revenue over most of the last decade. Yet we as Albertans I think are proud to share some of that benefit we've been able to have with others in our country who don't have that level of support, the same way that when commodity prices drop and the price of oil falls to \$10 a barrel, as it did in 1986 in this province, Alberta becomes the benefactor of that whole notion of fiscal sharing or equalization amongst all of the provinces. I think it's an important statement in terms of how we feel we are committed to each other and committed to supporting each other.

4:50

You know, there was a wonderful thing at the rallies that were held on Bill 11 in both Calgary and Edmonton when Kiefer Sutherland, who is the grandson of Tommy Douglas, spoke at that rally, Mr. Speaker. Of course, Kiefer Sutherland's mother was there, and Mr. Sutherland told a wonderful story about going to see his grandfather, who was Tommy Douglas. The story that he told was that he and his family had been living in the United States for several years, and they had returned to their summer home, I guess their grandfather's summer home, in Quebec. The story Kiefer Sutherland told was that he went to his grandfather and was talking about living in the United States and then returning to Canada. He said to his grandfather: what is it that distinguishes us as Canadians? What his grandfather said to him was: well, there are two things that distinguish us as Canadians; the first one is we're able to . . .

MR. ZWOZDESKY: Mr. Speaker, a point of order.

THE SPEAKER: The hon. Deputy Government House Leader on a point of order.

Point of Order Relevance

MR. ZWOZDESKY: I think there should be a point of order here. Relevance, *Beauchesne* 459. We're really discussing Bill 18, which I believe is what's up for comment this afternoon, not Mr. Kiefer Sutherland or which province you thought he was in or anything else like that.

THE SPEAKER: Well, hon. members, it is true that one has to take a great deal of liberty at times with their imagination to see the connections that one hon. member would want to make in terms of their presentation or their discourse in the House. It is also true that there's pretty wide-ranging latitude in second reading when one is recognized to have debate on the floor. The chair is hoping, hoping, hoping that soon the chair will discover the connection the hon. Leader of the Official Opposition said that she would provide with respect to this debate.

So let us be patient. The hon. member has been recognized, and all hon. members could be recognized for participation in this debate as well. Just advise the chair, and we'll be happy to bring you to that point.

Hon. Leader of the Official Opposition, please continue.

Debate Continued

MRS. MacBETH: Thank you, Mr. Speaker. Anyway, Kiefer Sutherland was talking about this conversation that he had had with his grandfather about what distinguishes us as Canadians, and I think this, with respect to how we built our health care system, is very much a part of the discussion we're having here on Bill 18, very much in keeping with this argument.

Mr. Speaker, Kiefer Sutherland said that his grandfather responded to this question by saying: well, there are two things that distinguish us as Canadians; the first is that we really love the cold weather. He said: all Canadians seem to thrive in cold weather; they like to go out and work; they play; there's no way they stay inside when the winter's cold. Really, that's consistent with the people that came to Canada in the first place. They wanted to settle in this wonderful country with its great resources, and that was one of the features that he thought was really important as a Canadian.

The second feature was our health care system, because, he said, it's sort of the most tangible indication of Canadians' commitment to each other, that we have put in place this health care system that recognizes that every single Canadian will be treated as equally as we possibly can. Certainly the principle of equality is in there. That's one of them.

I would add two more things that distinguish us as Canadians. The third one is the whole issue of our education system, which, like our health care system, says that education and health care are deemed to be a public good, Mr. Speaker.

DR. WEST: A point of order.

THE SPEAKER: The hon. Acting Provincial Treasurer on a point of order. Yes, sir?

Point of Order Relevance

DR. WEST: Under *Beauchesne* 459. I hate to belabour the point about relevance, but the hon. leader of the loyal opposition, when she started the debate, did make reference to Bill 11 instead of Bill 18, and then of course she has proceeded to go on about Kiefer Sutherland and the health care system and his grandfather Tommy Douglas. It escapes me how you could, even with the breadth given to second reading on any bill, jump forward to the connotation that this is a discussion about Bill 18 when indeed she's already referenced Bill 11 and is concentrating more on health care than she is on the taxation system in the province of Alberta.

THE SPEAKER: Comments on this point of order? Well, let's just review what *Beauchesne* 459 actually says in its totality. The subject heading is Relevance and Repetition.

Relevance is not easy to define. In borderline cases the Member should be given the benefit of the doubt, although the Speaker has frequently admonished Members who have strayed in debate.

That was point (1) under 459, and point (2) under 459 is:

The presiding officers are directed by Standing Order 11(2) . . .

Now, these deal with the Canadian House of Commons, not this particular parliament.

. . . to call to order members who indulge in persistent repetition.

The rule against repetition is difficult to enforce as the various stages of a bill's progress give ample opportunity and even encouragement for repetition. In practice, wide discretion is used by the Speaker and the rule is not rigidly enforced.

This is one source of information, *Beauchesne's Parliamentary Rules & Forms*, and there are other citations as well.

Once again, the human spirit is really quite imaginative. There

are some 6 billion of us on planet Earth, and it's absolutely amazing how imaginative we might all be in how we might bring to a conclusion something that all of us who are mere mortals might not have yet discovered to this point in time. Perhaps there is some form of wisdom here that will become so peculiar and so unique in all of history that this will be the day of reckoning in this Assembly.

So, hon. member, please continue your debate and your participation on Bill 18.

MRS. MacBETH: Thank you, Mr. Speaker. You know, they're getting a little bit antsy over there, kind of like kids. I talked about education, and it's kind of like kids at the end of the school day. I'm building a case, a very solid one with respect to Bill 18 and progressive income tax and how it is contrary to the values that built this country, and I'm intending to do it.

Debate Continued

MRS. MacBETH: Anyway, we've gone from health care, and now we go to education, both deemed to be a public good, a public good that is available to all. We don't say that because someone has more money – at least we haven't up to this point – they should get better health care or that because somebody has more money, they get better education. The reason for that is because we as a society have said that these both are very much public goods; they deserve to be delivered to all in the fairest way possible. So that would be the third point in terms of what distinguishes us as a society.

I would say that there is a fourth point, Mr. Speaker, and that fourth point is a progressive income tax system. Here we have a structure where we have education being delivered or available to all and health care being available to all, but we know full well that someone in the middle-income group or slightly below middle income, say in the range of \$35,000 to \$65,000, could not afford the quality and the calibre of education and health care that we have been able to give them in this country were it not for a distributive tax system that brings in more dollars from those that have greater ability to pay in order to support those things that we as a society have deemed to be a public good.

MRS. NELSON: It's called socialism.

MRS. MacBETH: The hon. Member for Calgary-Foothills says that this is socialism. Well, the question I would ask is: what's she been doing in the Progressive Conservative Party for the last 30 years, which of course has built a whole issue around a progressive tax system? It is this government and members like this member who are now taking it towards a whole throwing out of those values of a progressive income system and bringing in this flat tax, and I think it's very much a selling off and a demarcation of a lot of the people who have worked hard for that party and in this government for many, many years.

5:00

Of course, Mr. Speaker, we know that the flat tax is a regressive tax. It's regressive because it says that those in the higher income group will pay less than the ones in the middle-income group. We're seeing this shift by the flat tax proposal of this provincial government, a shift away from those in the higher income group, a rewarding of high income, as if high income weren't enough reward of itself – rewarding those with the high income and putting the marginal tax rate up more for people in the middle-income group and down more for the people in the high-income group. Now, those members over there may well argue and say that's not happening, but of course we know it is. We know that the provincial

marginal tax rate benefit is flowing greater to those in the higher income group than those in the middle-income group. So, in fact, the argument stands.

With respect to it being regressive as well is this whole argument about marginal propensity to consume, because we know that people who have a lower income, or in that lower to middle-income group, have to spend a greater proportion of their income on supplying basic services than does somebody in the higher income group. Yet here comes the government along with their flat tax proposal to make that even greater, even worse. Our tax system until now, the progressive value of it, has reflected the differential ability of individuals to earn money and therefore a differential ability to pay taxes in order to support a public good. Really, as my colleague from Lethbridge-East has pointed out, we are seeing, instead of a sharing of wealth, Mr. Speaker . . .

DR. WEST: Is that because you live under the shelter of a professional corporation at home, Nancy?

Speaker's Ruling Decorum

THE SPEAKER: Hon. members, it's only 2 minutes after 5 on a Monday afternoon. There is time for some opportunity here to listen to hon. members.

The chair counts out the number of members in the House and sees there's approximately 35 to 7. The seven members of the opposition are no threat to the 35 members in the House. Words cannot walk down walls, so let the hon. member go without interjection please.

Debate Continued

MRS. MacBETH: Mr. Speaker, up until this government had introduced its flat tax proposal, the whole notion was about sharing the wealth, sharing the wealth as consistent with the Constitution and with the actions that have been taken by this government at least up until now. What's now happening with this legislative proposal is there's now being a concentration of wealth, as my colleague from Lethbridge-East has so eloquently expressed on several occasions.

I guess, Mr. Speaker, that instead of being called the Progressive Conservative Party, we should call them the regressive conservative party for many reasons, one of which is this regressive flat tax which they seem to be proposing, and the notion that the effect of the flat tax is that the rich get richer. You know, that's who they're fighting for. The rich get richer, and the poor and the middle income of course pay for it and pay for the brunt and the shift towards that middle-income group.

So, Mr. Speaker, I would say that there is value in a progressive income tax system. There is value which is consistent with the kind of country we've built where we have our education and our health care access based on our view as a society that this should be something we support for everyone, not just those who can afford to pay, and finally that the whole notion of flat tax is one that's regressive.

Mr. Speaker, the question of why keeps coming up in so much of this government's actions, and the question of why on the flat tax is very, very interesting. You know, the question of why. Certainly we see the Reform or Canadian Alliance or whatever it's now called moving towards this whole notion of flat tax. In fact, it may well be that the reason the Provincial Treasurer brought in the flat tax bill and the flat tax notations before the federal budget was just simply so he could get on with his arguments based on ideology, because certainly there's not benefit to the taxpayers, as I will be able to show in my remarks.

Let's just for a minute go to the United States, where of course

five years ago the federal Republican Party was talking about income tax based on a flat tax rate. Certainly, the majority leader at the time, Dick Armey's flat tax proposal would have resulted in significantly higher taxes for the middle class they said, but in our case the middle-income group. I'm quoting here, Mr. Speaker, from the American Legion magazine of December '95.

Echoing . . . complaints about the scheme, the economic consulting firm of Lehrman, Bell, Mueller and Cannon argues that by eliminating many popular deductions, the plan will end up increasing federal taxes for most workers.

In a letter to key Republicans, they pose the semi-rhetorical question, "Does the Republican Party want to take into 1996 a flat tax proposal that raises taxes on most American workers and worsens the middle-class squeeze?"

Mr. Speaker, the reason why this is so germane to this debate is that even the Republicans in the United States have moved away from talking about flat tax because they realize the shift is onto the middle-income tax group. So even the U.S. Republicans are seeing their way through it and aren't acting like a regressive Conservative Party as they had before they came to that conclusion.

I think it's important as well to go to that good old father of modern capitalist thought on progressive taxation, Adam Smith. Quoting from his *Inquiry into the Nature & Causes of the Wealth of Nations*, written in 1776, he said:

The subjects . . .

That's us.

. . . of every state ought to contribute toward the support of the government, as nearly as possible, in proportion to their respective abilities; that is, in proportion to the revenue which they respectively enjoy under the protection of the state . . . [As Henry Home (Lord Kames) has written, a goal of taxation should be to] "remedy inequality of riches as much as possible, by relieving the poor and burdening the rich."

In other words, the argument is for a progressive income tax system. It makes sense, Mr. Speaker, and it's made sense in this country.

I know there are some people on the government benches who don't want to hear that, but believe me, there are a lot of people in the electorate who do know that, who do value a progressive income tax system. While they may have 35 in here today, these seven that are here now, and more of course available, will be growing as we move towards an election.

Mr. Speaker, I think it's important as well – and I just wanted to put a little bit more information about this whole notion of the flat taxers. I want to quote from the distortions that the flat taxers have put forward. This is from an article by Robert S. McIntyre, which I pulled off the web site in recent days. It says:

Having attacked the . . . accomplishments of the Great Society . . . Congressional Republicans . . .

Now, here this is the American argument again.

. . . are preparing to eliminate a reform that stretches even further back into history . . .

This is, in terms of historic, why the Republicans have dropped this notion of flat tax instead of continuing on.

. . . the progressive income tax [that is]. Republicans in both houses of Congress have introduced plans for a flat tax, claiming that its simplicity and fairness . . .

Does this sound familiar in terms of the rhetoric that we've been accosted with in this House?

. . . will be a boon to all. Majority Leader Dick Armey, presenting his plan, states that millions of taxpayers are taken off the rolls entirely, and middle Americans receive a tax cut.

5:10

Well, the first part of that claim is true, as it is here in Alberta where a higher level of people will not be paying any tax at all.

Since Armey's plan does not tax income from interest, dividends, or

capital gains, those taxpayers who live completely off of investment income would be taken off the rolls entirely. The second part of the claim is, by any serious accounting, wrong.

That's the second part that talks about middle Americans receiving a tax cut. They don't. We know that.

Armey's plan has two parts: It replaces the progressive income tax with a flat tax, and it replaces business tax with a consumption tax.

Both elements would dramatically shift the tax burden from the wealthy toward the middle class and the poor.

Well, Mr. Speaker, I believe in helping those who are less able to help themselves. I believe in making sure that those that are in the higher income pay a higher portion of the tax than those in the low- and middle-income group.

I don't just approach it from an ideological perspective, as the government does. Instead, I think the second point of my remarks is to move to this whole issue of: why is a single income tax rate, a flat tax, bad? Well, the answer is that it shifts the costs onto the middle-income taxpayer.

Mr. Speaker, the most interesting thing about this government's flat tax proposal, which of course they jumped and put in at 11 percent before the federal Finance minister had in fact given a tax cut, not just talked about it but given a tax cut to the people of this province and the rest of the provinces – you know, it's interesting, because as soon as it became clear that the 11 percent flat tax was going to mean an increase in taxes for that middle-income group, what did the government respond? They said: well, then we're going to bring the flat tax rate down to 10.5 percent. Well, guess what? An even greater benefit to those in the higher income group who will come from a provincial marginal tax rate of about 12 and a half percent now down to 10 and a half percent, as opposed to 11, whereas the people in the low income that were at 10.5 percent will stay the same or, worse, have their income tax rate rise.

It's one thing to talk about the provincial marginal tax rate, Mr. Speaker, which we know, of course, benefits even greater the higher income group, but let's look at the payment of taxes. Let's even go to the example of the 10.5 percent flat tax, which of course the government then responded to. Let's look at someone at the \$35,000 income level. Let's look at their provincial tax payable. We're not talking about the rate here; we're talking about the tax payable on a tax-on-tax system. In other words, simply flow through the tax cuts which the federal government has announced, which all Canadians will benefit from. So in 2001 the provincial tax payable is \$2,385.49. This is a person with a \$35,000 income. That's the provincial tax payable.

Let's look at the provincial tax payable under a 10.5 percent flat tax rate if this bill goes through. That will mean that instead of \$2,385, that income earner in 2001 will be paying \$2,454. That's an increase. In other words, if the federal tax cuts were simply flowed through at the current rate of provincial income tax, Albertans would be paying less tax at the \$35,000 level.

So what have we got here, Mr. Speaker? Let me be absolutely clear. They're increasing taxes. It's a tax grab. It's an income tax grab. That's what it is. You know they might not like to hear it. In fact, I can well understand why they wouldn't want to hear it, but that's the truth. Not only is the marginal rate benefiting the higher, but the lower income group, some in the \$35,000 and others, will not be gaining but will in fact be paying more tax under the flat tax proposal at some of those income levels.

Of course, Mr. Speaker, we believe a far better solution for a tax cut would be to look at lowering the provincial rate and then capitalizing not only on the federal income tax cuts but increasing it, improving it with the actions by this government. But, no. The ideologues have to take over, one of whom is now running for the leadership of a federal party and basing his campaign on it. You

know, I think the people of this country will see through this plan and see that in fact the tax rates will mean an increase in their taxes.

Next, Mr. Speaker, having outlined what the value of a progressive income tax system is, having outlined why we believe the single-tax rate is not part of the public good – in fact, it is contrary to the public good – let me look at the combined effect of several of these actions, as I said I wanted to do. First of all, who is benefiting from the flat tax proposal? Well, the greatest benefit will flow, as we've seen in the concentration of wealth, to those in the highest level group. They will get the best tax break. Their marginal rate will come down the most, and they will end up getting the greatest benefit; i.e., in terms of paying their taxes. So that's an interesting thing to note, that they are the ones that are benefiting the most, not the middle-income group, as we've seen, but the higher income group.

I think it's in fact very important on this second reading to bring forward the issue of Bill 11. Let's look at who benefits from Bill 11. Well, it's either those who can afford to pay or those who can build a business opportunity out of taking away some of the public asset of health care and building a business around it. So who benefits the most? Those who can afford to pay, those who are in the higher income level group.

Let's look at somebody else who has been hit by the actions of this government in terms of user fees, increases in health care premiums. I talked earlier about the marginal propensity to consume. Well, people in the middle-income group are paying higher fees for all of those services. You know, someone at the \$200,000 mark, Mr. Speaker, doesn't really have to concern themselves all that much with paying things like health care premiums. They just pay them, and it's no big deal. But for somebody at the \$50,000 or the \$40,000 income level, where certainly the bulk of Alberta taxpayers find themselves in terms of income, that money they have to spend on health care premiums becomes a much greater proportion of their income than those in the higher level income groups.

So who benefits in terms of user fees? Maybe some of the people in the \$200,000 income bracket. I know a lot of those people enjoy using the parks. Well, the cost for someone at the \$200,000 level using the parks, the proportion of their income, of course is far less than a family who wants to go out and spend some time in the summer and go to the parks and has to pay those kinds of fees.

So, Mr. Speaker, I guess the question becomes: what kind of a society is this government trying to support and trying to build? They're trying to assist in the greatest way those people who have the greatest ability to buy those things that they want anyway. I'm not criticizing people in the high-income level. Why would we? I mean, those people have certainly a differential ability to earn, and so be it. That's fine. The concern is that it's the people at the middle-income level who are being the most hurt by the collective coming together, the comprehensive actions by this government. Those actions are ones that see that the progressive income tax rate is one that should be maintained, in our view, rather than removed and a flat tax used instead.

5:20

You know, Mr. Speaker, there was a famous American President who said that when you involve yourself in politics, you have to decide pretty quickly whose side you're on. In his view, you're either on the side of the people or on the side of the interests. This government has obviously made it very clear that they've decided that they're on the side of the interests, not of the people, the side of the interests who have the greatest benefit from things like private health care and flat taxes.

Really what it results in finally is an assault, a clear assault.

What's happening is that there's really an assault going on by this government on the middle-income group. We know that as the flat tax continues over the next several years, that comparison that I gave that was a \$69 difference – the \$35,000 taxpayer in 2001 would be paying \$69.41 more under this provincial government's flat tax proposal as opposed to a provincial tax payable under tax on tax, but let's project it ahead to 2004. Mr. Speaker, we're not going to know, we have no idea what the price of oil, what the price of commodities will be in 2004, but let's look at that same example of what the provincial tax payable would be in 2004 if this government simply allowed the federal tax cuts to flow through to the taxpayer.

That same \$35,000 taxpayer would be paying provincial income tax in 2004 of \$2,194.60 on the tax-on-tax system, but guess what they'll be paying under this government's flat tax proposal? Well, of course, the difference gets bigger and bigger. This is under a 10.5 percent tax rate, which of course the government has said they're going to think about bringing in. The provincial tax under a flat tax in 2004 for a \$35,000 income would be \$2,402.92; in other words, \$208.32 more under the provincial flat tax than it would have been if they'd simply flowed through and not even cut the rate, you know.

MR. SAPERS: They're tax creeps.

MRS. MacBETH: They are tax creeps. That's exactly right. They're tax creeps.

It just keeps getting worse. You know, the thing is that the government has given us this issue, and our effective work in terms of this issue, lifting out from the excellent papers which have been done in Alberta opposed to the flat tax, has given, between the health care privatization and the flat tax, a very good snapshot of who it is this government is trying to benefit. We've seen it loud and clear in these two areas.

Mr. Speaker, I could go on, but I will save some of my remarks for another time on the bill. Let me simply close by saying that we believe a far better way to deal with the issue of tax cuts would be to preserve the progressive tax system that we have rather than a regressive tax, which this government has decided they want to opt for. I look forward to the continuation of this debate on second reading.

Thank you, Mr. Speaker.

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

MR. BONNER: Thank you very much, Mr. Speaker. It is a pleasure this afternoon to rise and make a few comments in regards to Bill 18, the Alberta Personal Income Tax Act. It comes at a particularly interesting time, because I know that probably most members of this Assembly have either filed their income tax or are in the process of trying to meet a deadline here in short order.

Of course, when we look at this whole idea of Bill 18 and why we want to move to a flat tax, then we have to look at why we would want to change a system which is based right now on a tax-on-tax issue. We also want to question whether or not a tax-on-tax system or a tax-on-income system is the best.

So in looking at this new proposal, Alberta's 11 percent single-rate system, when we look at the major components of this particular bill, we see that in actual fact what it will do is delink us from the federal tax system, which is a tax-on-tax system, and move to a system where we do have tax on income. This new system, of course, will come into effect for Albertans on January 1, 2001, and the basic personal spousal amount and spousal to equivalent exemptions will be established at \$11,620 as of January 1, 2001.

Again, Mr. Speaker, when we do look at it – and it was pointed

out very well by the hon. Member for Edmonton-McClung. It has always been thought that we tax those people who are able to pay, who have the ability to pay. I know that I don't have too much time, so before I get into other parts on the principles of this bill, I want to look at a particular principle, and this is section 46, which deals with Canada pension plan or Quebec pension plan "disability benefits for previous years."

Now, we have a group of people in this province right now who when they are injured, cannot work are paid 90 percent of their net earnings, but in the calculation of those earnings, what is deducted from the gross are such things as employment insurance premiums and Canada pension plan premiums. Those are deducted in determining their net income. However, when those people are injured, those payments do not flow through to the federal counterparts. So when those people are injured, effectively their benefits for employment income, their benefits for Canada pension plan are seriously curtailed for the time of their injury. Now, if they can't get back to work, then from that point on those benefits do not increase.

So particularly looking at section 46 of this bill, I certainly would like to have seen something to address this fact that puts the most

vulnerable in this province, those that because of injury are not allowed to work or cannot work – this should have also addressed a shortcoming in this bill for them.

Now, as others have said here as well, Mr. Speaker, this particular Bill 18 really is politically driven tax reform, and it sounds an awful lot better than it really is. You know, the government doesn't have to delink from a tax-on-tax system. We certainly saw when the federal budget was brought in that true tax cuts across the board occurred under their system. Under this particular system, a flat tax system of 11 percent or even lowering it to 10.5 percent will not result in a tax cut for a certain portion, the middle class of Albertans. If we indeed wanted taxation that would be spread across the board and would be fair to all people, then of course what would have been best would have been simply to reduce . . .

THE SPEAKER: Hon. member, the House now stands adjourned until 8 o'clock this evening.

[The Assembly adjourned at 5:30 p.m.]

