

Legislative Assembly of Alberta

Title: **Thursday, May 11, 2000**

1:30 p.m.

Date: 00/05/11

[The Speaker in the chair]

head: Prayers

THE SPEAKER: Good afternoon.

Let us pray. O God, grant that we the members of our province's Legislature may fulfill our office with honesty and integrity. May our first concern be for the good of all our people. Guide our deliberations this day. Amen.

Please be seated.

head: Introduction of Visitors

MRS. McCLELLAN: Mr. Speaker, I am honoured to introduce to you and through you to Members of the Legislative Assembly Lisa Bobbie Schreiber Hughes, U.S. consul general in Calgary. Mrs. Schreiber Hughes is leaving her post for a new position in Surinam, South America. It is certainly with a sense of sadness that we say farewell but also with a great appreciation for her dedicated hard work over the past three years strengthening Alberta/U.S. relations and for her assistance on many important issues. She has always carried out her duties with admirable skill, enthusiasm, and dedication, and she undoubtedly leaves many friends and associates in Alberta.

We wish her well as she moves on in her career to new challenges and ask that she always remember and keep a small part of her heart for this province and this country.

I would now ask, Mr. Speaker, that our honoured guest rise and receive the very traditional and very warm welcome of this Assembly.

head: Presenting Petitions

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

DR. MASSEY: Thank you, Mr. Speaker. With permission I'd present a petition signed by 153 citizens from Fort Saskatchewan, Edmonton, Sherwood Park, and St. Albert urging the government to increase funding of children in public and separate schools to a level that covers increased costs due to contract settlements, curriculum changes, technology, and aging schools.

Thank you, Mr. Speaker.

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

MR. MacDONALD: Thank you very much, Mr. Speaker. I have a petition this afternoon on behalf of a number of Calgary citizens. This petition is concerning the *Calgary Herald* labour dispute. It reads, "We, the undersigned, petition the assembly to urge the government to use its legislative powers to help resolve the labour disputes at the *Calgary Herald*."

Thank you.

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

DR. PANNU: Thank you, Mr. Speaker. I rise to present a petition signed by 200 citizens from Edmonton, Barrhead, Calgary, and Sherwood Park who are opposed to Bill 11, for a total of 22,452 Albertans' signatures on this petition opposed to Bill 11 presented by this one member of the Assembly.

Thank you, Mr. Speaker.

head: Reading and Receiving Petitions

MRS. MacBETH: Mr. Speaker, I would ask that the petition in my name about this government not promoting private health care and undermining public 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-Meadowlark.

MS LEBOVICI: Thank you, Mr. Speaker. It's a great pleasure this afternoon to ask that the petition I placed on the Order Paper yesterday regarding the promotion of private, for-profit health care in this province 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-Riverview.

MRS. SLOAN: Thank you, Mr. Speaker. I'm pleased today to rise and with your permission ask that the petition I tabled on May 9 with regards to the government's promotion of 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 Edmonton-Gold Bar.

MR. MacDONALD: Thank you, Mr. Speaker. I request that the petition I presented to the Legislative Assembly on May 10 regarding the divisive and disruptive labour dispute at the *Calgary Herald* now be read and received.

Thank you.

THE CLERK:

We, the undersigned, petition the [Legislative] assembly to urge the government to use its legislative powers to help resolve the labour disputes at the *Calgary Herald*.

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

MS BLAKEMAN: Thank you, Mr. Speaker. I would ask that the petition I presented on Wednesday, May 10 on mature women's health be now read and received.

THE CLERK:

We, the undersigned residents of Alberta, petition the Legislative Assembly to urge the Alberta Government to take an enlightened preventative approach and add the newer and more effective medications and therapies to the Alberta Drug List to ensure the health of an aging society.

DR. PANNU: Mr. Speaker, I request that the three petitions opposing Bill 11 that I tabled yesterday now be read and received.
Thank you.

THE CLERK:

We the undersigned citizens of Alberta hereby petition the Legislative Assembly to . . . stop promoting private for-profit health care, within the domain of medically required services, and to ban any existing for-profit operations that are conducting medically required surgical services, as paid for by the Government of Alberta through any Regional Health Authority in the Province.

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.

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.

head: Introduction of Bills

Bill 24
Wilderness Areas, Ecological Reserves and
Natural Areas Amendment Act, 2000

MR. MAR: Mr. Speaker, I would like to introduce the Wilderness Areas, Ecological Reserves and Natural Areas Amendment Act, 2000.

This act will add heritage rangeland as a new category of protected areas in the province of Alberta. It will also allow increased protection under the special places program. This House may be interested to know that to date 7,300 square kilometres have been protected under the special places program.

Thank you, Mr. Speaker.

[Motion carried; Bill 24 read a first time]

head: Tabling Returns and Reports

MR. MAR: Mr. Speaker, I would also like to table the requisite number of copies of a news release on Bill 24, which was just introduced.

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

MR. HLADY: Thank you, Mr. Speaker. I'd like to table the appropriate number of copies of a report with regard to wage enhancement for child care professionals in Alberta.

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

DR. PANNU: Thank you, Mr. Speaker. I've got three tablings in the form of one e-mail letter from Kay and Ross Gould from the riding of Calgary-North West, who are opposed to the passage of Bill 11 and have some excellent questions for the Premier; one e-mail from Fiona Boulet from the riding of the Premier, Calgary-Elbow, who is opposed to Bill 11; and a petition signed by 19 Albertans from Grassland, Lac La Biche, Plamondon, St. Lina, Hylo, Atmore, and Boyle who are opposed to Bill 11.

Thank you, Mr. Speaker.

MR. DICKSON: Mr. Speaker, I have a single tabling. This is a summary of 128 questions that were raised by Calgaryans who met at McDougall Centre on May 3 in protest over Bill 11.

Thanks very much.

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

MR. SAPERS: Thank you, Mr. Speaker. My tabling today is five copies of an analysis done on the tax-on-income proposals in eight provinces across Canada that are moving to that kind of a scheme. What it shows is that of every other province who has delinked and gone to tax on income, Alberta stands alone in its ideological commitment to a flat tax. All of the other provinces recognized the problems with that.

1:40

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

MS OLSEN: Thank you, Mr. Speaker. I would like to table the appropriate number of copies of the only written document I have from a constituent supporting Bill 11.

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

MR. MacDONALD: Thank you very much, Mr. Speaker. I have one tabling this afternoon, and that is a letter I've received from the Premier of Newfoundland regarding the shortage of health care professionals not only in his province and this province but across the country.

Thank you.

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

MS LEIBOVICI: Thank you, Mr. Speaker. I have a tabling this afternoon. It's a copy of a news release from the Friends of Medicare with the title It's Not Over.

Thank you very much.

head: Introduction of Guests

THE SPEAKER: The hon. Member for Whitecourt-St. Anne.

MR. TRYNCHY: Thank you, Mr. Speaker. I'm honoured today to invite some 150-plus visitors from the Whitecourt constituency. They consist of 140 grade 6 students from the Percy Baxter school. They're under the leadership of their teacher, Mr. Jim Ferguson. They're accompanied by Mrs. June Harrison-Leier, Ms Elizabeth Shen, Mr. Paul McKay, Mrs. Tammy Lee and teacher assistants Mrs. Lynne Wilson, Mrs. Pat Miles, Mrs. Stacey Perrin along with parents and helpers Mrs. Susan Jaddock, Mrs. Wendy Robertson, Mr. Richard Binkley, Mr. Grant Morton, Mrs. Cathy Hogue, Mrs. Cindy Requa, Mrs. Florance Eigler, and Mrs. Kim McMillan. They're seated, I believe, in both galleries. I'd ask them to rise and receive the warm reception of this Assembly.

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

MS KRYCZKA: Thank you, Mr. Speaker. It gives me great pleasure today to do two introductions, but if I could put the second one on hold, they may be here in the House a little later. Still it gives me great pleasure to introduce to you and through you to the Assembly five members of the 15-member aging population study steering committee, and that includes myself and the hon. Member for Leduc. These members have been committed to this study for the past 18 months, and they are in Edmonton today and tomorrow for a meeting on this study. From my left to my right: Carol Blyth of Calgary, Jean Graham from Rocky Mountain House, Noreen Mahoney from Calgary, Donald Jung from Calgary, and Nick Kutash, to my far right, from Willingdon. Before I ask the members to rise, I just want to say a little bit of information. Donald Jung used to take the Hon. Gary Mar to Sunday school. Would the guests please rise to receive the traditional warm welcome of this Assembly.

THE SPEAKER: The hon. Minister of Economic Development.

MR. HAVELOCK: Yes. Thank you, Mr. Speaker. I wish to introduce to you and through you to members of the Assembly approximately 20 relatively new department employees and interns from Economic Development. Their visit has been co-ordinated by Mr. Chris Mack of the department. They are here today to get a better understanding of the relationship and impact their work in the department has with and on the activities of our elected officials. They are seated in both the members' and the public galleries. I ask that they rise and receive the warm traditional welcome from the members of the House.

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

MRS. BURGNER: Thank you, Mr. Speaker. I'm privileged this afternoon to introduce to you and through you to members of the Assembly my new staff assistant, who's been working in my office since the beginning of winter into January and February of this year, and also my summer student, who joined us at the beginning of May. Mr. Dan Kostka is a graduate of Mount Royal College, obviously a large and important institution in my constituency, and he is joined by his colleague Steven Gallagher. I'd ask them both to rise and receive the traditional warm welcome of the Assembly.

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

MR. HLADY: Well, thank you, Mr. Speaker. It gives me great pleasure to introduce to you and through you to members of the Assembly Mrs. Cheryl Zittlau. She is a member of the bargaining unit for AUPE and is here to have some discussions today along with the president of AUPE, Dan MacLennan. I would ask her to please rise and receive the warm welcome of the Assembly.

THE SPEAKER: The hon. Member for Peace River.

MR. FRIEDEL: Thank you, Mr. Speaker. It's my pleasure to introduce to you and to the members of this Assembly a constituent, Wendy Gummesen of Peace River. Also, on behalf of the Member for Dunvegan I would like to introduce Denise Simard-Zawacki of Girouxville. They are here, I would expect, as part of the same negotiating team that was just introduced. They are seated in the public gallery. I would ask them to rise and receive the traditional warm welcome of the Assembly.

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

MS BLAKEMAN: Thank you very much, Mr. Speaker. I'm very pleased to rise today and introduce to you and through you to members of the Assembly a constituent of Edmonton Centre. Dan MacLennan is the president of AUPE, and he's in the members' gallery. I would ask that he please rise and accept the warm welcome of the House.

THE SPEAKER: The hon. Member for Edmonton-Castle Downs.

MS PAUL: Thank you very much, Mr. Speaker. It gives me a great deal of pleasure to introduce to you and through you Pat Newel. Pat is an LPN and works at the Royal Alex hospital. Pat is also a constituent of Edmonton-Castle Downs. I would ask her to rise and receive the warm welcome of the Assembly.

THE SPEAKER: The hon. Member for Livingstone-Macleod.

MR. COUTTS: Thank you, Mr. Speaker. It gives me a great deal of pleasure to introduce to you and through you a constituent from the progressive town of Pincher Creek and the breathtaking constituency of Livingstone-Macleod. Myrna Wright is in the city today, I would imagine, for some of the same bargaining talks that will be going on. I'd like her to please rise and receive the traditional warm welcome of the Assembly.

THE SPEAKER: The hon. Minister of Justice and Attorney General.

MR. HANCOCK: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and through you to members of this Assembly Gloria Surridge. Gloria is a licensed practical nurse and is a constituent of Edmonton-Whitemud. She is seated in the public gallery, I believe. I'd like to ask Gloria to stand and receive the traditional warm welcome of the House.

THE SPEAKER: The hon. Member for St. Albert.

MRS. O'NEILL: Thank you, Mr. Speaker. I would like to introduce to you and through you to members of this Assembly today two of my outstanding constituents seated in the members' gallery. Mr. Allen Gowler, as most members will remember, was the Associate Sergeant-at-Arms for many years here in the Legislative Assembly. He only recently retired after 18 years in that position. Mr. Gowler is accompanied by his very good friend, Mr. Bill Horschuk, who is celebrating his 75th birthday today. I would invite Mr. Gowler and Mr. Horschuk to stand as all members of this Assembly give them a very warm and traditional welcome.

head: Oral Question Period

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

Private Health Services

MRS. MacBETH: Thank you, Mr. Speaker. Today the federal government has finally confirmed what the Official Opposition and Albertans knew all along: surgical facilities under Bill 11 are private hospitals, plain and simple. If it results in queue-jumping, two-tiered medicine, enhanced services, and its profits are subsidized by the Alberta taxpayers, it's a private hospital. Why did the minister of health mislead Albertans and avoid telling the truth that approved surgical facilities are in fact private hospitals?

1:50

MR. JONSON: Well, Mr. Speaker, I think the very important part of the federal minister's statement is what we have maintained all along, and that is that our legislation and our practice in this province is in compliance with the Canada Health Act. We are the first province in Canada that I know of to have made that statement clearly and up front in a piece of legislation. I think that is the very significant message that has come from the federal minister.

Now, with respect to definitions of hospitals in our legislation, Mr. Speaker, I would remind members across the way in particular that we have defined a private hospital in the legislation and banned such hospitals. With respect to full service hospitals versus specialized surgical clinics we have provided further definition in the legislation as to the nature of surgical operations in this province, which I think is very favourable. It goes beyond what Mr. Rock is saying. It is a clearer definition of the various types of services that are being provided.

MRS. MacBETH: Mr. Speaker, will this minister finally come clean and admit to Albertans what they have known all along: approved surgical facilities are private hospitals?

MR. JONSON: Mr. Speaker, we have, for instance, in this province right now the Gimbel eye clinic, which is an approved surgical facility. I do not think any Albertan thinks that's a hospital. That is not deemed to be a hospital by any person in this province.

As I've indicated, in the legislation we have banned private hospitals, we have defined them as such, and we have put a fence around that. We have full service hospitals, which are well understood in this province, and we have specialized surgical clinics.

THE SPEAKER: The Leader of the Official Opposition.

MRS. MacBETH: Thank you, Mr. Speaker. My third question is to the Minister of Infrastructure. Can the minister advise when the road signs are going to be changed to say Approved Surgical Facilities One Kilometre to the Right?

MR. STELMACH: Mr. Speaker . . . [interjections] Here again the opposition asks a question, she doesn't quite sit down, and then she's yapping back at me and doesn't even give me a chance to answer the question. So please listen, and I'll give you an answer.

Mr. Speaker, for the record, there is a very clear policy that the Department of Health and Wellness follows to determine which locations are hospitals and which locations are health centres. We always follow the current policy.

Thank you.

Bill 11 Regulations

MRS. MacBETH: Mr. Speaker, everyone knows the devil is in the details, and this government has a tradition of bringing in shell bills and leaving the real substance of the regulations to be developed behind closed doors. My questions are to the Minister of Health and Wellness. Why won't the minister hold public hearings on the creation of regulations under Bill 11?

MR. JONSON: Well, Mr. Speaker, first of all, I think it's important to note that Bill 11 is a very detailed, very comprehensive piece of legislation. In terms of holding, quote, public hearings or having consultation, the effort and the direction of government in this regard I think has been extremely thorough. It's been unprecedented in terms of the length of time that has been provided, with our policy statement well prior to Christmas of last year. We have put out the bill to every household in this province in its actual form. We have as a government caucus been at dozens and dozens of meetings with respect to this particular issue. Therefore, I think it is evident that the bill itself has had a great deal of background work being done.

Now, with respect to the limited number of regulations that are required, Mr. Speaker, we are going to work methodically on those. We are going to consult with the people that are directly affected by the specific rules that have to be set in legislation and followed through in regulations.

As I said, with respect to the matter of consultation with Albertans and letting them know very clearly what is in the bill as amended, we have been very, very much committed to doing that. Yes, we have spent a significant amount of money on it. They've objected to that consultation, in any case, including the act itself, so I don't know what they want.

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

MRS. MacBETH: Thank you, Mr. Speaker. Will the minister at least refer Bill 11 and its regulations to the Standing Committee on Law and Regulations so that Albertans, in fact the public, can have input into something that's going to affect them so directly?

MR. JONSON: Mr. Speaker, I think we have a good record of this. When we have regulations to develop out of legislation approved by this Assembly, in developing them we do meet and consult with the people who are affected by the regulations. That is the approach we will continue to take.

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

MRS. MacBETH: Thank you, Mr. Speaker. Can the minister confirm that Bill 11 and its regulations will be referred to the Premiers and the federal government to ensure that it doesn't violate the social union framework of which this province is a signatory?

MR. JONSON: Well, Mr. Speaker, with respect to the social union framework I'm not quite sure what the relevance of that is given that the health legislation is built upon the social union and is more specific and more detailed than the clauses in the social union agreement.

With respect to the regulations, as I've indicated before, certainly we will make the federal minister aware of the regulation development process and of the regulations, as we have very, very methodically and very, very thoroughly, and very, very frequently kept the federal minister apprized of the policy statement that we initially put out, of the legislation when it came and was tabled before this Assembly. As to the amendments that were posed in this Assembly, all of that has been transferred promptly to the federal minister.

THE SPEAKER: Third Official Opposition main question. The hon. Member for Edmonton-Meadowlark.

Compliance with Canada Health Act

MS LEIBOVICI: Thank you, Mr. Speaker. On February 4, 1999, this government agreed to a framework to improve the social union for Canadians. Part of this framework, which the minister obviously doesn't know about, is to respect the principles of medicare and "offer to consult prior to implementing new social policies and programs that are likely to substantially [impact] other provincial governments." My first question is to the minister of intergovernmental affairs. Will the minister initiate the process to avoid a dispute with the other provinces and federal government and refer Bill 11 to the dispute resolution panel?

MRS. McCLELLAN: Mr. Speaker, I think it's been well documented in this Legislature over and over again on a daily basis, an afternoon and evening basis for several weeks now that the consultation on this particular piece of legislation is far more extensive than any other piece of legislation in the history of this province, some 47 or 48 hours.

In regards to the social union framework, I found it interesting when I read all of Mr. Rock's statement, not just select pieces. I find it interesting that he states, "We will continue to work openly and transparently with all provinces, in accordance with our Social Union Framework commitments." I can tell you that as minister responsible for the framework, I certainly welcome that news.

MS LEIBOVICI: Well, then, given that the Premier has already indicated that he wishes to discuss Bill 11 with the other provincial

Premiers and the federal government, is the minister now confirming that in fact she will refer to and use the mechanisms of the social union framework in order to ensure consistency in the interpretation of the Canada Health Act principles across this country? Is that what you just said?

MRS. McCLELLAN: Mr. Speaker, what I am saying is that Alberta had a strong commitment to the social union framework, the principles that all governments in Canada signed on to, and that we welcome the federal government showing their commitment to that same agreement that they signed on to. As minister I would certainly welcome the appearance of Mr. Rock at one of the meetings to discuss these issues.

2:00

Mr. Speaker, I think the Premier has outlined very clearly that he has asked the Prime Minister, that he has talked to other Premiers across the country and asked that we have a dialogue, asked that we look at the consistency of legislation. Alberta has said on a consistent basis, hour after hour, some 47, 48 hours, plus all of the hours in question period – I think at least 70 percent of the time has been spent on this issue by our rough calculations – that we uphold the principles of the Canada Health Act.

When I read Mr. Rock's statement, there was no indication, in my view, in this statement that we in any way contravene that act, which would be an item of interest under the social union framework. What he does say – and he really didn't have to say it because they've proven it before – is that if any fees are charged for services at a private surgical clinic, we'll be penalized dollar for dollar. We know that. That has been proven to the detriment of Albertans in the past.

Mr. Speaker, I also note that he is going to spend some several million plus dollars on some more people to make sure it's enforced. I guess all of us would prefer to see Mr. Rock support us in the restoration of the CHST back to 1994 levels and give the other \$4.8 billion dollars to health care in this country. If the opposition want to help the people in this province, they could support that.

MS LEIBOVICI: Let's get back to the question. To the Minister of Health and Wellness: is he prepared to delay proclamation of Bill 11 until a finding of fact by the disputes resolution process has occurred on whether Bill 11 contravenes the principles of the Canada Health Act?

MR. JONSON: Well, Mr. Speaker, the federal minister has indicated that the legislation does not violate the Canada Health Act, so I fail to see what dispute there is to be resolved with respect to that particular point.

As far as the federal minister's indication that he is putting additional resources, some \$4 million as I understand it, into enforcement or surveillance across this country to provide consistency in the application of the principles of the Canada Health Act, as the previous answer indicated, we are certainly in agreement with that.

The Premier has said many times that he would want to see consistency in the application of the Canada Health Act across the country, and we are certainly committed to that as a government, Mr. Speaker.

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

Enhanced Medical Services

DR. PANNU: Thank you, Mr. Speaker. The federal Health minister

has come around to finally recognizing what Albertans have known right from the start, which is that Bill 11 legalizes private, for-profit hospitals. He also expressed grave concern that queue-jumping will inevitably occur because patients will face direct fees for things like enhanced services and private and semiprivate rooms. My questions are to the minister of health. Why did the government refuse to listen to Albertans' concerns and ban outright direct patient charges for enhanced services?

MR. JONSON: Well, Mr. Speaker, the Bill 11 legislation of this government is very forward thinking in terms of being the only province, I think, in Canada that has in legislation a ban on any type of charge for enhanced services as a way of being able to queue-jump or being forced to pay money for an insured service. That's in the legislation.

With respect to completely banning such charges, I think we should just reflect on the practicality of that. For years in this province it has been understood that there would be a choice available to a patient coming into a hospital if the capacity was there to pay extra for a private room. Surely we are not going to ban that. We do know, for instance, with respect to casts that there are perfectly good plaster casts in terms of aiding the recovery of a patient who's had a fracture. On the other hand, there's the fibre-glass cast, which people may want to pay extra for because it is more convenient. The important thing is that, again, the legislation addresses this whole issue, makes it very clear, including there being penalties in the legislation, that one should not be forced into paying any type of extra fee for an insured service in a facility across this province.

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

Enhanced Medical Services

DR. PANNU: Thank you, Mr. Speaker. Now that the minister has admitted that he has failed to ban direct charges to patients, will he ensure public consultation in the development of regulations so that the for-profit hospitals do not charge Albertans exorbitant rates for enhanced services and private rooms?

MR. JONSON: Mr. Speaker, I would draw the member's attention to the fact that there are very comprehensive sections of Bill 11 which deal with that very issue. One section sets out the procedure that must be followed with respect to even offering or making information available to a person with respect to enhanced services or appliances. Further, there is another section which refers to a ban in any way on a person being pressured into paying for some type of advancement in the queue or in the waiting list. Those things are in this legislation.

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

DR. PANNU: Thank you, Mr. Speaker. I wonder if the minister can tell Albertans how much Albertans will have to pay if the federal Liberals ever have the courage to withhold funds from Alberta because of the inevitable violations of the Canada Health Act under Bill 11 that Minister Rock has indicated might occur.

Speaker's Ruling Hypothetical Questions

THE SPEAKER: Hon. Minister of Health and Wellness, that certainly is in the area of speculation, and I have no idea how one can actually deal with that. If you want to give it a kick, go ahead, but pretty brief here.

Enhanced Medical Services

(continued)

MR. JONSON: Mr. Speaker, I would just like to make two comments. One is that the legislation deals very clearly with that concern. The other thing is that the hon. leader of the third party is asking me a question about something that we don't intend to let happen. He may hope that it will happen, but it is very hypothetical.

THE SPEAKER: The hon. Member for Medicine Hat, followed by the hon. Member for Edmonton-Norwood.

Private Health Services

(continued)

MR. RENNER: Thank you, Mr. Speaker. Despite the fact that the Minister of Health and Wellness has already explained to this Assembly and to all Albertans that Bill 11 will prevent patients from jumping the queue by purchasing enhanced goods and services beyond those medically necessary items paid for by the public health system, in today's statement the federal Minister of Health and also, I might add, as is evident by today's questions, the opposition here in our Legislature still seem unclear on how the act protects Albertans from queue-jumping in this and other manners. Could the Minister of Health and Wellness elaborate yet one more time on the protections against queue-jumping in Bill 11 in Alberta?

MR. JONSON: Mr. Speaker, first of all, I think it's important to indicate that all across this country there are enhanced goods and services that are available in the health care systems of the provinces. We have in our legislation actually outlined a set of procedures and requirements with respect to these enhanced goods and services. Bill 11 clearly states that the sale of such products to patients must be clearly explained to individuals, they must not be pressured into purchasing them, there must be an agreement to buy, and you cannot in any way be prevented from having your rightful place in any waiting list that might exist by virtue of offering to pay for these particular devices.

So the bill is very clear on preventing queue-jumping, Mr. Speaker, for any particular purpose or advantage that might come through purchasing one of these services or devices.

THE SPEAKER: The hon. Member for Medicine Hat.

2:10

MR. RENNER: Thank you, Mr. Speaker. To the same minister: can Albertans and Mr. Rock expect to see further safeguards in this regard before the bill is proclaimed?

MR. JONSON: Mr. Speaker, there are right now in the legislation very strong safeguards in this regard, and of course there is – and I could have mentioned it attached to what I mentioned in answer to the previous question – a process for penalties or fines to be levied for violation of the legislation. So that is the overall situation. With respect to some specific details those will be developed in the regulation development process so that it is very clear and all contingencies are dealt with.

THE SPEAKER: The hon. Member for Medicine-Hat.

MR. RENNER: Thank you. Given that the federal minister also appears to suggest in his statement today that with Bill 11 Alberta is investing public funds in private, for-profit facilities, could the minister explain in fact how public funds are being spent?

MR. JONSON: Well, the legislation is very clear and our policy statement is very clear. With respect to private surgical clinics and with respect to contracts for delivery of diagnostic services and with respect to maintenance contracts, in all cases we are looking at a contractual relationship between the government and the entity getting the contract, Mr. Speaker, where we are paying from public funds for a public service for Albertans.

THE SPEAKER: The hon. Member for Edmonton-Norwood, followed by the hon. Member for Calgary-Fish Creek.

Fees for Services in Private Surgical Facilities

MS OLSEN: Thank you, Mr. Speaker. Yesterday Bill 11, the legislation that will open the door to private, for-profit health care, was passed. This morning the Associate Minister of Health and Wellness said on the radio that facility fees would not be part of the contracts between private surgical facilities, otherwise known as private, for-profit hospitals, and regional health authorities. He also stated that the federal Minister of Health was only concerned about insured services not enhanced services. My questions are to the associate minister of health. Will he confirm his statement of this morning that facility fees will not be part of the contract between regional health authorities and surgical facilities?

THE SPEAKER: The hon. Associate Minister of Health and Wellness.

MR. ZWOZDESKY: Thank you, Mr. Speaker. This morning I was asked some questions with respect to some comments that the federal Health minister had made regarding the application of Bill 11 and when it would come in and so on. What was asked about here was with respect to facility fees, which we know were outlawed some time ago and are no longer allowed to be charged. That is the case, and that will be continued under Bill 11.

AN HON. MEMBER: That's not what you said.

MR. ZWOZDESKY: Facility fees. Now, don't get mixed up like you sometimes do between facility fees and facility services. They're very clearly identified here.

Speaker's Ruling

Questions about Media Reports

THE SPEAKER: Hon. minister, please. It would be really helpful if comments were addressed through the chair.

The chair just about got up. Basically, *Beauchesne* 408(1)(b) says: "Should . . . not inquire whether statements made in a newspaper," meaning radio or the media, "are correct." So the chair was really hoping the associate minister, if he were to deal with the question, would basically deal with policy.

Fees for Services in Private Surgical Facilities

(continued)

MS OLSEN: My second question on this issue: by his comments here is he saying that facility fees now are not part of the pricing scheme in contracts between the Calgary regional health authority and the private eye clinics and the MRI clinics? Is that what you're saying?

MR. ZWOZDESKY: Let's be really clear here, Mr. Speaker, because I can see that they need some help. Here are the facts. When contracts are entered into between regional health authorities

and providers of insured surgical services, what we are clearly paying for is a fee for service for that particular service that is enunciated in the contract. I think Bill 11 clarifies some of the guidelines surrounding that and makes it even firmer and makes it even tougher, but more importantly it standardizes that approach right across the province.

One thing that we were committed to doing is putting some fences around those guidelines and making sure that one area of the province is equally treated to another area of the province. We recognize that there were some disparities earlier on, and we have now moved to clean that up, and we will continue to make improvements of that nature as we move on.

MS OLSEN: My final question is to the associate minister of health. Please clarify for us right now if you can that the pricing scheme that exists right now in the contracts between the regional health authorities and the private eye clinics and the MRI clinics do not in any way cover any facility fees. Is that what you're telling us, Mr. Junior Minister?

MR. ZWOZDESKY: Well, perhaps I should have a private chat with that member and take the full time that is required to explain this and maybe even show her some examples.

Mr. Speaker, Bill 11 is very clear in what is and what isn't allowed to be charged for. There will be some regulations developed that will clarify that even further, and we will involve the appropriate parties to make sure that they are clear.

What we are talking about here is the possibility as an option only of allowing certain procedures to be done on a fee-for-service basis. That is what we pay the doctors and the surgeons to do now, and that same procedure will continue.

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

Compliance with Canada Health Act (continued)

MRS. FORSYTH: Thank you, Mr. Speaker. Allan Rock, the federal Minister of Health, has stated some concerns about the government's proposals to protect the publicly funded and publicly administrated health care system. To the Minister of Health and Wellness: has the federal minister conveyed any of the concerns expressed to the government, and has there been a reply?

MR. JONSON: Mr. Speaker, as I indicated earlier, we have been very careful and I think also prompt in making sure that the federal government and of course the minister of health federally are informed of the steps that we have gone through and the content, first of all, of our policy paper; secondly, of the initial bill; and thirdly, with respect to the amendments.

With respect to the recent statements from the federal minister he has responded by indicating that the legislation is in compliance with the Canada Health Act. He has some areas where he has indicated that he feels there is some potential, as I understand it, not just in this province, Mr. Speaker, but all across Canada, for there being nonconformity with the Canada Health Act, and he is evidently committing considerable additional resources to monitoring the situation across the country. We think that that is certainly appropriate. The Premier and myself as minister have indicated that we want the consistent application of the Canada Health Act across this country.

With respect to specifics such as the concern raised with respect

to charges being made for additional services or devices, Mr. Speaker, that is something that is common across the country. I know of no province where that option is not available. Provided that it is conducted in a way which protects the individual patient from being pressured into paying for unnecessary costs or in some way gives a patient an advantage in terms of the promptness of treatment, that is also something that I think the federal minister should be reviewing all across Canada. In our legislation we've banned that.

THE SPEAKER: The hon. Member for Calgary-Fish Creek.

MRS. FORSYTH: Thank you, Mr. Speaker. Again to the Minister of Health and Wellness: hasn't the federal minister himself asked the Alberta government to pass legislation containing the very principles included in its proposal?

2:20

MR. JONSON: You know, one of the great ironies of this whole debate and particularly of many of the questions and attitudes of members across the way towards the legislation is that the legislation was brought in and passed in large part because the federal government had indicated that we should legislate in this area, and we have. The College of Physicians and Surgeons indicated that we had a need for comprehensive legislation with respect to the whole matter of protecting the public health care system, and we've responded to that. Our own very expert and very capable blue-ribbon panel made the same recommendation, Mr. Speaker. So we've had those messages provided to us. We have acted on them with very comprehensive and thorough legislation.

THE SPEAKER: The hon. Member for Calgary-Fish Creek.

MRS. FORSYTH: That's it. Thank you.

THE SPEAKER: Do I take it the hon. Member for Edmonton-Glenora is next?

Fees for Services in Private Surgical Facilities (continued)

MR. SAPERS: Thank you, Mr. Speaker. I'm wondering if the Associate Minister of Health and Wellness will confirm that contrary to what he just told the Assembly, the physicians, the doctors, the surgeons who work in the private clinics – let's just concentrate on the ophthalmology clinics in Calgary – get paid according to the fee guide that's been negotiated between the province and the AMA and that they don't get paid out of the contract. So that would be contrary to what the associate minister said. If he'd just confirm that.

MR. ZWOZDESKY: Well, Mr. Speaker, let me just read this to them, and maybe they'll get it. I'm going to quote out of section 4 of Bill 11. It's called Facility Services.

Where a person receives an insured surgical service at a designated surgical facility,

- (a) the operator of the surgical facility shall provide facility services to the person, and
- (b) no person shall charge or collect any amount in respect of the provision of facility services that is in addition to the amount that is payable for the facility services by the health authority under an agreement referred to in section 8.

Now, just to further elucidate here, part 5, Definitions, gives a very clear indication of what facility services are, and the facility services that are to be provided include such items as

- (i) standard ward accommodation, or a semi-private or private room . . .
- (ii) meals;
- (iii) necessary nursing services . . .
- (iv) laboratory, radiological and other diagnostic procedures . . .

Those are clarified, and they go on for several other examples.

Those are facility services, but we do not pay facility fees, and you're not allowed to charge for facility fees over and above. That's the bottom line. So let's be clear in understanding the difference between facility fees versus facility services. Okay?

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

MR. SAPERS: Thank you. I may have to have a private chat with that member, Mr. Speaker.

Would the associate minister please explain what exactly the Calgary regional health authority, for example, pays for in its contract with the private surgical facilities? If it's not facility fees, Mr. Minister, what are they paying for?

MR. ZWOZDESKY: The contracts pay for surgical fees in accordance with the guidelines that are laid out. Let me explain that to you. Okay? Mr. Speaker, there is a schedule of fees for different types of surgical procedures, surgical procedures that are done in public hospitals or surgical procedures that are done in private clinics. They follow a schedule of fees that is negotiated and agreed to and then paid out through the contract. It's very straightforward.

MR. SAPERS: Mr. Speaker, I'll keep trying.

Will the associate minister please inform the Assembly who it is that pays the facility fees, the overhead charge? If it's not the facility fees, maybe the associate minister can reflect back on why it was that the federal government fined the government of Alberta millions of dollars for violating the Canada Health Act. Could you tell us who pays those facility fees and if they're going to be a continuing feature of the contracts?

MR. ZWOZDESKY: Well, Mr. Speaker, I think Edmonton-Glenora's colleague to the left would really know this one well, and perhaps she'll have a private chat with that member.

I could explain again the difference between facility fees and facility services for the benefit of the Assembly, which I think for the most part everybody understands. There are agreements that are arrived at with the Alberta Medical Association that cover these aspects of surgical procedures, and they're paid out in accordance with the agreed-to fees. Out of those fees that the doctors receive, they cover their overhead.

The fact is that the member is trying to arrive at a difference between facility fees and facility services. Once again, facility fees are forbidden, verboten, and against the law in this province. They've learned that lesson and we have too as a result of other members on the other side.

Thank you.

THE SPEAKER: The hon. Member for Olds-Didsbury-Three Hills, followed by the hon. Member for Edmonton-Gold Bar.

Trans Canada Trail

MR. MARZ: Thank you, Mr. Speaker. Landowners adjacent to the Trans Canada Trail continue to have serious concerns about the sincerity of Alberta Trailnet's attempts to resolve the issues that impact them. On the one hand, Alberta Trailnet has been conducting meetings with the adjacent landowners to hear their concerns, yet on

the other hand it appears to the adjacent landowners that Alberta Trailnet is attempting to do an end run around addressing those concerns by asking this government to legislatively bypass dealing with them and the local authorities. My question to the Minister of Community Development: could the minister confirm that Alberta Trailnet is requesting that the 2,200 kilometres of Trans Canada Trail in Alberta be designated as a continuous transportation corridor such as highways, pipelines, and utility lines?

THE SPEAKER: The hon. Minister of Community Development.

MR. WOLOSCHYN: Thank you, Mr. Speaker. The member is correct. Alberta will have when it's completed the longest section of trail in Canada, some 2,200 kilometres that will in effect join the Beaufort Sea and the Pacific Ocean via trails all the way to the Atlantic. Currently there's a relay going on, I believe, in central Alberta with water coming from the Arctic Ocean.

With respect to the negotiations there have been some concerns by landowners that are adjacent to proposed parts of the trail. Some parts of the trail are on abandoned rail lines; some of it is proposed along the irrigation right-of-ways; some of it is proposed along public roads. So there are a variety of owners involved in it.

Yes, the member is correct. There has been a suggestion made that perhaps legislation should be looked at to designate a trail.

MR. MARZ: Once again, Mr. Speaker, to the same minister: could the minister assure my constituents that any proposals brought forward by his department regarding the Trans Canada Trail or Alberta Trailnet would not bypass or restrict any existing local authority control over land use on the issue of trails?

THE SPEAKER: The hon. Minister of Community Development.

MR. WOLOSCHYN: Thank you, Mr. Speaker. The role that Community Development is playing in this issue and continues to play is to ensure that the concerns of all the people with interests in the trail are met, both the proponents of the trail and the landowners adjacent to it. There are a variety of legislative changes that will have to be made. Certainly this department will not endorse any singular action that would infringe on the rights of either party.

THE SPEAKER: The hon. Member for Olds-Didsbury-Three Hills.

MR. MARZ: Thanks again, Mr. Speaker. To the same minister. I believe the minister answered it in part, but I'd just like him to assure me that the concerns of the adjacent landowners, being the major stakeholders that they are, would be paramount and that they would have direct input into any proposed changes in the future.

THE SPEAKER: The hon. Minister of Community Development.

MR. WOLOSCHYN: Yes, Mr. Speaker. I will continue to support all the efforts made by the people involved to resolve the adjacent landowner concerns along any parts of the trail throughout the province, and I'll continue to encourage full and I stress constructive dialogue between both sides in order that we can have all the stakeholders involved with a high degree of comfort and the trail designated and completed as soon as possible.

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

Inappropriate Health Care Billing

MR. MacDONALD: Thank you, Mr. Speaker. Last week the

Minister of Health and Wellness dismissed our very valid concerns of fraud in the health care industry. Now the annual report of the Alberta College of Optometrists notes that a member has been suspended because of his failure to "make restitution" to the Alberta health care insurance plan "for claims that were inappropriately billed." All my questions this afternoon are to the Minister of Health and Wellness. In this instance, what action is the government taking to collect the money that is owed to Alberta taxpayers?

Thank you.

2:30

MR. JONSON: Mr. Speaker, first of all, I'd like to indicate that the health professionals across this province that claim for various costs and services I think have an exemplary record in terms of adhering to the rules and regulations and being fair in all of their dealings. Of course, where you have thousands of people involved, just as in any other walk of life there are regrettably occasional situations where a person is alleged to be and in due course in some cases proven to be improperly conducting him or herself regarding charging for services.

There are two avenues through which this is dealt with, Mr. Speaker. It is, I think, very consistently dealt with by the professional organizations as being unprofessional conduct, and the hon. member has referred to the action that is taken there. With respect to Alberta Health and Wellness we take the appropriate legal action to recover those moneys and to in some cases lay charges if that is indicated to be necessary.

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

MR. MacDONALD: Thank you, Mr. Speaker. Can the hon. Minister of Health and Wellness tell the House how many more instances of inappropriate billings are occurring under his ministry under his watch?

Thank you.

MR. JONSON: Mr. Speaker, this, as I've said, is a serious matter, one which is thankfully very, very infrequent. With respect to the number of cases that I have dealt with as minister, I would have to check the records. I know that there has been more than one certainly, and it is followed up through the proper legal channels. It is certainly a very, very minimal number, and I think that is a tribute to the people involved, to the agencies such as the various colleges and professional organizations that help monitor and enforce this matter. It is also, I think, a tribute to the work and the care and the checking that our own finance department does in Health and Wellness. We certainly do act upon cases that come forward where there may be allegations of illegal procedures.

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

MR. MacDONALD: Thank you, Mr. Speaker. My next question: what additional resources will the hon. minister commit to monitor and stop any more inappropriate billings to the Alberta health care insurance plan?

Thank you.

MR. JONSON: Mr. Speaker, I guess it is perhaps the Liberal way. You have one alleged violation, and I suppose they'd spend a million dollars on it, you know, set up a special program, do a royal commission or something.

There is a procedure in place which we use. There are procedures in the professional organizations to follow through, Mr. Speaker.

The mechanisms for dealing with these situations are in place now under the budgets that we currently have for Alberta Health and Wellness and the funds that are in the purview of the professional organizations.

THE SPEAKER: The hon. Member for Edmonton-Beverly-Clareview, followed by the hon. Member for Edmonton-Centre.

Physician Remuneration in Private Surgical Facilities

MR. YANKOWSKY: Thank you, Mr. Speaker. I've had some questions posed to me by my constituents in regard to this government's proposal to allow regional health authorities the option to contract some minor surgical services to private providers. My questions are all to the Minister of Health and Wellness. Could the minister tell this Assembly how doctors in these facilities would get paid? Would they be paid on a regular fee-for-service basis, or would they indeed be on salary to the facility?

MR. JONSON: Mr. Speaker, these physicians would be paid according to the agreement between Alberta Health and Wellness acting on behalf of the government of Alberta and the Alberta Medical Association. They would be paid on a fee-for-service basis in the majority of cases, or they might be paid on a flat fee or contract basis under one of our primary care innovation projects in the province. But they would be paid under the provisions of the AMA agreement.

THE SPEAKER: The hon. Member for Edmonton-Beverly-Clareview.

MR. YANKOWSKY: Thank you, Mr. Speaker. Would physicians be able to work in both public hospitals and private facilities, and if so, would they not be in conflict of interest?

MR. JONSON: Mr. Speaker, physicians would be able to work in both venues. As I said, the overall method of payment would be the same; the rates would be the same for the procedures or services for diagnosis that were being provided. That is, I think, very clear in the legislation. It has been the case for years and years in this province with respect to the clinics that we've had existing for many years. People work in their own clinics, whether it is their own doctors' office or some more specialized service, and of course, if they then work in a hospital, they are paid according to the rates.

THE SPEAKER: The hon. Member for Edmonton-Beverly-Clareview.

MR. YANKOWSKY: Thank you, Mr. Speaker. Once more to the Minister of Health and Wellness: didn't Albertans say no to this kind of proposal in last year's health summit and in other forums? Why are you not complying with their wishes?

MR. JONSON: Well, Mr. Speaker, with due respect I have to totally disagree with the hon. member's contention as far as the health summit is concerned. The health summit was, first of all, looking for action and leadership from Alberta Health and Wellness in terms of providing for innovation and change within the health care system. That specific issue with respect to a doctor being able to, for instance, function in his own clinic and charge for services there or in a private surgical clinic or in a hospital, the system that we have right now where they are all paid for their professional services through the Alberta Medical Association agreement was never in my view raised at the health care summit as being an issue.

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

Nursing Homes

MS BLAKEMAN: Thank you. Mr. Speaker, section 32 of Bill 11 has removed nursing homes from the Hospitals Act. My questions are all to the Minister of Health and Wellness. Would the minister please give the reason for this change?

MR. JONSON: Mr. Speaker, nursing homes are provided for in the legislation of the province. Their status has not been changed. The rules and policies and legislation applying to them has not been changed. Since we do not deem nursing homes to be a, quote, hospital and Bill 11 deals with clinics and hospitals, it is not specifically dealt with in the legislation except in the definitions section. The way the legislation works is that it applies to surgical facilities, it applies to hospitals, and nursing homes still have the status they've always had.

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

MS BLAKEMAN: Thank you. Is the minister able to reassure that this change has nothing to do with future nursing homes being owned and operated in the private sector?

MR. JONSON: Well, Mr. Speaker, I have a little news for the hon. member, and that is that in the nursing homes across this province we have had the presence for decades, as I've said, of three categories of ownership. You have nursing homes which are owned and are the property of the Crown, the government of Alberta. You have nursing homes which are owned and operated by voluntary organizations. The Bethany Group would be an excellent example, the Good Samaritans. That's been going on for decades. We also have nursing homes which are owned by the private sector. One of the well-known names is a company called Extendicare. As I've said many times in this Assembly in answer to other questions, the latter two categories operate under contracts to regional health authorities. Nothing has changed there, Mr. Speaker. It has worked well. You have different perspectives from those three ownership groups, which I think is healthy in the health care system and provides for good service.

2:40

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

MS BLAKEMAN: Thank you. Given that the Protection for Persons in Care Act does not apply to private operators, could the minister explain what standards of care or what monitoring and evaluation he would be looking at setting up for more private operators?

MR. JONSON: Mr. Speaker, the private nursing homes, the voluntary nursing homes, in addition to the directly government-owned nursing homes, as I recall, are all subject to review and inspection by the Health Facilities Review Committee, whichever category you happen to fall under. Also, I'll double check, but I think possibly the member across the way is in error in that the Protection for Persons in Care Act does apply to the whole spectrum of nursing homes. I've looked at hundreds and hundreds and hundreds of reports from the investigative wing of the protection for persons in care committee, and they must be really zealous, because they're certainly going beyond their mandate, if she's correct, in inspecting these places or charges that come up in those sites. So it just does not quite apply.

THE SPEAKER: Hon. members, in a few seconds from now we'll call upon the first of two hon. members to participate in Members' Statements today. Prior to doing that, could you all join with me in wishing the Minister of Infrastructure a happy birthday.

Is it also possible, hon. members, that we might revert briefly to Introduction of Guests?

[Unanimous consent granted]

head: Introduction of Guests

(reversion)

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

MS KRYCZKA: Thank you, Mr. Speaker. It gives me a great deal of pleasure today to introduce to you and through you to the members of the Assembly the Calgary Aquabelles national synchronized swim team. As I was once a synchro mom myself – and I hate to say this – for 14 years as my daughter Kelly was in Aquabelles and eventually an Olympian, I'm very pleased to introduce these swimmers. They are competing at a national competition in Edmonton this weekend as some of the youngest competitors. I would like to mention their names: Marannda Bassaraba, Jordan Church, Andrea Merson, Heather Waldhauser, Madeline Babinec, Kate Millar, Sam LaRose, Caitlin Bowers; also, Billy Debney and Luke Millar, who are loyal supporters and brothers, Coach Jan Debney, whom I've known for many years, and chaperones and of course parents Shaun Bassaraba, Pat Babinec, and Andrea Fugeman-Millar. Would these guests please rise to receive the traditional warm welcome of this Assembly?

head: Members' Statements

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

Nursing Week

MS KRYCZKA: Thank you, Mr. Speaker. This week is National Nursing Week, an opportunity for all of us to pay tribute to the commitment and dedication of our excellent nurses throughout Alberta.

Albertans tell us that they have deep trust in their nurses, a testament to the high standard of care consistently provided by nurses to their patients. For many nurses the workload is great, the expectations are high, and the hours are long, but the efforts of our nurses are making a difference for the people who rely on the services and programs they provide. On behalf of all Albertans I want to thank nurses for their expertise and dedicated service to Albertans.

The purpose of the week is to increase public awareness of the pivotal role of nurses in our health system, to remind us how well nurses do their job and how they are making a real difference in the lives of Albertans. Our government recognizes the importance of nurses in our health system. Once again, additional resources are being directed to increasing frontline staffing. This will result in an additional 2,400 frontline workers over three years for emergency wards, acute care hospitals, long-term care, and home care. A significant proportion of these new frontline staff will be registered nurses. As well, Alberta Learning announced an additional 195 spaces in postsecondary institutions to train new nurses.

The health system is evolving, creating new and exciting opportunities for nurses. It also poses many challenges as registered nurses adapt and respond to demographic, technological, and service

delivery changes. The future is bright for nurses, who have already contributed so much throughout Alberta and historically.

Initiated in 1985 National Nursing Week coincides with May 12, Florence Nightingale's birthday. A series of simultaneous birthday parties are being planned for Grande Prairie, Edmonton, Red Deer, Calgary, and Lethbridge at 6 p.m. on May 12 to mark Florence Nightingale's 180th birthday and International Nursing Week. Hundreds of registered nurses and community leaders are expected to attend these Nightingale Nights being held to raise money for continued nursing education.

I encourage all Albertans to attend an event in their community and to mark this important week by thanking the nurses they know for their dedicated work throughout the year.

Thank you.

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

Members' Comments during Bill 11 Protest

MS OLSEN: Thank you, Mr. Speaker. Over the past month Albertans denouncing Bill 11 have protested outside the Legislature, and last night that protest was brought inside. Spirited on perhaps by frustration, these individuals made their opposition known inside the public gallery. They were dealt with in a swift and, in my opinion, professional manner.

I have a fundamental problem with the actions last night of certain key members of this government, however, who only exacerbated the situation. In essence, the security staff was instructed to, quote, throw him over, unquote, while a protester hung over the railing from the public gallery. Mr. Speaker, the situation was already tense and this type of behaviour or comment from a minister of the Crown is unacceptable.

Let me make it perfectly clear. I do not condone inappropriate behaviour nor does my caucus, but I also don't condone ministers of the Crown urging the security staff of the Legislative Assembly to commit a criminal act. As Alberta Liberals we will continue to oppose the actions of this government on Bill 11. That is our job. But it is unacceptable for cabinet ministers to suggest that the Leader of the Official Opposition and her colleagues are somehow responsible for inciting this type of civil disobedience.

Mr. Speaker, I've been on the other side of protests and demonstrations, and I would suggest that these kinds of comments only hinder the actions of those responsible for keeping the House in order. It's apparent that this has been a tough session for everyone. It is important that we all pause to remember why we are here; that is, to represent our constituents, who place their faith and trust in us.

Mr. Speaker, the Premier said that once Bill 11 was passed, we would wake up the next day and the sun would be shining. Well, today we have yet to see the sun, and those ministers of the Crown who made those comments last night could perhaps remove that cloud by apologizing to the House for their actions.

Thank you.

head: Projected Government Business

THE SPEAKER: The hon. Opposition House Leader.

MR. DICKSON: Thank you very much, Mr. Speaker. After the kind of week we've had, that we're just finishing, I can't wait to hear what the government has in store by way of a sequel for next week. So pursuant to Standing Order 7(5) I'd ask the Deputy Government House Leader to advise us as to what business we might anticipate next week.

Thank you.

THE SPEAKER: The hon. Deputy Government House Leader.

MR. HAVELOCK: Thank you, Mr. Speaker. I certainly can't wait to advise members of this Legislature what's going to happen next week. On Monday, May 15, in the afternoon we'll be dealing with second reading of bills 18 and 19 and as per the Order Paper. That evening we will be in Committee of the Whole relating to bills 3, 13, and 16, and second reading of bills 18, 19, 24, and as per the Order Paper.

Tuesday afternoon at 4:30 p.m., Mr. Speaker, we'll be dealing with second reading of Bill Pr. 3 and Committee of the Whole on bills Pr. 1, Pr. 3, Pr. 2, Pr. 4, Pr. 5, and hopefully third reading of bills Pr. 1, Pr. 3, Pr. 2, Pr. 4, and Pr. 5. We will also be addressing under Government Bills and Orders government Motion 18, the Auditor General's appointment. That evening we will be in Committee of the Whole addressing Bill 23 and in second reading of bills 20, 18, 19, and as per the Order Paper.

2:50

Wednesday evening we will be in Committee of the Whole, and that will be based on progress achieved on Tuesday in consultation with the opposition, and in third reading. All the bills will hopefully be addressed.

Thursday, May 18, under Government Bills and Orders, again Committee of the Whole, based on progress, and again third reading, based on progress.

Thank you.

THE SPEAKER: Hon. members, might we revert briefly to Introduction of Guests?

[Unanimous consent granted]

head: Introduction of Guests

(reversion)

THE SPEAKER: The hon. Member for Calgary-North Hill.

MR. MAGNUS: Thank you, Mr. Speaker. It's a rare occasion, indeed, when I have a group of schoolchildren come all the way up from Calgary, but I do have a group today of 21 very bright and very quiet students. I think it may be the early hour that they had to get on the bus in order to get here today. They are here with their teacher, Mr. Way, and four parent helpers: Pat Robertson, Tony Lauinger, Keeley McMillan*, and Sherri Byron. I would like very much to be able to introduce them to you and through you to members of this Assembly, and I'd ask that they stand and receive the warm traditional welcome of this Assembly.

Thank you.

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

MR. MacDONALD: Thank you very much, Mr. Speaker. I would like to introduce to you and through you to the Legislative Assembly – I believe she has arrived. She is a resident of 105th Avenue in Edmonton-Gold Bar, Susan Jossy. She has decided to come by and view firsthand the proceedings here at the Legislative Assembly. She is in the members' gallery. I would ask that she now rise, and if all hon. members could give her the warm traditional welcome of the Assembly, I would be grateful.

Thank you.

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

*This spelling could not be verified at the time of publication.

MR. HAVELOCK: Thank you, Mr. Speaker. In light of the fact that the opposition was so well behaved after the hon. Leader of the Opposition's first question, I withdraw the point of order.

head: Orders of the Day

head: Government Bills and Orders

head: Second Reading

Bill 18

Alberta Personal Income Tax Act

Ms Carlson moved that the motion for second reading be amended to read that Bill 18, the Alberta Personal Income Tax Act, be not now read a second time because the Assembly believes that as a result of the tax reduction measures announced in the 2000 federal budget, the bill would not ensure that all Alberta taxpayers receive a fair tax reduction.

[Adjourned debate May 10: Mr. Dickson]

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

MR. DICKSON: Thank you very much, Mr. Speaker. I'm happy to pick up hopefully where I left off last night. In speaking to the reasoned amendment that's currently before us, there are a number of comments I wanted to make.

It clearly is true, as Mackenzie King, a former Prime Minister of Canada, said in 1931: the promises of yesterday are the taxes of today. I've gone back to look at the hype around tax cuts in Alberta and the so-called flat tax, and I was going to make the observation, in speaking to the reasoned amendment, that the way the government does this is always a study. I think sometimes somebody ought to write a book called an anatomy of public policy development in the province of Alberta.

We have certain familiar modus operandi in terms of the way things are put forward. For example, in all of the hype around this, it's sort of a selective presentation by government of elements and then sort of an ignoring of those elements that send very different messages. For example, talking about truth in advertising, I go back to the news release that the government had brought out in connection with the budget. I go back and I look at these things and I see the boast of 132,000 people lopped off the tax rolls, but there's absolutely no mention of the elimination of the 8 percent high-income surtax and the \$162 million connected with that. You look at the Budget Backgrounder that came out, and I'm sure all members still have one of these in their desks. This is the thing I've learned not to trust very much, Mr. Speaker, but I suspect there are some Albertans that may wander into a constituency office and pick this up, looking to find out what's going on.

It's interesting that the government will acknowledge: yes, we've eliminated the 8 percent surtax. But I think there are a lot of Albertans that don't understand that that really only applies to high-income filers. It's just a curious thing. As you go through the budget presentation, you see that what's touted are the things that are going to affect people in low-income situations, which of course is the great majority of Albertans – I shouldn't say the great majority; it's certainly going to affect a significant number of Albertans – but the benefits that are going to accrue to wealthy citizens there's almost no mention of.

As you go through this entire two-page news release, you'd think that the impetus to this bill was to provide some relief to the 132,000 poorest Albertans. You'd think that that was what this bill was all about, and you'd say: well, this is great. The Provincial Treasurer heard Desmond Tutu when he came to Alberta a year ago to

celebrate the 50th anniversary of the universal declaration of rights and freedoms and all the wonderful speeches about trying to address poverty, that poverty continues to be one of the huge issues in this nation and the fact that too many children are living in poverty and low-income households. You'd think the government was responding to that and was animated to an overwhelming concern about that disparity between rich and poor in the province.

[The Deputy Speaker in the chair]

But that's not what this bill is all about at all, and that's not what the government's tax reform package is about. If you strip away the benefit to the 132,000 low-income Albertans, what you find is that, yes, there are certainly some benefits there, but the people who ultimately really benefit from Bill 18 as it currently stands are really going to be that much smaller number of people who may see the end of the 8 percent high-income surtax.

The reason for the reasoned amendment is effectively that our Premier has now announced, after the budget announcement and after all of the hoopla and fanfare about the so-called flat-tax proposal, that we now have a de facto relinking of our provincial single-rate system to the federal system. So it's once again one of those things that speaks to a question of competence or lack of competence on the part of this provincial government to be able to manage its budget, to be able run the affairs of this wealthy and prosperous and exciting province.

What's crystal clear to me and I think to many Albertans and increasingly more Albertans, as they study this package and begin to understand that the emperor really has no clothes, is that this entire bill seems to have been little more than a vehicle prepared to showcase the leadership intentions of the former Provincial Treasurer. It does not speak to the real needs of real Albertans.

When you look at the numbers in this thing, those with incomes over \$150,000 a year – that's 1 percent of taxpayers – get a 15 percent cut in provincial taxes; the 39 percent of taxpayers in the \$30,000 to \$70,000 income range will get only a 6 percent cut. I think, once again, it's sort of like Bill 11. If there was any positive thing coming from Bill 11, it was the orientation education of an awful lot of Albertans to the nuances and the complexities of our public health care system. Maybe at the end of Bill 18 we'll reflect back and say that the benefit of this is that we're able to have a widespread, hopefully public debate, and hopefully the government will allow that to happen. Hopefully we're not going to see any of the kind of nonsense we did around Bill 11, with limiting debate through closure or quasi-closure techniques. Maybe what we will be able to have is a debate, and we'll be able to talk about the value of a progressive tax system. The reality with the proposal we've got is that it doesn't live up to the hype. I mean, I think that's the thing that's becoming increasingly apparent to Albertans.

3:00

I know you're waiting anxiously, Mr. Speaker. In another two weeks I'm going to have the results of my web site poll from Albertans. I got, I think, about 2,300 responses to the first Bill 11 question and 576 responses to the second question in just two weeks. I can't wait to see the response to my current question on this. I hope the bill is still going to be around in two weeks so that I'm going to be able to share that with colleagues here in the Assembly.

As it stands now, even with dropping the rate to 10.5 percent, which isn't in the bill, of course, but which is touted by government, we're still going to have middle-income taxpayers in this province paying more. Under this proposal until 2004 Alberta taxpayers are still paying more, even if the rate is dropped as the government

proposes. The problem is that Albertans are not able to get the maximum benefit of Paul Martin's federal income tax reforms.

I think there are more positive things that can be done if we want to do genuine tax reform. One of them certainly was ending bracket creep, but that is not necessarily a corollary to a flat tax, and the federal Finance minister has demonstrated that by eliminating bracket creep by simply indexing tax brackets. So a good move and one which I've heard even grudging acknowledgment from the provincial government about.

[Mrs. Gordon in the chair]

I think what Albertans want to see is a flow through of federal rates. But it does point out sometimes how foolish it can be by having the provincial government engaged in what I describe as a political stunt in terms of rushing the budget up so it would come in a week after the throne speech for the sole reason of trying to beat the federal treasurer releasing his budget. At the end of the day we see that the cost of that is to hurt Albertans and cost more. As my colleague for Edmonton-Glenora pointed out in *Hansard*, May 2, 2000, everyone whose earnings are between \$18,425 and \$68,400 will be disadvantaged under Bill 18, would in fact have been better off before Bill 18 came into force.

Now, in the course of researching the bill and looking at it, there's just an excellent article I ran across that I encourage members to look at. It's called *Why Fairness Matters: Progressive Versus Flat Taxes*. It's authored by Dr. Robert J. Shapiro, April 1996. He's a Harvard University professor and a fellow of the U.S. National Bureau of Economic Research. He earned his doctorate at Harvard University, holds degrees from LSE, the London School of Economics, and the university of Chicago. So this is no lightweight. This is somebody who presumably knows what he's talking about, and while clearly even smart economists have biases, I think there's something in this article for all of us.

One of the things that I took from the article is the notion, again, that we sort of re-examine what our tax system is there for. What are the key elements we want to see? He identifies three goals: simplicity, growth, and equity. I mean, that makes sense to me. I don't know if there's anybody that has a contrary view of what they want to see their tax system serve, but those seem to me to be three important objectives. I'm just paraphrasing. I'm no economist. I did my best working my way through Dr. Shapiro's article and invite others to read it. They may have different takes on it, different perspectives.

What I took from Dr. Shapiro's thesis is this. Firstly, this whole business of tax reform is based on a pretty shaky foundation. I think what he points out is something that wouldn't maybe be part of what we might describe as conventional wisdom, but it's this. If you want higher growth – and I think that's really what we want to see in this province. We all want for our children and our grandchildren those high-skill, high-pay jobs. We want to make sure that when these pages finish their education, they're going to be able to go out and get those high-skill, high-pay jobs and all of the other young people in that age group.

What Dr. Shapiro points out is that the way you do that by a factor of six to eight times more is through investing firstly in worker skills, in employee skills. That is perhaps the most important thing we can do. This may be a statistic that the Minister of Innovation and Science is familiar with. The other thing you do is invest in technology innovation. In fact, doing either of those two things will pay you really six times more than what you're simply going to get by increasing straight business investment.

I don't have any commerce background, but I look at it in terms

of: the flat tax shifts the burden from the owners of capital to wage earners. It's tough to square that. I mean, that's exactly what happens with a flat tax. It's tough to square that with notions of equity and growth. When I have a Harvard fellow telling me in his article that I cited earlier that we're going down the wrong road, it certainly makes me ask a lot more questions, questions that I haven't heard answers for. I'm hopeful that over the course of the debate on this referral amendment we're going to hear some of those answers, because it's not apparent in anything we've heard so far.

It might be worth while recognizing that in Canada we have a relatively free market. What that means is that there is a greater potential, a significantly greater upside to skilled, talented people to be able to prosper, and there are more opportunities for wealthy people to increase their wealth. So my thesis is that paying progressive taxes is but a kind of price for higher income citizens being able to benefit from those greater market opportunities.

Now, this is different from tax reduction. I mean, I want to pay lower taxes like everybody else. But you know something? That is actually quite a separate issue. Maybe it's once again that \$8 million Public Affairs Bureau, that seems to play such a large role in the machinations of the current government, but what they're working hard to do – and I'm not sure how successful they will be, and maybe this side of the next provincial election we're not going to know that, Madam Speaker. What the Public Affairs Bureau has been trying to spin and trying to sell to Albertans: they've tried to make the notion of tax cuts seem to be the *raison d'être* for Bill 18. People who don't take the time to read the bill and do some of the research analysis, who don't have time to do that, may think that what this bill is all about is tax cuts, when really what it's about is something fundamentally different.

Let's be real clear about that. It can be couched as a tax cut, it can be advertised as a tax cut, but that's not what this is about at all. What it's about is a form of regressive . . . [Mr. Dickson's speaking time expired] You know, I've got some colleagues here who I bet do have some economics background. It can't be time up already, Madam Speaker. Well, I'll pick this up at the next stage.

Thank you very much.

3:10

THE ACTING SPEAKER: The hon. Member for Airdrie-Rocky View.

MS HALEY: Thank you very much, Madam Speaker. It's a real pleasure for me to be able to get up and address the amendment presented by the opposition on Bill 18, an amendment that would effectively kill the bill if it were to be accepted.

I believe that Bill 18 is good news for all Albertans. I can only imagine the envy that other provinces feel as this debate is going on. A strong fiscal plan has given us the ability to introduce ground-breaking tax reform and tax cuts of over 20 percent. Yes, Madam Speaker, that's what I said: we will take 20 percent, or \$1.3 billion, less from Albertans' bank accounts. Well, we'll do that if we can get past the amendment.

One thing we can all agree on in this Assembly is the benefit to low-income Albertans. Nearly 200,000 Albertans will be removed from the provincial tax rolls. Unfortunately, this only takes care of the provincial taxes. The federal bill still accounts for two-thirds of income tax. A recent article in the *Calgary Herald* said, a comment by Mr. Dale Orr, an economist with an economic think tank, with WEFA, Inc., a group that helped Finance Minister Paul Martin prepare his budget projections: personal income tax collections rose by 34 percent from 1994 primarily due to bracket creep. That was, he notes, well above the 24 percent growth in the economy over the same period of time.

However, there is no denying that low-income Albertans are

winners with this bill. There is a little more difficulty in getting the opposition to acknowledge that middle-income earners are also winners with Bill 18, since they, too, will receive a tax break. I don't see how that makes them losers. I think the biggest problem that the critics have with a single tax rate is that high-income earners will also be winners in this scenario. I have a hard time understanding why anybody would oppose that. Just because someone earns more does not make them a bad person or any less worthy than any other Albertan. Why should they be punished for working hard, for going to school for years, for trying to improve their opportunities, or for taking risks, as so many Albertans do?

High taxes don't create any incentive to work that extra hour of overtime or take the course you need for a promotion. High taxes often deter people from bettering themselves at work because the more you earn the more the government takes in taxes. It is a fact that high taxes stifle individuals' enthusiasm. Contrary to the information the Alberta Teachers' Association recently sent out, Canada ranks 23rd out of 28 OECD countries; in other words, only five countries in the world tax personal income at a higher rate than Canada. Canadians pay approximately 40 percent more taxes than other OECD nations on average, and 20 percent higher than our neighbours, the United States.

We believe in encouraging creativity and enthusiasm in Alberta in a different way. We think government should get out of people's private lives and out of people's bank accounts. We think that if government backs off, then people will have more room to grow and more freedom to choose. Bill 18 will give Albertans that freedom. By removing tax brackets, Albertans will have the freedom to choose to work harder. They will also have the freedom to choose how they will spend the money that they will save on their tax bill. They won't be punished with higher taxes for getting a raise. There's nothing more discouraging for any of us than getting a raise and having it taxed away because your raise put you in a higher tax bracket.

Low taxes are not only good for individuals and families in Alberta; they are good for the economy. When individuals are allowed to grow, the economy grows with them. When individuals are feeling financially confident, the economy reflects that confidence.

The Liberal opposition has suggested that we can't afford the kind of tax cuts that we are giving and that is why they are trying to hoist this tax cut bill for Albertans. I think that the Liberals and the NDs are opposed to tax cuts because they know that if they ever were to form a government here in Alberta, the first thing they would have to do is put taxes up to cover the cost of all the spending that they would do. They like to dream with other people's dollars.

I think we can't afford to not have a tax cut. The \$1.3 billion tax cut that we are returning to Albertans is affordable. Alberta Treasury estimates that the new tax plan will increase economic growth. The Budget 1999 appendix, Economic Impacts of Alberta Tax Review Committee Proposal, shows that five years after the tax plan is implemented, Alberta's gross domestic product is expected to be about 1 percent higher just from this tax cut, or \$1.3 billion larger. Twenty thousand new jobs will be created, and an increasing economic activity will generate enough increased tax revenue to offset 40 percent of the direct cost of this tax cut. It's important to keep in mind that these numbers are based on the initial estimate of a \$500 million tax reduction. Now that we have proposed a \$1.3 billion tax cut for Albertans, the economic impacts will be much greater, and that is good news. It is good news for Alberta, and it is good news for all Albertans.

However, we need to keep in mind the purpose of this bill, which is to introduce tax reform and give every Albertan a tax cut. Do the

Liberals really want to see those who are in the lowest tax bracket, let's say a young couple expecting their first child, struggling to make ends meet with a new baby in their future – they may be inclined to try to earn a little extra money to cover the additional costs of raising a family, but with the current system those extra hours push this family into the middle-income tax bracket with a higher rate. The only result is that one of them is away from home working longer hours without much financial gain. Bill 18 will end that kind of penalty. Even though the Liberals' amendment would hoist Bill 18, I honestly don't think the Liberals want to see this family struggle. Well, I don't think they do.

What about someone who's already in the middle-income tax bracket? What if he or she works hard and gets a raise? Is it all right to tax away that extra money he or she earns? Where does the opposition draw the line? Who do they choose to be the winners and the losers? Bill 18 will not punish these Albertans either.

Another example. An 82-year-old widower living in a seniors' lodge makes \$12,000 per year in private pension income. He receives old age security. In 1999 that senior paid \$335 in provincial income tax. In 2001 he will not pay any provincial income tax, and of course he will still receive the Alberta seniors' benefit.

Another example would be a married seniors couple having a total private pension income of \$54,000 per year and both receiving old age security. Both are in good health and have not claimed any medical expenses. They can make a charitable donation of, say, \$3,000, Madam Speaker. They will pay \$513 less in provincial income tax in 2001 than they did in this year.

Madam Speaker, it is time for some real tax reform. It's time we stopped punishing hardworking Albertans by reducing any incentive to save, to work, and to invest, and it's time we let Albertans keep more of their money. It is time we recognized that for Alberta to keep some of our brightest young people from moving to places like the States, where there's a huge tax advantage, we have to be competitive. I have heard people complain about some of our doctors and our surgeons moving to the U.S.A., where they can in fact earn more money than they do here. This tax cut will help to alleviate some of that pressure.

I urge all members to vote against the Liberal amendment to hoist this bill. Let's get on with returning more of Albertans' hard-earned money to them. It is, after all, their money.

Thank you, Madam Speaker.

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

MS LEIBOVICI: Thank you, Madam Speaker. It gives me great pleasure to rise in support of the amendment this afternoon because in fact the proposal for the flat tax that we see in front of us is anything but fair. One of the first things the Official Opposition would do when we become government is ensure that taxpayer dollars are not spent on private health care in this province and siphoned off to provide a profit for for-profit providers. So that would be the first thing we would do.

I find the concept interesting that if you earn \$100,000 and you have to pay taxes, in fact you are being punished, but those who are earning \$30,000, \$40,000, or \$50,000 are somehow lesser beings in the sight of this government and, in fact, do not deserve the same type of tax break that those in the upper earning levels deserve. I just want to give out some figures to show what the flat tax does to those middle-income earners.

3:20

If someone is earning \$30,000, the amount of tax savings is

\$52.17. If they earn \$30,424, it's \$41.48. If they earn \$40,000, the tax savings is \$95.11. If they earn \$50,000, the tax savings is \$151.11. If you earn \$100,000, however, you do get a tax saving, and that's \$1,292.45. Now, Madam Speaker, is that fair?

In actual fact these figures are from a chartered accountant, Brad Severin. He indicates that, yes, 10.5 percent is marginally better than the 11 percent flat tax, but in actual fact he has found that the top income earners will benefit the most. So I find it rather insulting, Madam Speaker, that government members would indicate that those who are middle-income earners either don't work hard enough, aren't bright enough, or don't deserve a tax break in the equivalent amounts that someone at the higher income level is saving, and that in fact is what they have said over and over and over again.

The flat tax provides for a structural change in the tax system in this province and can in fact be seductive. Many years ago Pam Barrett of the New Democrats at that time indicated that Canada needed a flat tax system. It's interesting that Pam Barrett would have indicated that this is the way to go when we have a large number of right-wing think tanks that say that this is not the way to go.

You know, the parallels between Bill 11 and Bill 18 are just immense. Both bills are not based on fairness. Both are not based on evidence that there will be a benefit to the majority of individuals in this province. Both are not based on anything other than a belief that it is the right thing to do with no substantiation other than it's the right thing to do. Both have been policy-making by the seat of their pants, and both are going to be a burden on the middle-income earner. So what both bills do is promote inequities between the higher income earners and the middle-income earners in this province. You know what? The similarities even go further than that. Both bills have required amendments in this House, and we have yet to see the real amendment tabled by the Acting Treasurer in this House.

The reality is that if the government members were so interested in ensuring that middle-income earners received a tax break, especially those who stay at home, who have a parent who stays at home to care for the children, they would have supported the motion by the Member for Edmonton-Gold Bar, Motion 506, that read:

Be it resolved that the Legislative Assembly urge the government to demonstrate its recognition of the contribution made by parents who stay at home to care for their children by providing support equal to that received by parents choosing other child care options.

That would have been a motion, Madam Speaker, that would have provided for a fairer tax break to that middle-income earner that the Member for Airdrie-Rocky View just spoke about. In fact, it is a motion that would have been supported by organizations such as Kids First, who have for years tried to provide to governments information about the discriminatory tax policies with regards to stay-at-home parents. Yet this government on the one hand says that they agree, but on the other hand their actions do not match their words.

What I find also interesting is that this unfairness has been seen by Albertans across this province. In fact, I tabled in this Legislative Assembly on April 17 a petition that had been signed by 571 students who had studied both Bill 18, the flat tax, and Bill 11. What they found was that these two bills would have an incredible impact on individuals' ways of life. This is what the petition said:

Bill 11 and 18 are currently being proposed that would affect both the health care system and also the tax [system] . . . we have been unable to attain any factual evidence to support the move to a privatized health care system.

Also, at that time it was an 11 percent flat tax rate.

By signing this petition, you are saying that if these two bills are passed and go into effect, then when you are able to vote you will not support the Conservative Party.

You know, students in this province are not fooled by the flat tax. Students in this province are not fooled by the government's protestation that there is no for-profit health care in this province. Students in this province are well aware of the impact that both of these bills are going to have on their lives.

I'd like to quote from another letter that indicates that the flat tax is a huge problem with regards to the middle-income earner. In fact, the Member for Calgary-Cross had read from this letter just a couple of days ago, so I'm sure she must have tabled it. It is a letter from Jake Kuiken, who is president of the Alberta Association of Registered Social Workers. What he indicates is that "the tax inequity created by Bill 11 will be even greater" with the introduction of an 11 percent – again, it was 11 percent at that time – flat tax next year.

Under the current tax system, Albertans who are better off pay their annual taxes at a somewhat higher rate than Albertans with an average or lower income.

The flat tax changes all that. All eligible Albertans will pay their taxes at the 11 percent rate. However, well-off Albertans who can afford an enhanced level of medical services will see their taxes reduced twice over.

Speaker's Ruling Relevance

THE ACTING SPEAKER: Hon. member, a couple of things. We are dealing with a reasoned amendment, brought in by Edmonton-Ellerslie. The chair certainly recognizes that some latitude needs to be given. However, I would remind the hon. member that we are dealing with a reasoned amendment to Bill 18. Also, when you do read a letter, it should be tabled in the Assembly. I would ask for the remainder of the debate to please remember that we have before us a reasoned amendment and if we could talk about the necessity for that reasoned amendment within the debate.

MS LEBOVICI: Absolutely. The reasoned amendment indicates that

. . . the Alberta Personal Income Tax Act, be not now read a second time because the Assembly believes that as a result of the tax reduction measures announced in the 2000 federal budget, the bill would not ensure that all Alberta taxpayers receive a fair tax reduction.

I am making the case, hopefully, that this flat tax does not provide for a fair tax reduction to all Albertans. As well, if the member had not tabled that particular letter from Mr. Kuiken, I will table the letter.

Thank you for keeping me on track as always.

Debate Continued

MS LEBOVICI: The reality is that because the tax break is set up as a flat tax, what it in effect does is provide for a tax that is not fair to all Albertans.

Now, if I can just remind the Assembly as to why we're at the point that we are right now with regards to tax reform. [interjection] Okay, I'll stand back. I think it's my mike that's picking it up. I'm not screaming.

THE ACTING SPEAKER: Hon. member, through the chair. Are you having a problem with your mike?

MS LEBOVICI: I think so. I think the mike is amplifying my voice, so that's what the problem is.

THE ACTING SPEAKER: That does sound better.

MS LEBOVICI: Thank you. I don't need a lot of amplification, as most of the members know.

3:30

The basis of this tax reform, supposedly, is to provide a fairer tax to all Albertans, but as I indicated earlier, what I think we have is tax policy on the fly, because what we've seen over the last few months are different options being thrown out as trial balloons. I almost see it as the Treasurer at the time and the Premier's own version of a striptease with regards to tax reform in this province. In fact, what we're seeing is a lot of talk, very little action, and it may be satisfying for some but not for all.

If I can just go through a little bit of the scenario in terms of what has happened over the last number of months. On July 26 of 1999 the Premier mused about accelerating Alberta's single-rate tax system in 1999 and 2000 by increasing the basic personal and spousal exemptions. On November 23 of 1999 the Premier said that the government may lower the 9 cent per litre gasoline tax. Further on, two days later, the Premier mused about a gasoline tax rebate. Then on December 29, 1999, he further mused about providing Albertans with a \$100 tax rebate. On January 7, 2000, the Treasurer at the time said that the government is considering a personal income tax cut in the year 2000; January 17, the government is considering a reduction of health care premiums. So a little bit seems to be thrown out at a time, but in fact all it was was teases.

On January 18, 2000, the Treasurer said that there would be a surplus and that the surplus would be used to pay down the debt rather than being used to provide tax cuts in the year 2000. On January 26 of 2000 the government's 18-cent reduction in the mill rate for the education property tax was announced, but it was a \$22.50 tax cut for the average homeowner. On February 24 we had the reannouncement of the flat tax scheme for the eighth time since the 1999 provincial budget. On February 27, 2000, what the Treasurer at the time said, in terms of asking the federal government to cut taxes, which in fact they did, was: what we're saying is try it; you'll like it. I'm sure that was much to the surprise of the Treasurer at the time. Then we saw the Premier on March 14, 2000, say that he would bring in a law to ensure that Albertans will always have the lowest personal income taxes in Canada.

What we're seeing is that there's very little consideration that's been given, it would appear, to the actual impact of the flat tax on Albertans. It has been more, it seems, a rush to try and keep up with perhaps Ontario, to try and keep up with other jurisdictions across Canada who have also been rushing to provide tax cuts.

Now, is there anything wrong with providing a tax cut? Absolutely not. There is no one, I think, in this Assembly or outside this Assembly who would say that they would not like more money in their pocket. However, when Albertans are asked, "What are your priorities? Should the first thing on a government's mind be to cut taxes?" what they say is that the first thing on a government's mind should be health care, education, child poverty, crime and justice, environment. Tax cuts are not at the top of what Albertans' or Canadians' concerns are with regards to government priorities. What we have seen here over the last few months is a fixation on health care, but it's a fixation on private health care, and now what we see is a fixation on tax cuts.

Now, the Member for Airdrie-Rocky View had indicated that one of the reasons for the tax cuts is to ensure that the brain drain would not continue. I don't know if she's had a chance to look at the *CGA Magazine* that came out in May, so just a couple of days ago. What it indicates is that the taxes do not really have a huge effect on whether people decide to either leave Canada or to come back to Canada and that there are other issues that are more important, such

as the high quality of life and the community and proximity to family and friends.

The other issue that's brought forward in this magazine is the fact that though most Canadians welcome tax relief, they're also upset by the way their dollars are being spent, and I would venture to say that the majority of Albertans in this province are very upset with the fact that over \$3 million has been spent by this government in an advertising campaign to promote private, for-profit health care.

The other issue that is brought forward by this particular magazine is the climate in terms of competition between the United States and Canada and businesses and their tax regime. There's an interesting study that has recently been done that suggests that this viewpoint might be not quite correct as well. What was found was that U.S. companies faced tougher economic conditions than their Canadian counterparts. "We didn't really expect to find that," said one of the professors. "But that's how the data came out." So some of the almost myths that are being propagated by the government as to why the tax cut needs to be in a certain format, I believe, when you scratch below the surface, are not quite what they seem to be.

Actually, the Premier has called it Ralph-onomics or Steve-onomics. Perhaps it should have been called Stockwell-onomics. I'm not sure. But the reality is that it's an experiment. It's an experiment that has been shown by the figures to not bear out what in fact the result is that the government wishes it to be. So this amendment provides the opportunity for the government to look at Bill 18 – it doesn't kill the bill; it says that it should not now be read a second time – and ensure that the bill provides a fair tax reduction to all Albertans.

So what we are doing yet again is providing the opportunity for the government to take a deep breath, to look at what they are doing with regards to the flat tax, who they are affecting most seriously, to recognize that it is not punishment when you deal with a progressive tax system, that there should be rewards inherent for the middle-income group as well when they receive an increase in their salary or when they work overtime, that it should not be only those who earn \$70,000 or \$80,000 or \$100,000 that should be rewarded for earning those salary levels.

Again, I think it is very insulting to say that someone who earns \$40,000, who may move into a \$50,000 tax bracket, should not, in fact, have the same percentage ability of tax savings as those in the higher income brackets. Why are they being punished by this government? That, in fact, is what occurs under the flat tax.

Thank you.

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

MS BLAKEMAN: Thanks very much, Madam Speaker. [interjections] I can already hear that there are a number of members really anxious to get on the list and comment on this bill, so I look forward to when they're up to speak.

I am glad of the opportunity to rise at this point and speak in favour of the motion that "Bill 18 . . . be not now read a second time because the Assembly believes that as a result of the tax reduction measures announced in the 2000 federal budget, the bill would not ensure that all Alberta taxpayers receive a fair tax reduction." I think that there's merit in that.

3:40

I've listened with interest to those speakers that I've heard from the government side speaking in favour of Bill 18 and against this reasoned amendment. What I'm sensing is that this bill kind of dovetails into Bill 11, because I certainly see the same attitudes coming from members on the other side, and I question that. I would

think that if it was a good idea and people really believed in it, they'd just get up and argue the case. But why they have to get up and say that members in the opposition have their "heads on backwards," which was the quote that we heard from Calgary-Egmont – and we had another gem from the Member for Airdrie-Rocky View, some other kind of disparaging comment. I always find it interesting, because, you know, people that really believe in what they're doing and have a good solid platform to bring forward just bring it forward. They don't have to try and defend it by taking personal attacks against members of the opposition or against anybody, in fact, that disagrees with them. So just an interesting comment as part of the give-and-take on this debate.

THE ACTING SPEAKER: The chair would ask the hon. member to get on with the bill and the reasoned amendment, please.

MS BLAKEMAN: Thank you very much for your kind advice.

Now, I have a few reasons for supporting this reasoned amendment. Just let me stop here. I don't want anyone to misunderstand and believe that I am not in favour of a tax cut. Let me say that again. I have said that in the previous reading, and if the Member for Airdrie-Rocky View was able to supply me with the *Hansard* quotes showing members of the opposition actually saying that they did not believe that Albertans wanted a tax cut, I'd appreciate seeing that. She certainly made that comment, and none of my colleagues here have gotten up and said: no tax cuts for Albertans. So please be accurate in your statements.

If it's possible to give a tax cut, all things considered – when you look at balancing a budget, when you look at what the revenue is, when you look at what the expenses are, when you look at whether there's a deficit or a surplus, I think it's a great idea to give money back to people, and if it's possible to do that by way of a tax cut, then that's a wonderful opportunity and it benefits everyone. Do I think the proposal that the government has put forward at this point is the way to do it? No, I don't. That has been really brought into sharp focus because of the actions of the federal 2000 budget.

So if the current government believes that they'd like to spend \$1.3 billion on a tax cut for Albertans, is this scheme that they're putting forward – I understand an amendment is to come forward reducing the 11 percent flat tax to a 10.5 percent flat tax. If that's the method that they choose, I disagree with it. I think there are fairer and more equitable ways in which to do that. I think this scheme does compromise fairness and equity. There's no question in my mind. There have been all kinds of statistics and percentages already put forward that do show that the people that benefit absolutely the most from this is a very small percentage of elite-income earners at the very top end who get the most tax reductions back. That's an interesting one too.

I look at how we came to be in this position. This government has been in power for 30 years. It's always interesting to me how they pretend that it wasn't them. Certainly, choices that this government made in the '80s led in fact to the debt and the deficit, and as a result of that, choices were made again by this government to establish things like the 8 percent high-income surtax and the .5 percent flat tax deficit reduction tax, so they did in fact go back to the people and work that debt off with money from the people.

The past Treasurer in his estimations of the budget – certainly in retrospect we can see this quite clearly – has had a tendency to estimate the revenue very low and the expenses very high. So there's a built-in, almost guaranteed surplus here, and now we're saying: okay; we want to give this surplus back by way of this 10.5 percent flat tax. I'm always interested to see how the immense marketing and Public Affairs' budget can be used to make all of this

look like they're only responsible for the end point, which is giving the money back, but no recognition that they're the ones that caused it to be given out in the first place.

The moves that the federal government have made really brought what's being proposed and, I think, the failings in the flat tax scheme into very sharp focus in that one day what was being proposed here could be argued quite strongly and by the next day the moves that the federal government had made in their budget really skewed this flat tax scheme and showed it for what it was, I think.

It's interesting to me the number of members of the government that have been saying: this is a wonderful thing for families, and how could we speak against it because it benefits families so much. I have to say, you know, that in the going on four years – I'm in my fourth year now in this House – there were a lot of other things this government could have done if they really and honestly wanted to benefit families. There are still things that could be done by this government if they really wanted to benefit families.

My colleague has already mentioned Motion 506, that was moved by the Member for Edmonton-Gold Bar. That's an excellent example, and the government votes it down. I mean, like flat. Nobody was even interested in contemplating supporting this. So when I see a good idea like this presented that's voted down flat by the government and then I see something like the flat tax coming in and the same excuse being used in reverse to promote it, it makes me think that this isn't about a tax cut so much. It's about implementing a long-term political ideology. It just so happens that at this point in time it's possible to have all the elements in place to do that. What do I mean by that?

Well, if you really as an ideology wanted to put a flat tax in place, if you really believed that was the best way to have things in the world, knowing, of course, that the higher income earners are going to benefit the most from that and it is absolutely going to decimate the low-income earners, how would you do that? I think what I'm seeing is that the first thing you do is call it something else. You don't talk about the fact that it's changing the whole system. You talk about it being a tax break.

Well, if you're going to talk about it being a tax break, then you'd better find the tax break. Sure enough that's been done, and we have the circumstances that allow for that at this very point in time. But then, oops, if you really look at it, what would happen is that the people on the lower end of the income scale would really be hammered. They would be paying a significant portion, and the effect on their lives, given that the costs of basics like rent and food and gas take a much larger chunk out of their available money, you're going to have to do something to sell it to people. So what do you do?

Well, why don't you just raise the personal exemption above, just above, the point where low-income earners show up on the scale as really getting nailed with this new scheme. That would help too, because the people that really have to buy into this new taxing scheme – because that's what this is; it's a taxing scheme – are the middle class. They're the ones that would most likely protest it or not be willing to go along with it or to question it. I think the government is smart enough to know that the middle class isn't going to buy this if they see that low-income earners are getting absolutely smashed by some sort of taxation system. So raising the personal exemption level to just above where low-income earners really get hammered also helps to sell this to the middle class. Then, as I said, you just keep telling people that this is the sale, that this isn't about changing your whole taxation system forevermore in your life, that really what it's about is a tax break, and you keep selling it on that sort of level.

3:50

There's an assumption here that there will always be an opportu-

nity to keep lowering this rate. I would dearly hope that that is true, but what I've studied on the economics of Alberta and what people seem to admit is that Alberta has a very cyclical economic life. Nobody can figure out why we can't seem to hold it on an even keel all the time, but we can't. We rise and fall with alarming regularity over whatever that cycle is, 10 or 12 or 15 years or something. So what's happening here is that it's being sold with the idea that there'll always be a tax break, that that 11 percent, now 10.5 percent, is going to keep going down. Nobody ever talks about what happens when oil prices drop to five bucks a barrel and they're not able to get the oil and gas royalties, that typical downturn that Alberta always experiences.

Then those tax rates are going to have to go up, and certainly this government is no stranger to putting on surtaxes and raising income tax. When that happens, what is going to happen to that essential middle class that is really needed to sell this whole new taxation scheme, the ones that really have to buy this? I think at that time they would see themselves caught in a sort of pincer movement, and their taxes would just shoot up. It would be very, very difficult for people in the middle class.

So the idea of having a fair and equitable tax system is very important to me, and I don't see that in what's being proposed here. I'm more than happy to talk about tax cuts, but I don't think this is about tax cuts. I think this is about instituting a tax system that can and probably will really hurt the middle class and will advantage the very wealthy elite in our province and, depending on the vagaries of the day, may really disadvantage low-income earners, or they may be exempted out of it.

I'm also a believer in the progressive taxation system. I'll admit that up front. I believe in it. I think those who are more willing to and able to pay should pay a little more. I mean, percentage-wise they have much more disposable income to do whatever they want with. Someone said to me, "Well, you know, Laurie, some people take their money and risk it to get into business ventures or perhaps even go back to university to get a different degree and go into a different field, and they shouldn't be penalized for risking that amount of money." That's true, but on the other hand they are also in a position where they can make enormous amounts of money out of that if they so choose.

I do believe in a progressive tax system, and that's not what I'm seeing here. It is inequitable. In treating everybody the same here, you very much disadvantage distinct sectors that are affected by this tax. I'm not in support of that. But would I like to see a tax break in an equitable tax system? You betcha. Absolutely. I'd be the first one in line.

It's interesting, actually, the way this proposed flat tax system would work when you look at the lower income, the middle income, and then the higher income. It sort of reminds me of that magicians' shell game where they have the walnut shells on the desk and you're supposed to figure out which one the pea is under. What always comes to mind when I listen to what's being proposed here is that somehow under the tiniest little shell is the biggest one of those foam-rubber balls, because it is the smallest percentage of people under this scheme that are getting the biggest prize back out of it. Again, I'll underline that it is a tax break now, and I think that's being used to sell a tax scheme, which is a different discussion than I've heard going on here.

I think I'd touched on this briefly before, but I just want to make the point again. I've heard a number of people speaking with great fervour and belief about how much this is going to be of benefit to the low income, but I have to admit that I see a certain amount of discovery, that it's become fashionable to stick up for the lower class and for the lower income earners. But I don't think that that really,

truly is meant. I think, again, that it's being used as part of a sales job here, because there were a lot of other ways to benefit low-income earners that were possible within the powers that this government has than putting in this scheme, which, as I've said, could really hurt them.

At some point one of the members opposite said: this government wants to get out of people's lives. When I just very quickly look at some of the bills that have already gone through in this last year and look at bills like 202 or 212 or at child access enforcement, those are very definitely involved with the most intimate parts of people's lives and regulating them in a very serious way. So I'm having trouble accepting the argument that somehow this bill is getting out of regulating people's lives, because far too often I've seen this government more than willing to jump in and regulate or legislate the most intimate portions of people's lives.

I am in favour of this reasoned amendment. I think I would like to see a better tax plan, a fairer tax plan, a more equitable tax plan, but I'd also like to see a bit more co-operation between the provinces and the feds. Somehow this has turned into a . . . [interjection] I don't think I can use that word here in this Chamber.

MS LEIBOVICI: They've had a match?

MS BLAKEMAN: Well, yes, a match. Thank you. That's well put. I had an image of two little boys, but I'm trying to be delicate here and honour this House.

The truth is that there's only one taxpayer, and this idea that the provinces have all got to have their own system – are they doing that for valid philanthropic reasons? I'm beginning to think not. I'm beginning to think that this is about one individual or small group of individuals being able to say: I gave the tax cut. Because we were linked with the feds before, as we've seen and what this reasoned amendment is about, when the federal government did something, they got the credit for the tax cut because everybody else was just attached to them and it sort of flowed through.

Part of what's still bothering me about all of this is that the provinces – I'm talking about all the provinces – and the federal government don't seem to be able to put aside that testosterone-laden little battle and actually discuss what is the best tax system for people in Canada. I'm a Canadian. I pay Alberta taxes and I pay federal taxes and I pay municipal taxes as well, and I'd like to see a system that is better integrated and fairer to everybody. I, for one, as a taxpayer would like to see some better discussions around all of that and a little less of this match between boys.

Thank you very much, Madam Speaker.

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

4:00

MR. MacDONALD: Thank you very much, Madam Speaker. I am very anxious to participate in the debate this afternoon on the amendment to Bill 18 as proposed by the hon. Member for Edmonton-Ellerslie. This is going to give all Albertans an opportunity to have a second look at Bill 18.

On the surface one would have to say: "Well, what's the matter? This bill is going to give everyone a tax cut." But we have to look at the fairness of the tax cuts that are proposed in Bill 18. It has been recognized in editorials in some of the major papers in the province and it has been talked about by various chartered accountants and other professionals that this is not the best way to pursue tax reform.

Now, it's interesting to note, Madam Speaker, the words of a gentleman who was the controller general of finances for Louis XIV.

His name is Jean-Baptiste Colbert, and his words – and I'm going to quote them – are relevant in this discussion around fair taxation and Bill 18. The quote is this: the art of taxation consists in so plucking the goose as to get the most feathers with the least hissing. Middle-income earners in this province, when they see the tax implications of Bill 18, are going to do some rather loud hissing. If the hon. members across the way think they heard protest with Bill 11, well, they're also going to hear from Albertans regarding the fairness of this flat-tax proposal.

We've all heard over the years – and this argument certainly goes back almost two decades. One book, for instance, that dealt with this from Stanford, the university in California, was *Low Tax, Simple Tax, Flat Tax*. The discussions around this book from the Stanford economists talked about how a flat-tax proposal or scheme would be a tremendous boon to the fortunate few, as I call them, or in this province the economic elite. A government must listen to all members of a society, not just the fortunate few.

Now, if we are to embrace a flat-tax policy or proposal, we have to give everyone the complete story. It has been discovered in other jurisdictions that politicians who have embraced this concept of flat tax have been less than candid about what the long-term effects of these taxes are. I believe that my colleague from Edmonton-Norwood in a few moments is going to also speak on that issue, and hopefully she's going to be able to convince all hon. members of this Assembly to support the amendment from the Member for Edmonton-Ellerslie, because there's no sense in rushing into this. Let's have a good look at this and let the Alberta public have a good look at this.

The irony in this province and with the originator, shall I say, of this idea is that the flat tax, Madam Speaker, is coming into political favour or is becoming fashionable in some political circles at a time when many other economists and accountants, as I said earlier, are having second thoughts about it and are doubting the credibility of this whole idea. Now, I think we will see an increase in the inequities across income groups in this province with the flat-tax proposal, and that's why I'm reluctant to support it at this time. Tax reduction and the prudent use of tax dollars is a policy that has to be addressed by everyone.

Later on in my remarks I'm going to caution all hon. members of this House about just exactly what can happen with our economy, an economy that's based on nonrenewable resources, and how delicate this is. We all know what happened in the mid-80s whenever resource revenue fell. We look at the full economic picture in this province, and we look at the middle-income earners. They want things for their families and for their community just like everyone else does. They want to see their economic future sound, and they want to see the economic future of their children sound as well. One of the easiest ways to do this, to build a good, solid economic foundation, is through education. Tuition fees are skyrocketing, and this is a burden that the middle-income individuals or families have to absorb. Is that reflected in this flat-tax proposal? I do not think so, Madam Speaker.

We have to now for a few moments consider how this bill came about. Some individuals have referred to it as making tax policy on the fly, but perhaps it had more to do with blind political ambition. I'm thinking back to the days of Richard Nixon, as the second term of the Nixon presidency crumbled and disintegrated. I'm looking at the second term of Premier Klein's government, and I'm also seeing similarities in this. We look, certainly, at the health legislation, and now we look at this flat-tax policy. It's obvious that the government has not done its homework by analyzing the effects of the 11 percent single rate, as it was proposed, on the various income classes and the family types as it relates to the impact of the federal government's

tax measures once the provinces are delinked from the tax-on-tax system. That is to occur in the next fiscal year.

Now, why would I say that? Well, Madam Speaker, the government has had to amend this bill, Bill 18, in order to reduce the original 11 percent rate to 10.5 percent and increase the exemption level from \$11,620 to \$12,900. Now, as I debated a motion earlier in this session, the hon. Member for Edmonton-Centre brought it up about making a more balanced and fair playing field for stay-at-home parents regardless of whether it was the mother or the father. My motion was soundly defeated by hon. members of this Assembly, yet not a month later we're increasing that exemption level. That's not something that I disagree with. I think that has been a long time coming.

I believe it has something to do with the initiative that the hon. Member for Wainwright proposed earlier in this term. That is how policy is made. The hon. member put his motion forward. We all talked about it in this Assembly, and two and a half years later the Provincial Treasurer of the time increases the exemption. I think those events are related. At least, I hope they're related. I think that is how policy is made. Obviously this policy, as it was developed, was – shall I use the term? – a little delinquent, because it has to be changed so quickly.

4:10

Now, as I understand it, the argument that was made was that we had to ensure that taxpayers will receive the same benefits in 2004 under the 10.5 single-rate system as they would under the tax-on-tax system. Madam Speaker, we only need to look at the record over the past nine months to see that this government has been making tax policy on the fly. It has to do with personal ambition rather than prudent fiscal management of our tax revenue and the planning that is going to have to go on perhaps for not one decade but two decades in the future, when natural gas royalties and conventional crude oil royalties are going to be significantly depleted.

We look, Madam Speaker, at the current Provincial Treasurer and the tabling of this draft amendment to decrease the rate from 11 percent to 10.5 percent and to increase the exemptions. Now, it was stated that the Treasury Department projections were done over a three-year period, but we need to look at this on a longer term. The Premier later on stated, as the announcements of the amendments to Bill 18 were made, that the promise to flow through federal tax cuts to Alberta had to be kept. This contradicted, of course, the statements of the Acting Treasurer, and that is quite an interesting contradiction. For that reason and that reason alone we would have to support the amendment from the hon. Member for Edmonton-Ellerslie, because this amendment would allow them to get their story straight.

[The Deputy Speaker in the chair]

Now, we look at the total revenue. The total revenue of the province, Mr. Speaker, is going to be over \$19 billion dollars, and this in the current fiscal plan. We look at the two largest sources of that revenue. It's personal income tax, which is close to 25 percent of the total revenue, and nonrenewable resource revenue, which is 21 percent. What would happen – and this is my concern – if we had a significant decline in the commodity prices of natural resources? If hon. members across the way can explain to all members of this House and all Albertans how they're planning on dealing with this if it would occur – I hope it does not. I had direct experience with this resource economy in the mid-80s, and I know how many businesses and I know how many individual families were hurt financially. Not only is prudent spending of our tax resources wise

but also prudent planning into the future. This government has never demonstrated to me any ability to plan into the future.

Hon. members could say: why would the individual be concerned about this? Well, we look at their own revenue forecasts. For instance, resource revenue in the last fiscal year was estimated to be \$4.3 billion. Now, two years down the road that same estimate is to be slightly more than \$3 billion, so that's a significant decline. Tax revenue will grow with tax cuts: that's the argument that is being presented here. I'm not so sure about that. We look at investment income. In the same year, 1999-2000, it was forecast to be \$1.6 billion, Mr. Speaker, and the target two years down the road is to be \$1.3 billion. So there are some flags here, and I would caution hon. members across the way, in their excitement to promote Bill 18, that I do not believe there has been a prudent 10-year or 20-year plan on the implications of this flat tax.

Now, the other hon. members of the Assembly are quite aware of the former leader of the third party and her fascination with the flat-tax system. In January 1996 the former leader of the New Democrat Party said – and I quote – we need a flat-tax system in this country. The hon. member at the time went on to say that she was not promoting the policies of Bob Dole or Newt Gingrich but that we need a flat tax system. It's such a contradiction to what the current policy of the third party is. The third party seems to be wavering back and forth, Mr. Speaker. They certainly have some concerns about the flat tax and how it hammers away at middle-income earners.

They go on to state that Budget 2000 places a heavier tax load on the backs of working Albertans. They also say that there's a fairness of the tax system at stake – I'm not saying that I disagree with these statements, but there's a definite contradiction here – and that a flat tax will massively shift the tax burden to the middle class. Well, that's not what is talked about in this commentary, in this advocacy of a flat tax. Now, I don't know how far the discussions of the former Member for Edmonton-Highlands went with the former Provincial Treasurer, but obviously they had to have some discussions at some time because they both admire this flat tax system. It is amazing, when I think of it, that in the last couple of months this is a considerable shift. This is a real, philosophical shift, Mr. Speaker.

We talk about having fairness, not only for people that have modest incomes, people in the middle-income bracket – members of this party know that tax policy has to be not only for the fortunate few or the economic elite. Whenever you change tax policy, it has to benefit everyone.

It is unfortunate that I have to conclude my remarks, Mr. Speaker, because I have a lot more to say on this flat tax system. Thank you.

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

4:20

MRS. SOETAERT: Thank you very much, Mr. Speaker. I'm pleased to speak to this motion that has been made on this bill. It reads

that Bill 18, the Alberta Personal Income Tax Act, be not now read a second time because the Assembly believes that as a result of the tax reduction measures announced in the 2000 federal budget, the bill would not ensure that all Alberta taxpayers receive a fair tax reduction.

Once again in this Assembly we've had an announcement that puts the cart before the horse. It was like a big race, part of a leadership race maybe, that the then Treasurer had to leap up and start his campaign by saying: we're going to cut taxes. That's great. Everyone wants to pay less taxes. There's no doubt about that. But

I don't think he had done all of his homework. It's like he had to put it in quickly before the federal budget came down, and then he had to undo it. He had to make this big announcement. Then when he realized that the federal changes to tax rates were fairer and addressed more people and certainly gave a better tax break to the middle income, it was like a big "Oops, I've done something wrong here." Supposedly there's going to be an amendment during Committee of the Whole. We think it was announced one question period. Right? You know, it's always hard to predict what's going to happen in Committee of the Whole. Then we're going to have that change. I would venture to say that not enough homework has been done on this.

I'm ready for a tax break. I think everyone is. [interjection] Absolutely. We see taxes: income taxes, property taxes, education taxes, business and corporation taxes, oil and gas royalties, stumpage fees, user fees. Now, user fees are a flat tax in a way, I'd say. There are a lot of different views on user fees as well. There are all kinds of user fees. We can look at fishing licences; that's a user fee now. We can look at drivers' licences; that's a user fee. There are different views on user fees. The summer is coming. Whoever will use the parks will pay a fee. People's views on user fees are interesting. Then we pay for licences at the municipal and the provincial and the federal levels. We've got the GST, brought in by a Conservative government. For the environment, we've even got tire taxes.

I think people feel that they are taxed quite enough. They are. They balance that out against: what am I paying my taxes for? Then they kind of say: well, if my tax dollars are being properly used, if they are being spent on public health care, if they're being spent on a good education system, if we get decent roads – and by the way, highway 794 is now highway 44. Just so members of the Assembly know that. It's not quite finished yet. It's got about two-thirds to go, but we're ever hopeful that another third will be done this summer. It's now highway 44. I suggested calling it Soetaert Way. That didn't happen, but it was a suggestion.

So back to the bill. You know, as long as we're getting value for our tax dollars, people can live with that. When they find out that certain things are being squandered or wasted or spent in a way the general public doesn't want or when they don't get the services they need or when suddenly they are paying out of pocket for something they thought their taxes covered, then that's when people get upset. So people get upset, and I think in a way that's been happening lately in the province of Alberta. People have felt: "What do you mean? I'm paying taxes and I have to pay for an MRI? What do you mean? I'm paying taxes and this service is going to be de-insured?" There's an unrest about that. If they pay taxes and they get the service, then people can live with that, but now if they don't get the service, they're thinking: well, why am I paying taxes?

Now we have an issue of a government coming out with a tax break, so that should make the general population happy. At first blush I thought: good; a tax break; that's wonderful. But is it a fair tax break? Is it going to give the middle income more of a burden or less of a burden? Because that's the majority of the population, middle income. I think it's good that the lower income will be taken right off. I think that's a very good part of this piece of legislation. I do. However, I think this will put the burden on the middle income, and eventually people are going to understand that.

If we look at this philosophy behind a flat tax, user fees are a product of a flat-tax philosophy. You know, you reduce the basic tax to the lowest possible level to accommodate the wishes of the wealthy. With this philosophy, if that is your philosophy, then user fees are going to end up being increased in order to make up the needed revenue. Now, this disenfranchises the poor even more. As user fees go up, that philosophy of a flat tax disenfranchises the poor

even more because they end up paying a higher percentage of their income than wealthier people do.

A flat tax encourages people to only look at themselves, and I don't think society as a whole fits in with that philosophy. I think that philosophy of a flat tax, of user fees also ties in with private health care and private education, because it's kind of "I'm just looking at me and what it's going to do for me," instead of the collective good, instead of what it will do for society.

MS CARLSON: It's un-Canadian.

MRS. SOETAERT: It's interesting. It's un-Canadian. I heard a lot of that today, actually, at the base at Namao, which is now called Steele Barracks. It was renamed today. I heard a lot of concern about being Canadian. It was cold; it was very cold. Steele was a tough man, and we were tough out there in the wind as the Lieutenant Governor inspected every single troop that has ever lined up in that barracks, I'm sure – heaven bless her – and then the artillery and then the band. She even went through the band.

While we were there – and I know the Member for Redwater was there as well – I even got to borrow a coat from a sergeant major, so I felt quite important for a while and warmer. While there, many of the discussions were on being Canadian and what it means to be Canadian, and in that is how we feel as a society and what we value. I would say that most of us value fairness . . .

MS CARLSON: And taking care of each other.

MRS. SOETAERT: . . . and taking care of each other. Yes, we want to strive to do our best and work hard for our families and hopefully get some extras and enjoy some of the finer things in life. In fact, I think each generation wants more for their children. We do. Most of us live in bigger homes than what we were born in and have two or three vehicles as compared to maybe one family vehicle. Education we value for our children, and we're willing to strive so that our family does as well as it can.

In that view of our family doing as well as it can, I think we extend that to our community – I do – and our province, and when you're sitting in the Legislature, I think we always think provincially as our responsibility. That's why we're elected here. That, of course, makes us stronger Canadians, I believe.

4:30

So while at this wonderful renaming ceremony, many people were talking about what it means to be Canadian, because at that base there of course are people from all over Canada. Many concerns about what's happened with health care being un-Canadian and a real concern that that would happen in Alberta. The joy of talking to those people from all over Canada is that they loved living in Alberta. They just think it's such a wonderful province. I am so proud that we are, I think, one of the choice places that people from all over Canada choose to live because we have so much in this province. But a real concern was: why would we in this province change our values of public health care and focus on private? So that ties in to fairness in taxation and if we think that fairness and equity are going to be compromised with Bill 18.

I am in total support of a tax cut. I just think it has to be fair. If we are going to penalize the middle income by eventually more and more of the burden being on them, then we have not made this bill as fair as it can be. If we look at the distribution of tax cuts under a 10.5 percent single rate, it can't help but be skewed towards the 4 percent of tax filers earning above \$100,000. They have the ability, and fortunately so, because of hard work, because of luck, because

of opportunity, because of how they can land on their feet, because of skill in business, because of education. Because of many factors, there are people who are very wealthy in this province and have worked hard to get so. I have to say that the people in my constituency who understand this – because lots of people just know it's a tax break and that's great – are very concerned about it.

Even the very wealthy would say: "You know what? I am not afraid of saying that I can share more of my tax dollars with those who are less fortunate." [interjection] Right; I am my brother's keeper. And you know what? You can talk about how people aren't working hard enough, they don't do this, and they aren't making enough money. Maybe there are a few like that. There will always be a few like that. In any profession, in any way of life there are the odd people who just kind of slip along. But I would say that certainly in Alberta most people work very hard, are very industrious, love this province, want to make a go of it, want to own a house, want to own a car, and want to do well for their family. I would say that most people in this province are very industrious and proud to be able to work and proud to say, "I work here, and I do this."

So those in the very high income are concerned about this as well, those that think globally and have a real social conscience. I believe they are concerned about this, those 4 percent earning over \$100,000, while the 39 percent of middle-income tax filers – now, that's 39 percent, almost 40 percent of tax filers. Almost half our population, almost 40 percent, between \$30,000 and \$70,000 who pay over 45 percent right now of the provincial personal income taxes in Alberta will receive smaller tax cuts as a percentage.

MS HALEY: That's not true.

MRS. SOETAERT: Well, it is true. But you know what? I do welcome the member from Three Hills-Airdrie . . .

MS HALEY: It's not Three Hills.

MRS. SOETAERT: It's not Three Hills anymore. That got changed. Sorry. Airdrie-Rocky View. My apologies.

Speaker's Ruling Decorum

THE DEPUTY SPEAKER: We've got a couple of things going on here. For one thing, we have somebody on this side speaking to someone on that side, and then the Member for Spruce Grove-Sturgeon-St. Albert begins a discussion with them.

Hon. members, the speaker included, if you talk through the chair and ignore these others, then we can get along a lot better. Hopefully others will take the opportunity to stand and speak when it's their turn. Otherwise, listen or do your work.

Spruce Grove-Sturgeon-St. Albert, through the chair.

MRS. SOETAERT: Thank you. Through the chair I apologize to Airdrie-Rocky View. I should know her proper name after all this time, so I apologize for that. Many people mix up mine, so I know what that's like. And I welcome other people to join the debate, after me of course. After me they can join in the debate; certainly not with me.

Debate Continued

MRS. SOETAERT: You know, I can't help but feel that this is just taking a little chunk and changing just a little chunk instead of proper tax reform. I have a feeling it's like a quick fix. We'll make people happy, we'll tell them they're getting a tax cut, and in the long run we haven't really reformed the whole tax system.

I don't claim to be an expert on this at all. It's what I've read. It's

what I've listened to. In fact, I've only had about five calls to my office on this, and they're from people who understand the tax system very well. I've had comments from other people saying: well, it looks pretty good to me. I've said, "Yeah, if it's fair," because everybody appreciates getting money in their pocket, absolutely.

Those who truly understand the tax system and have done a great deal of work with it – in fact, I have an appointment with a gentleman next week to come into my office. He's going to talk about how he sees this affecting middle income, how he sees it affecting seniors on a fixed income. In fact, he actually worked in the Northwest Territories in the treasury department many years ago, so he comes with a real background of an understanding of the tax system. He has grave concerns about this, and because we've been so busy in here, I haven't had the opportunity to actually sit down and make some notes with him that I could bring back to this Legislature. So I in no way claim to be an expert on this, but I do claim to be trying to learn about it, and the more I learn about this, the more I see it as not the fairest tax reform that we could have.

I absolutely believe in a tax cut that is fair, but I don't see this in this piece of legislation. I don't see this as a fair tax cut. I see it as a great tax cut for the wealthy and eventually disadvantaging the middle class, which most of us fall into, which 39 percent of us fall into, so that's the average person in my constituency. I have to tell you that a lot of middle-income people I think at first blush say, "This is good," but they don't realize that eventually it's going to be a tax grab for the middle class. Those people who earn less than \$70,000 in taxable income would receive a larger provincial tax cut under the current tax-on-tax system by the year 2004 if federal tax measures announced in this last federal budget are flowed through than they would under a 10.5 percent single-rate tax system. If the federal budget keeps going the way it is and we keep doing the flat-tax system, by the year 2004 the middle income is going to be disadvantaged.

So I would say that this hasn't been thought out. I would recommend that we have another go at it. I think we need a tax cut in place by January 1 next year. There are several solid suggestions out there, several people with a great deal of knowledge on taxing who are looking for real tax reform, not just a quick fix. I'm afraid this is like a simple quick fix, and it isn't going to do what people need.

I realize my time is almost at an end. I urge all members this weekend to maybe go to people in their community who really understand this and ask their opinion, because that's what I'm going to do. Truly, the focus has all been on Bill 11, and I want my constituents' feedback on this. I want them to give me their honest opinion. I want them to get some knowledge. I look forward to that opportunity to hear from them, people who are very involved in the tax system, and I hope other MLAs will too.

So with that, I thank you very much, Mr. Speaker, for the opportunity to speak to Bill 18.

4:40

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

MR. GIBBONS: Thank you, Mr. Speaker. I'm pleased to stand and talk to our amendment that was put forward by Edmonton-Ellerslie. This is a very important bill, a very important direction to go, and I don't think anybody wants to see that we do not have a tax break. It seems to be the spin throughout the country. It started here. It seems to be flowing over, but it is a major concern. I do want to stress that we should be having something falling into line where it's

more fair and equitable for all Albertans and not the fact that we're looking for a quick fix for a certain bracket and above.

You know, there are lots of questions of: why are we doing that? Why are we looking at only one thing? Dropping off the bottom end is fine because next to the fact that they do need a break, they don't pay taxes. So that's an easy one. That's an easy fix.

The next fix is how to show that you're going to give a tax break without giving very many dollars away. If you really stress the fact that between \$30,000 and \$80,000 is where the big numbers would have to come from, this is where this government would have to spend a major dollar.

The amendment that has been put forward by the hon. Member for Edmonton-Ellerslie is to stop this at second reading and actually for the government to go back and do some major research. As I spoke to this bill before, I stressed that there are other alternatives instead of making policy on the fly. You know, we noticed that on May 4 the new Provincial Treasurer actually introduced a change, a revision to the original bill, reducing it from 11 percent down to 10.5. I did point out that I do believe in tax breaks but I didn't believe in the 11 percent. The 10.5 isn't a figure that I'd back to any degree either, because I believe that we're nonprogressive. We should be looking at something, looking at a number of alternatives. It is important there again that nobody takes any words out of context, with myself saying that tax breaks are not what we need.

[Mr. Herard in the chair]

Last year at a media golf tournament it was a ha-ha joke that Ed Gibbons' team was going to win a set of T-shirts and hats that said: tax me; I'm a Canadian. Well, when I went up to get it from the reporter from the Leg. bureau of the *Herald*, I just laughed and said: you're painting me with the same brush. I don't mind wearing that T-shirt, which I did for a number of months at the YMCA, and that actually created a lot of conversation. I gave the hat away to my father-in-law, who would love to wear that hat any day to the racetracks or anywhere. But the T-shirt did create a lot of conversation, and I was actually going to wear it in our caucus meeting the other day and create conversation there.

It is a major, major issue, and what I'd like to point out is that we're getting into the position where we have to come up with a tax break. We have to come up with alternatives of governing in here. So at second reading I'd like to point out that the comparable \$1.33 billion tax reduction package under the current tax-on-tax system, consisting of elimination of the 8 percent surtax, which is \$162 million, and the flat tax rate tax, which is \$325 million, retaining the Alberta and selected tax reduction and the reduction of the basic federal tax-on-tax from the 44 to 36.5 percent, would result in a fairer and more equitable reduction in taxes for all Albertans, including significant tax cuts to the middle income.

Fairness and equality is what I really want to stress and why I think this amendment should be looked at and thought about by this government. The distribution of tax cuts under the 10.5 percent single rate is skewed toward the 4 percent of tax filers earning above \$100,000, while 39 percent, the 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 a smaller cut as a percentage of current PIT paid.

I want to stress that what we see in the bill is that the progressive nature of the tax system is eroded. All taxpayers, regardless of taxable income, pay the same 11 percent single rate. This is mitigated to some extent by the fact that some 190,000 Albertans are taken off the provincial tax rolls because of the increase in basic and spousal exemptions to \$12,900. As I mentioned before, that's an

easy item for this government to stress and spin, that they've dropped off the people at this income level, because it isn't adding up to a lot of dollars. The tax grab is actually at the middle income, Mr. Speaker. Taxpayers who earn less than \$70,000 in taxable income would receive a larger provincial tax cut under the current tax-on-tax system by 2004, if federal tax measures announced in the 2000 federal budget are flowed through, than they would under a 10.5 percent single-rate system. This is due to the fact that distribution of the tax cuts under the 10.5 percent single rate is skewed toward those taxpayers earning over \$100,000, as I mentioned before.

Higher Alberta margin rates for low- and middle-income earners. Assuming the elimination of .5 percent in the flat rate tax on January 1, 2001, taxpayers in the 17 percent bracket, which is up to \$35,000, will have a higher marginal rate under the 10.5 single rate than under the tax-on-tax system in the 2004 tax year. Taxpayers in the middle-income bracket, between \$35,001 to \$70,000, then would have approximately the same margin rate under the 10.5 single rate as they would under the tax-on-tax system in the 2004 tax year. Meanwhile, taxpayers in the middle-income bracket, above \$70,000, would have a significantly lower Alberta margin rate under the 10.5 percent single-rate tax than under the current tax-on-tax system. So it goes back to: really, why are we doing this?

Alberta will unhook from the federal system by levying the provincial tax on taxable income rather than on the basic federal tax this coming January 2001, Mr. Speaker. We actually have been playing around and tinkering, and we've got to a point: is 10.5 percent the proper amount? I would like to see other alternatives coming forward, and with the major flaws in the 10.5, it's my feeling that maybe there are other things. Maybe we can be looking at and actually going out and talking about the fact that we wouldn't spend a lot of dollars with the under \$12,900, but we would have to spend a major amount of dollars when it came to that bracket between \$35,000 and \$70,000. Maybe the \$70,000 should be \$80,000, and maybe we should be talking of reducing the percentage from 10.5 percent down to somewhere in the high 9s or 10 and going the other way on the higher income. If we are only selecting those taxpayers in the province that are big funders to political campaigns and not looking at the overall item, that goes back to why I'm saying that this amendment is one that we should be actually looking at.

4:50

The plan to make single-rate income tax work by cutting taxes another \$460 million a year on top of the \$800 million already announced does not fit the provincial budget numbers, Mr. Speaker. The government is caught in its own trap, its own money trap. The spin that was supposed to be carrying on and maybe taking the heat off Bill 11 earlier kind of never did happen, because I believe the undercurrent of concern around Bill 11 actually has created everybody being boxed in, whether it's our side or the government side, and talking about one particular bill.

Now we're here, and we're looking at the fact that our economy is growing so fast that I don't believe the forecast for resources to keep booming actually blends into this. Alberta restricts its budget procedure with a variety of laws. One demands that the province run a surplus of at least \$649 million in the 2001-2002 budget year and \$656 million in 2002-2003. Now, by doing this, there are only so many dollars you can actually play with. So this is where the tinkering comes into place, and they're tinkering with figures that are going to fit in with what they've already forecasted. The new tax cut takes big surpluses out of the picture. The current projection would put the surplus at \$446 million in 2001-2002 and \$308 million in 2002-2003.

DR. WEST: Just bump what you've got.

MR. GIBBONS: Why not just lower it?

The government probably lowballed its revenue estimates. There would likely be enough cash around to cover the difference, but you know, I'm getting different comments coming across from the Treasurer. He's saying: just bump it. Well, I'm saying: let's break the wage brackets out on three different levels. You have the low, you have the high, and you have the middle. Let's make a sort of progressive flat tax on each level and forget the name "flat" because it isn't working, isn't selling. It's a spin that I actually even bought into until I started to look at the figures and delve into it.

Honest accounting and living up to the spirit of its own rules requires rewriting of the forecast, and that is rewriting of the budget that was actually set out prior to this minister. The lower tax rate will be announced within the next few days, or maybe the minister will actually talk about how he's going to change the budget that was put forward by the previous Treasurer. Even if the revenues stay up, there will only be enough money if the province keeps growing and resource prices hold.

Now, this goes back to why we need lower taxes, and this is in the scheme of everything that's been happening over the last years. If you drop the tax rate to a point where you're going to attract people, you're attracting industry, which is great. You're attracting people from all over the country, which is great. Now we have the apprenticeship bill in front of us, and we're behind the eight ball on the apprenticeship end. We have to get moving on something.

We seem to be in a catch-up. We're catching up for all the lack of planning that we've had over the last six years while we were playing the one-string guitar and paying down the debt for the last six years. Now we're seeing bills coming forward that should have come forward a long time ago. We wouldn't have been in this predicament. If oil and natural gas prices come in at about 7 to 8 percent lower than expected next year, the rest of the budget assumption produces a deficit, and then where are we going to be? Something would have to happen to give to the spending side. So when we get into pushing a particular line of taxes and the revenue that we totally have to fall back on is from natural gas and oil, then we're back into the loop where we were back in the '80s, when we had the peaks and the valleys.

Balanced-budget laws have turned Alberta finance planning into an artificial experiment, and we keep hearing that it is better to experiment than to plan. Well, I'd rather see the minister sit down and build a plan and, now that he is the new Treasurer, maybe take what was wrong before and actually produce a new budget. Here's another case where there's a lack of real concern, of really wanting to listen to where we want to go, because if you're going to do policy on the fly, it's no different than tinkering.

The government wants to introduce single-rate income tax, but to make the switch acceptable, it wants to make sure that everyone gets a tax cut. This can't be accomplished under the present tax system they're putting forward, and it's only if the government actually spins it out a different way. The actual fact is that working Albertans need this break. Myself, I've got three of my own children going into secondary schooling this coming fall, and that's major, major, so I would love to have a tax break. But I want to make sure that what we're going to set forward in this legislation is something that is going to honestly be true instead of being tinkered with year after year.

This is actually why the Member for Edmonton-Ellerslie put this forward, Mr. Speaker. I hope the new minister is of the belief that he would really love to see this work and will make sure that this is going to sell, because if it doesn't sell, it's another bill that has gone

faulty at this particular time. Sure, they can pass this bill, but it's only by numbers, and if it's not going to sell afterwards, then there's a major problem we have in this province.

The object of the original bill was to establish the rules and the procedures for the implementation and administration of Alberta's single-tax system, which, I really, really want to stress, are not the exact figures. So as I sit and let other people speak, Mr. Speaker, I only want to stress that I believe in a tax cut, but as I said before, I do not believe in 11 percent, and right now I do not believe in 10.5 percent. I do believe that we have to sit down and look at this amendment we've put forward and look at something that's going to build a system that makes Alberta better and makes everybody want to move to Alberta.

Alberta is a fantastic place, and every place we go – last year we went to Quebec for the parliamentary conference. It's nice to see, when you have six MLAs coming from Alberta, all of them sticking up for the fact that Alberta is a great province. I sat one night at a table of MLAs from Quebec, one being a Liberal member and the other one being of the government party, the Quebecois. In the conversation we had, they pointed out: what's it like coming from a have province? This was the sixth night that we were down there, and every night we had been treated very, very well. I looked at him and I said: "You know, if you were in Alberta, we would treat you very, very well. You wouldn't go back thinking that you weren't treated well, but we wouldn't be spending the money that you've spent on us in this past week." I wasn't insulting him. I was just challenging him to a conversation.

I said: what's it going to be like this coming fall when you have to really govern? They looked at me kind of quizzically, and I said: "Well, the fact is that you've been going around touting separation for so many years that that's your only platform. What's it going to be like this fall when all your unions start hitting you between the eyes?" They were actually quite concerned, which brought on more

conversation around the fact that the only way they could get away from the fact of where they are, the way they govern, and the way they overspend on things in Quebec is the fact that other provinces, like ourselves, are have provinces.

Well, we are a have province. We do have the natural gas. We do have the oil. We have had a great run in the '90s, and hopefully the run is going to continue in the 2000s. But the fact is that any of us that were in the industry in the 1980s, construction of any kind, do not want those days coming back. The bottom fell out in 1982. Things started to build. By 1985 things came back. By 1988 the bottom fell out again.

5:00

These are the years we do not want. We want to build. We want to put proper bills forward, and whether it's the apprenticeship bill that has been put forward or other different items, we need good legislation to create a better province and have a legacy to look back on and say: see; I sat in the Legislature in those years when we built good bills.

There are good bills on the table in front of us that should be passed, and I hope we're going to be sitting long enough that they are going to be passed. I was very happy that Bill 15 went through last night into Committee of the Whole and that the condo bill went through, bills that are being thought about, taken back. The condo one is a prime example.

Thank you.

MS CALAHASEN: Mr. Speaker, I move to adjourn debate on Bill 18.

[Motion to adjourn debate carried]

[At 5:02 p.m. the Assembly adjourned to Monday at 1:30 p.m.]