

## Legislative Assembly of Alberta

Title: **Thursday, May 25, 2000**

**1:30 p.m.**

Date: 00/05/25

[The Speaker in the chair]

head: Prayers

THE SPEAKER: Good afternoon.

Let us pray. Our divine Father, as we conclude for this week our work in this Assembly, we renew our thanks and ask that we may continue our work under Your guidance. Amen.

Please be seated.

head: Introduction of Visitors

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

MRS. MacBETH: Thank you, Mr. Speaker. I'm delighted to rise today to introduce some members seated in your gallery who are visiting Edmonton and Alberta as part of a countrywide visit to Canada.

Mr. Speaker, Councillor Domenico Marozzi of the General Council of Italians Abroad is seated in your gallery, as well as Mr. Valter Esposito, a representative of the Italian Consulate office of Edmonton; Mr. Leopoldo Sorgiovanni, a representative of the Committee of Italians Abroad and director of Italian radio programming at CKER here in Edmonton; Mr. Arnaldo Zanon, who is a representative of the Committee of Italians Abroad and president of the Italian Seniors Association. They are all accompanying Senator Massimo Villone of Italy, who is visiting the Italian communities of Edmonton, Toronto, Montreal, and Vancouver in order to deal with the issues of Italian citizens living abroad and seeking their representation in Italy and their rights as Italian citizens.

I've had a wonderful visit with the group. We welcome them to Edmonton and to Alberta.

They are accompanied by the assistant to Mr. Gibbons, our MLA for Edmonton-Manning, Mrs. Loreen Kabanuk. I would ask that the Senator and the honoured guests in your gallery please rise and receive the customary warm welcome of the Alberta Legislature.

head: Presenting Petitions

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

MRS. SOETAERT: Thank you very much, Mr. Speaker. I have a petition signed by 154 people from Grande Prairie, Sexsmith, Fairview, Didsbury, and Edmonton. This will bring the total to almost 74,000 people who have signed a similar petition saying:

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

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

MS CARLSON: Thank you, Mr. Speaker. Today I am tabling a petition bearing a total of 330 signatures calling upon the Legislative Assembly to maintain Kananaskis Country in a natural state, to deny development approval for the projects proposed for that region, and to create a wildland park in the Spray and Kananaskis valleys.

Thank you.

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

DR. MASSEY: Thank you, Mr. Speaker. With permission I would present a petition signed by 162 citizens from Edmonton, Spruce Grove, St. Albert, Calgary, Turner Valley, Red Deer, Cold Lake, Sherwood Park, Vegreville, and Millet urging the government to allocate funding "specifically to Speech-Language Pathology and Occupational Therapies based on children's needs."

Thank you, Mr. Speaker.

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

DR. PANNU: Thank you, Mr. Speaker. Today the *Calgary Herald* strike is 200 days old, and on this day I'm pleased to present a petition to the Assembly signed by 394 Albertans. The petition reads as follows: "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, Mr. Speaker.

head: Reading and Receiving Petitions

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

DR. PANNU: Thank you, Mr. Speaker. I request that the petition I presented yesterday now be read and received.

THE CLERK:

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

head: Tabling Returns and Reports

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

MR. HANCOCK: Thank you, Mr. Speaker. It's my pleasure today to table the requisite number of copies of a document entitled Maintenance Enforcement Program and Tracking System Assessment: Requests for Quotations in response, I believe, to Written Question 50.

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

MR. LOUGHEED: Thank you, Mr. Speaker. I'm pleased to table copies of the *Status Report*, the quarterly newsletter of the Premier's Council on the Status of Persons with Disabilities and also *Status Alert*, which is a progress report on the Alberta disability strategy being developed by the Premier's Council. Anybody interested in obtaining copies can obtain them by calling 422-1095.

Thank you.

THE SPEAKER: The hon. Minister of Environment.

MR. MAR: Thank you, Mr. Speaker. I beg leave to table the requisite number of copies, being five, of information on the compliance inspection program developed by Alberta Environment to ensure that companies comply with our environmental legislation.

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

MRS. LAING: Thank you, Mr. Speaker. On behalf of my colleague for Calgary-West I would like to table five copies of 13 letters and e-mail from constituents of Calgary-West regarding the need to

address low wages of child care workers in day care centres in Calgary.

Thank you.

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

MR. CAO: Thank you, Mr. Speaker. Today I would like to table my letter to the Prime Minister of Canada reflecting concerns for my Vietnam-born constituents and expressing my strong feelings against the deplorable hasty execution of a Vietnam-born Canadian citizen sentenced and held in a Vietnamese prison, especially in light of an amnesty granted a few days later on the 25th anniversary of the end of the Vietnam war. In the letter I also strongly object to any kind of illegal activity inside, between countries, and any business operation that would bring social harm to Canada, Vietnam, or any other country.

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

DR. PANNU: Thank you, Mr. Speaker. I would like to table five copies of a spreadsheet which compares the Tory flat tax proposal with the Liberal tax proposal, which almost looks like a flat tax, with a truly progressive tax proposal that's prepared by the New Democrats.

Thank you, Mr. Speaker.

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

MS CARLSON: Thank you, Mr. Speaker. I am tabling the required number of copies of two letters today. The first is from Robbin Yager of Calgary; the second, from Evelyn Otte of Calgary. Both parties are opposed to the proposed Spray Lakes development by Genesis Land Development Corporation.

DR. MASSEY: Mr. Speaker, with permission I table five copies of the fee schedule that students and schools must pay to access practice copies of the achievement and diploma exams by the Department of Learning.

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

MS OLSEN: Thank you, Mr. Speaker. I'd like to table five copies of a statement regarding judicial independence and the role that MLAs ought not to play in relation to interfering in court decisions.

Thank you.

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

MR. SAPERS: Thank you, Mr. Speaker. I have five copies of a letter written by Mr. Paul Cetinski to the Premier regarding his questioning of the credibility of certain comments made by the Member for Edmonton-Beverly-Clareview regarding his position on Bill 11. It goes on to question the government's position on free votes and the protection of public health care.

Thank you.

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

1:40

MR. DICKSON: Mr. Speaker, thank you very much. I am pleased to table a report from the web master of [www.garydickson.ab.ca](http://www.garydickson.ab.ca) that shows that in the period of May 18 to May 23 there were 324 visits, and 63 percent registered their support for a progressive tax system and not a flat tax system.

Thank you very much, Mr. Speaker.

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

MR. WICKMAN: Thank you, Mr. Speaker. I have an article here from the *Sunday Times*, a British newspaper, sent to me by Senator Nick Taylor, which outlines again the dangers towards one's health care in terms of a private health care system.

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

MRS. SLOAN: Thank you, Mr. Speaker. I'm pleased to table five copies of Health Matters, a negotiations update issued today, May 25, 2000, by AUPE. These employees are Alberta's working people, and they are the salt of the earth and deserve a fair settlement from this government.

Thank you.

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

MS LEIBOVICI: Thank you, Mr. Speaker. I have three tablings this afternoon. The first is from the *British Medical Journal* entitled Decentralised Health Care in Canada. It indicates that "the rise of for-profit organizations . . . may further threaten access to care and service . . . as money goes to profit-taking rather than health services."

The second is an article also out of the journal. It's entitled Quality of Care in Investor-Owned vs Not-for-Profit HMOs. It indicates that "compared with not-for-profit HMOs, investor-owned plans had lower rates for all 14 quality-of-care indicators."

My third is a compilation of three documents put out by the Alberta Union of Provincial Employees, Health Matters and On the Line, indicating the inequities in pay as well as the reasons for the current strike.

Thank you very much.

head: Introduction of Guests

THE SPEAKER: The hon. Deputy Speaker.

MR. TANNAS: Thank you, Mr. Speaker. I wish to introduce to you and through you to all members two gentlemen who have given long and loyal service to this Assembly who are retiring from their service to you and to all who enter this Chamber. After lengthy careers in the Edmonton Police Service Mr. Cliff Tetzlaff and Mr. Cliff Chapman came to the Legislative Assembly security staff in 1990. Both have demonstrated diplomacy, tact, and good humour, coupled with a smile and a fair but firm approach, which has made them liked and respected by all members and staff.

Mr. Speaker, on this their last day with us we thank them for their devoted service to this parliament and wish them well in their retirement. Cliff Tetzlaff and Cliff Chapman are seated in your gallery. I'd now ask them to rise and receive the grateful thanks of this House.

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

MR. COUTTS: Thank you, Mr. Speaker. It's always a great thrill to introduce students that come and visit the Legislature. I don't very often have that pleasure and that thrill, but today I'm absolutely delighted to introduce to you and through you to members of the Assembly 41 students from Isabelle Sellon school in the beautiful Crowsnest Pass. These students are here today to observe and to participate in Alberta's government. They are accompanied on this long trip by two teachers, Mrs. Gail Ancelet and Miss Debbie

McKinlay, along with five parent helpers: Mrs. Bonnie Dingreville, Mrs. Elaine Zaitsoff, Mrs. Anna Oliveri, Mrs. Sonya Coccioloni, and Miss Chelsea Somerville. They are seated in the members' gallery. I ask them to please rise and receive the traditional warm welcome of this 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 the ESL 3000 group from my constituency of Edmonton-Whitemud. With us today are 14 students and their supervisor, Penny Deonarain. These students are in the international program at the University of Alberta and are here as part of a study program to learn English as a second language. Many already have degrees in their particular field of study. They come to Alberta and Edmonton from Mexico, Japan, Korea, and many other countries. They're seated in the members' gallery. I'd ask that they please rise and receive the traditional warm welcome of this Assembly.

THE SPEAKER: The hon. Minister of Infrastructure.

MR. STELMACH: Well, thank you, Mr. Speaker. I have three introductions today. First, I'd like to introduce a person seated in the members' gallery, a person that's very well known to the agriculture community in the province of Alberta, Mr. Phil Hyde. He's the person working for Agricore in the corporate affairs division and traveling extensively throughout the province of Alberta. I'd ask him to rise and receive the traditional warm welcome of the House.

Mr. Speaker, the second group of visitors that I wish to introduce to you and through you to members of the Assembly are 24 visitors from Two Hills high school. The grade 10 students are accompanied today by Ms April Dery, bus driver Bill, and most importantly, perhaps his last visit to this Assembly as principal of Two Hills high school, Mr. Ron Rudkowsky, who will be retiring at the end of this school term, leaving behind him a tremendous legacy of not only good principalship but also an excellent person in both communities of Willingdon and Two Hills. We wish him all the best from the Assembly. I'd ask them to rise in the public gallery and receive the traditional warm welcome of the Assembly.

My last introduction, Mr. Speaker. I wish to introduce to you and through you to members of this Assembly two constituents who are seated in the members' gallery, Mrs. Bev Homeniuk and Shauna Bennett. Shauna is a second-year business administration student at NAIT and will be spending the summer in our constituency office as our STEP student. Shauna is very fortunate to have as her mentor and role model Bev Homeniuk. Bev has been managing our Vegreville-Viking constituency office since I entered politics in 1993. She's a very valuable member of our team and provides a tremendous service to my constituents and, quite frankly, no doubt makes me look better than I actually am. I would ask Shauna and Bev to please rise in the members' gallery and receive the traditional warm welcome of the Assembly.

THE SPEAKER: The hon. Minister of Environment.

MR. MAR: Thank you, Mr. Speaker. It gives me great pleasure today to introduce to you and through you to members of this Assembly Dr. Eugene Meehan, QC, president of the Canadian Bar Association. Dr. Meehan's time here in Alberta was spent from 1978 through 1986 as a professor of law at the University of Alberta, where I attended and took classes from him. I am most grateful for

the instruction that he has given me in the past and continues to give me now. I ask that he now rise and receive the warm welcome of this Assembly.

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

DR. PANNU: Thank you, Mr. Speaker. I am very pleased to introduce to you and to all members of the Assembly today a group of hardworking members of AUPE local 42, mental health therapists and support staff, all of whom provide much-valued service to people in their care with exceptional commitment and skill. They're all seated in the public gallery. I would ask them to rise and receive the warm welcome of the Assembly.

head: Oral Question Period

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

### Health Workforce Labour Dispute

MRS. MacBETH: Thank you very much, Mr. Speaker. The Premier's words to the other western first ministers were: go home; mind your own business; look at your own legislation and stay out of ours. [interjections] It's interesting to see the government members respond and clap for that. Apparently the Premier wants the same level of input from first ministers that he wanted from Albertans. My questions are to the Minister of Health and Wellness. Can the minister tell us exactly what is so important in Manitoba that the Premier is not dealing with the largest single strike in the history of this province?

1:50

MR. JONSON: Mr. Speaker, the Premier of this province is fulfilling his duties as leader of this government at an important conference with other Premiers. I can assure you that he has been in very regular contact with both Alberta Health and Wellness and Human Resources and Employment. Both of us as ministers have been in regular contact with his office. He is certainly concerned about the bargaining and labour action and is working in concert with everyone to bring this labour dispute to a successful conclusion.

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

MRS. MacBETH: Thank you, Mr. Speaker. Is the reason the Premier has apparently washed his hands of this strike because he has given up on public health care in this province?

MR. JONSON: Mr. Speaker, I think this is hardly the case. The Premier has led in terms of making health a priority of this government. We have committed a great deal of additional funding to the health care system. Most recently we have made a number of additional announcements. We have matched basically the money that came in a very disappointing amount from the federal government and added that to the funding for the health care system to address waiting lists and other issues within the health care system. The government is, as I said, making health care its top priority, and it's demonstrating that through the commitment of resources and through the taking of major initiatives to continue to improve the system.

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

MR. DUNFORD: Yes. I'd just like to supplement. Certainly the negotiations have been going on almost steadily since Monday. The

parties to the dispute have been basically on 24-hour shifts, but more importantly so have the mediators and the staff from Human Resources and Employment.

I want to assure everyone that the Premier and the Premier's office have been kept up to date and current on all matters, and we have had discussions with the Premier at numerous times about this particular issue. Under the government system powers are delegated to ministers. It's our responsibility to take care of these situations and of course to keep the Premier advised.

THE SPEAKER: The Leader of the Official Opposition.

MRS. MacBETH: Thank you, Mr. Speaker. Is the real reason why this Premier ignored Albertans' input on Bill 11 because he's decided to now promote private health care throughout this province?

MR. JONSON: No, Mr. Speaker. We very clearly stand for a publicly funded and publicly administered health care system in this province. We are providing resources, putting more focus on the overall welfare of that particular system than I think any other province in Canada at this point in time. We are certainly committed to having the best possible health care system in the country, and that is being demonstrated by action.

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

MRS. MacBETH: My questions are also to the Minister of Health and Wellness, Mr. Speaker. Given that some of the Albertans affected by the strike have been working for 10 to 15 years and are still receiving entry-level wages, where is the incentive for these people to stay in this profession and for others to even enter it?

MR. JONSON: Well, Mr. Speaker, in the course of negotiations the relative position of different occupational groups in the health care system is being addressed in terms of the negotiations. The health authorities have been open to reasonable adjustments in that particular area, and as the Leader of the Opposition across the way certainly knows having been involved in wage settlements and so forth, it is impossible for me to get into the details of those negotiations and not advisable here in the Assembly. So those types of questions, I suppose, can be answered.

But quite clearly, Mr. Speaker, we have made the area of health care a priority. We want to be fair to the people working within the health care system, and we are. There is a process of negotiation that has to be respected.

MRS. MacBETH: Mr. Speaker, given that this minister said yesterday that "we are significantly increasing the education opportunities in our postsecondary institutions for the health workforce in this province," why would these newly trained workers stay in Alberta when they can receive better wages and more respect in other provinces and countries?

MR. JONSON: Mr. Speaker, I will use an example which is not under negotiations currently but was not that long ago in negotiations. Let's take the nursing profession in this province. We have not that long ago concluded a comprehensive agreement with nurses in this province. Their ranking in terms of pay scale, as I recall, is about second in this country only to Ontario.

Secondly, Mr. Speaker, if you look at the other costs that people have to pay, such as taxes, I think you'd find that the take-home pay

of, for instance, nurses is right at the top of the remuneration in this country. So that hardly, I think, indicates that we are not providing an attractive environment from a financial standpoint here in Alberta.

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

MRS. MacBETH: Thank you, Mr. Speaker. Can this minister explain what the government's rationale is for LPNs, licensed practical nurses, in long-term care being offered less than licensed practical nurses in acute care?

MR. JONSON: Well, the provincial government is not the direct negotiator here, as the member well knows. I can recall back at the time that she was minister of health in this province her making statements to the health authorities or their equivalent at that time that they could not expect any additional funding; they would have to work out their own labour agreements with nurses and other practitioners. That's on the record, Mr. Speaker. I can certainly prove that.

So I think, Mr. Speaker, that there is a process of negotiation that has to be respected. It's my understanding that the whole issue of differentials relative to the positions on the grid is being addressed.

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

### School Classroom Sizes

MRS. MacBETH: Thank you, Mr. Speaker. In response to my questions on May 16 the Minister of Learning claimed that schools could address their class size problems through the Alberta initiative for school improvement program. Teachers and administrators have expressed concern about the minister's response. While over \$170 million available through the initiative for school improvement program sounds like a lot, when distributed over three years and the total student population in this province, school board officials and principals will end up with maybe \$130 per student per year extra. My questions are to the Minister of Learning. Will the minister confirm that under the Alberta initiative for school improvement program a school would have to have a population of at least 400 students to add just one new teaching position to that school?

DR. OBERG: Mr. Speaker, the Alberta initiative for school improvement is a program that will be putting \$66 million per year into the school boards. It is up to the school boards to make a decision as to where this money is spent. This is not money that is spent equally in every school. It is up to the school boards as to where the importance of that particular school board lies. It's up to the school boards to put that money where they feel it is important.

2:00

Mr. Speaker, when I became minister, flexibility was something that the school boards wanted. They wanted the ability to address funds, to put money where they felt the important needs were. This is a program that has been universally accepted and that has been universally met with great approval from all school boards and teachers.

MRS. MacBETH: Mr. Speaker, how are smaller schools, especially elementary schools, most of which are well under the 400 mark, to reduce their class sizes given that the initiative for school improvement program clearly is inadequate for these smaller schools? Where is their flexibility?

DR. OBERG: Mr. Speaker, obviously the hon. Leader of the Opposition is not listening. The funding is given to the school boards so that the school boards can allocate the funding where they feel it is important in their school jurisdiction. A lot of the school boards feel that it is important to put this money in one particular area. Sixty-six million dollars, \$170 million over three years is a lot of dollars.

MRS. MacBETH: Mr. Speaker, since giving private schools money from the Alberta initiative for school improvement would mean even less money for the public school system to reduce their class sizes, will the government be giving the private schools the benefit of the Alberta initiative for school improvement funds?

DR. OBERG: Mr. Speaker, again, it is very unfortunate that the hon. Leader of the Opposition does not read press releases, does not read any of these things. If she did, if she had the privilege to read the actual communique, she would realize that \$66 million was given to the public school system and an extra \$2 million was given to the private schools so that they, too, could take a look at pilot projects that would improve education in Alberta.

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

#### **Health Workforce Labour Dispute** (continued)

DR. PANNU: Thank you, Mr. Speaker. Over the last few days this government's policy to completely ban the strikes in Alberta hospitals has once again been shown to accomplish nothing other than to add to the bitterness and acrimony in health care labour relations. You can demonize trade unions, which this government does as often as it can, and trivialize their efforts to seek fairness for workers, but you cannot change the fact that this government's policies are to blame for the current state of affairs in the health care sector. My question is to the Minister of Health and Wellness. Can the minister please explain how or why it is fair that low-paid health care providers like LPNs and psychiatric care aides have seen their pay go up by a minuscule 5 percent over the last eight years, while the pay of senior officials in the minister's department has gone up by at least 40 percent, eight times as much? Would you please explain that?

MR. JONSON: Mr. Speaker, as I have indicated, we are in a position right now where negotiations, I expect, will resume with respect to the overall labour issue facing the province. I would like to refer the question to the Minister of Human Resources and Employment in terms of the particular stage that the bargaining is at. But we do have a set of labour laws which I think are as fair and reasonable as any province. We are following through as a government on bargaining in the context of that structure.

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

DR. PANNU: Thank you, Mr. Speaker. To the same minister: how can the government, on one hand, claim that it's doing all it can to resolve the current labour dispute while simultaneously preparing to proclaim Bill 11, which sets out a blueprint for contracting out more health care services to non-union private-sector providers and employers?

MR. JONSON: Well, Mr. Speaker, I think, first of all, that with respect to collective bargaining this has taken place in this province

last year and the year before in the different sectors of health care and education and industry. It goes on every year in this province, and this is another very important round of bargaining that is taking place. It has no particular relationship to Bill 11, although the member is trying to drag this in.

I would remind the hon. member that the provisions of Bill 11 set out some very important criteria for regional health authorities to consider when they are looking at awarding contracts. One of them is that there be an overall cost benefit to the system. I don't think that can be argued with. We do want an efficient system.

Secondly, there are a number of other criteria with respect to the openness of contracts and so forth, Mr. Speaker, which provide I think a very open and criteria-based system for awarding contracts.

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

DR. PANNU: Thank you, Mr. Speaker. My final question is to the Minister of Human Resources and Employment. Will the minister commit to repealing section 94 of the Labour Relations Code, which creates an unhealthy labour relations atmosphere in the health care sector, and instead appoint a representative and independent panel to review the circumstances under which health care workers should be allowed to legally strike?

MR. DUNFORD: Absolutely not will I repeal the section that the member has advised. Again in this Assembly today we have yet to hear about the innocent third party. There is no concern being expressed on the part of any of the opposition members. We have people that are in care that need attention. Their families are being put through a series of situations. They are worried about their loved ones.

This is an illegal strike. The people that are involved in providing these services are important to the system. They are not only important to the system, they have been deemed to be essential to the system. As an essential service they do not have the right to strike. The strike that is ongoing at the present time is an illegal strike.

MRS. NELSON: Mr. Speaker, I wanted to supplement the answers that have been given to questions raised by the Leader of the Official Opposition and the third party. There was reference made as to . . .

#### **Speaker's Ruling** **Supplementary Responses**

THE SPEAKER: Please, hon. minister. Right now we have a question that is a supplemental question from the hon. leader of the third party. We've missed the time to supplement another question. Please proceed.

#### **Health Workforce Labour Dispute** (continued)

MRS. NELSON: Thank you very much, Mr. Speaker. In the context of the question raised by the leader of the third party I wanted to clarify one thing as to this government's concern over the situation right now. Our Premier, unlike what was mentioned earlier, is in fact still at the Premiers' meetings in Manitoba. The Premiers have been meeting today. In fact, they've just broken. They've been meeting today with governors from the United States and will be staying there for the rest of the day to do a commemorative ceremony.

I want to make sure that this Assembly is very much aware that our Premier has been in constant contact with our ministers on this issue and has sent out a message to encourage everyone back to the

bargaining table. So please rest assured that our Premier is very much involved in this and is encouraging people to get to the table quickly.

THE SPEAKER: The Member for Calgary-Bow, followed by the hon. Member for Edmonton-Mill Woods.

### **Francophone Education in Calgary**

MRS. LAING: Thank you, Mr. Speaker. A new Francophone education authority will be in place in Calgary in September 2000. Catholic Francophone parents in Calgary wish to remain under the Calgary separate school board's jurisdiction to ensure that a curriculum reflecting their beliefs is offered to their children. Currently there are 501 Francophone children enrolled for September 2000 with the Catholic board in Calgary. My question is to the Minister of Learning. Why can't these parents' wishes be met under the new regional Francophone board's mandate?

THE SPEAKER: The hon. Minister of Learning.

DR. OBERG: Thank you very much, Mr. Speaker, and thank you for that excellent question. What the parents in the Calgary Catholic school board are asking for is both Francophone and Catholic education.

2:10

Mr. Speaker, what I'd like to do today is quote from canon law, which Bishop Henry from Calgary sent to me.

1 A catholic school is understood to be one which is under the control of the competent ecclesiastical authority or a public ecclesiastical juridical person, or one which in a written document is acknowledged as catholic by the ecclesiastical authority.

2 Formation and education in a catholic school must be based on the principles of a catholic doctrine, and teachers must be outstanding in true doctrine and uprightness of life.

And 3, which is probably the most important, is

No school, even if it is in fact catholic, may bear the title 'catholic school' except by the consent of the local ecclesiastical authority.

That is canon 803.

Mr. Speaker, what this means is that unless the bishop in Calgary, the ecclesiastical authority, authorizes the Francophone school to indeed be a Catholic school, these children cannot have a Catholic education unless they are under the Calgary Catholic school authority.

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

MRS. LAING: Thank you, Mr. Speaker. My first supplemental is to the minister again. Why hasn't the Calgary separate board, as it represents a large number of Francophone families, been part of the consultation process to develop the new Francophone curriculum for this September?

DR. OBERG: Mr. Speaker, this is the interesting enigma about this issue. I will now quote from the Constitution. Section 23 of the Canadian Charter of Rights and Freedoms states that

the right of citizens of Canada under subsections (1) and (2) to have their children receive primary and secondary school instruction in the language of the English or French linguistic minority population of a province

(a) applies wherever in the province the number of children of citizens who have such a right is sufficient to warrant the provision to them out of public funds of minority language instruction; and  
(b) includes, where the number of those children so warrants, the

right to have them receive that instruction in minority language educational facilities provided out of public funds.

Mr. Speaker, more important is that section 23 has been interpreted by the Supreme Court of Canada on three occasions. The key to this interpretation in Alberta is that when a Francophone authority is established to serve an attendance area, as it has been for Calgary, the responsibility to offer a Francophone program that satisfies section 23 of the Charter of Rights can be exercised only by that authority, because it is the board elected by Francophone electors. So according to the interpretation of the Supreme Court only the Francophone authority in southern Alberta can supply a Francophone education. The Calgary Catholic can supply a French language education but not a Francophone education.

MRS. LAING: My last supplemental, Mr. Speaker, is also to the Minister of Learning. Is it possible to allocate one of the newly identified surplus Calgary public school board schools for the regional Francophone board to use?

THE SPEAKER: The hon. Minister of Learning.

DR. OBERG: Thanks, Mr. Speaker. Certainly it is possible to do that. As a matter of fact, in Calgary the Calgary public has successfully negotiated a transfer of one school to the new Francophone authority. This is the Francophone school that the Calgary public was running before, and that has been transferred over.

The issue in this debate is over the Francophone and catholicity of the school jurisdictions. As in my response to the previous two questions, the issue is around catholicity of these schools and whether or not the Francophone authority can adequately provide a Catholic education to its students.

THE SPEAKER: The hon. Member for Edmonton-Mill Woods, followed by the hon. Member for Calgary-Fort.

### **Student Achievement Practice Tests**

DR. MASSEY: Thank you, Mr. Speaker. Much importance is accorded by the government to student performance on achievement and diploma examinations. Access to old exams for practice purposes was available free on the Internet until recently, when a user fee was imposed. My question to the Learning minister: what additional funding will be provided to schools to cover the cost of accessing the practice achievement examinations?

DR. OBERG: Thank you, Mr. Speaker. The practice achievement tests are available on the Internet. If the teachers want the practice tests, they are available for a cost of roughly \$3 to \$4, which covers the copyright costs of those practice achievement tests.

DR. MASSEY: How is the government ensuring that these exams are available to all Albertans, not just parents and schools with money?

DR. OBERG: Mr. Speaker, I believe I just said that they are available over the Internet and that the majority of areas in this province have the ability to access the Internet. If the teachers do not have the ability to access the Internet, it is available in hard copy, as I stated, for \$3 to \$4, which does cover the copyright costs.

DR. MASSEY: Mr. Speaker, given that the exam questions are created and compiled by the government of Alberta and licensed to a private company, how much is the government going to make on the new user fees?

DR. OBERG: Mr. Speaker, absolutely nothing. It covers the copyright costs.

THE SPEAKER: The hon. Member for Calgary-Fort, followed by the hon. Member for Edmonton-Glenora.

#### **Air Canada/Canadian Airlines Merger**

MR. CAO: Thank you, Mr. Speaker. With the recent merger of Air Canada and Canadian Airlines I'm hearing and reading more and more about problems with regards to access to airlines, capacity, reduced flights, and increased fares. In light of this very apparent problem, especially in the high tourism season in Alberta, my question is to the Minister of Economic Development. Can the minister explain if this merger is having a direct impact on the economy of our province?

THE SPEAKER: The hon. Minister of Economic Development.

MR. HAVELOCK: Yes. Thank you, Mr. Speaker. It gives me pleasure to move from a discussion of both canon and copyright laws to the laws of aeronautics.

My answer to the hon. member is simply yes, this merger is having a very negative impact on Alberta as it is elsewhere across the country. Overall capacity has been reduced, making it difficult for passengers to book both inbound and outbound flights from and to Alberta. This is not the message we want to be delivering to both the business community and certainly the tourists who are looking at booking flights during our upcoming high season.

I'd like to very quickly provide the House with some numbers from April, the first month the two airlines operated on a combined schedule. Air Canada's traffic jumped by 23 percent, but concurrent with that it added only 15 percent capacity. In Calgary, Mr. Speaker, Vancouver to Calgary flights, for example, are down to 10 from 22 per day, and Toronto to Calgary flights are down from 20 a day to 15, and for Calgary and Edmonton there's been a reduction in capacity of 23 percent and 14 percent respectively.

We have concerns in the long run, Mr. Speaker, that reduced competition and reduced capacity will lead to higher fares and certainly have a negative impact on our economy not only from a business perspective but also from a tourism perspective.

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

MR. CAO: Thank you, Mr. Speaker. My first supplemental question is to the same minister. Given this negative impact, what does the Minister of Economic Development plan to do now in this near-monopoly situation?

MR. HAVELOCK: Well, Mr. Speaker, at the recent provincial/territorial meeting there was unanimous agreement that competition within and access to airline services on a regional, national, and international basis in the short term was critical to not only providing but improving levels of service to tourists and international business travelers. All ministers will be having follow-up discussions in the near future and will be conveying that position to the relevant federal ministers.

Also, Mr. Speaker, we're going to hold the federal government to its word. It has created an airline ombudsman, and that individual is to report to the Minister of Transport regularly regarding difficulties and questions that arise as a result of the consolidation that has taken place in the industry. Also, the federal Competition Bureau is to have increased power to prevent anticompetitive behaviour when

it suspects Air Canada of acting as a monopoly, and we will certainly be monitoring the activities of that bureau very closely.

Just the other day I had the opportunity to meet with the Minister of Industry, Mr. John Manley, and we expressed our concern regarding the present status of airline services in this country at that time.

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

MR. CAO: Thank you, Mr. Speaker. To the same minister: given that the federal Minister of Transport has suggested that if significant competition doesn't emerge within Canada itself, he'll look at allowing foreign carriers to compete domestically, does the minister endorse this concept?

MR. HAVELOCK: Well, Mr. Speaker, if it would result in increased capacity and lower fares for both tourists, international travelers, in fact all travelers, then certainly, yes, we would endorse that. Alberta is an open and free market, and we encourage competition in all sectors.

2:20

Unfortunately, Mr. Speaker, we are already hearing complaints from some international carriers who feel the merger and the corresponding federal legislation will cost them passengers and result in increased fares from reduced competition. For example, Air Canada recently increased its charge to one international carrier for the Halifax-Toronto portion of a Halifax-Toronto-London flight from \$793 to \$2,323.

SOME HON. MEMBERS: Oh, no.

MR. HAVELOCK: Yes, it did happen. That's an increase of \$1,530.

It's interesting, Mr. Speaker, that laws exist in virtually every other country that require local carriers to offer passengers of their international competitors fares comparable to those they offer their own customers. Now, I'm not suggesting that we put in place that legislation at this point in time. Nevertheless, if this trend does continue, perhaps the better solution is to simply open up the field to international competition, and let them compete on a fair and equal basis with Air Canada.

#### **Personal Income Tax**

MR. SAPERS: Mr. Speaker, in 1996 in the budget the government promised to get rid of one of two deficit elimination taxes: the .5 percent personal income flat tax that it had originally imposed on Albertan taxpayers back in 1987 to help eliminate the deficit. Well, the deficit is gone. Thanks to strong petrochemical markets, the innovation and the hard work of Alberta's private sector, and windfall gambling profits, this province hasn't had a deficit for several years now, yet all Albertans remain burdened with the .5 percent personal income flat tax that seems to be favoured by this government even though the government has rushed to remove the high-income surtax, an action that'll benefit so very few. My questions are to the Acting Treasurer. Will the Acting Treasurer explain to the low- and middle-income taxpayers of this province why the removal of the provincial surtax, which benefits just high-income earners, was more important than removing the provincial income flat tax, which would have benefited all Albertans?

DR. WEST: Absolutely, Mr. Speaker. First of all, we had a challenge back in '92-'93 to remove \$3.4 billion from overspending in this government, and we worked hard to do that. During that

period of time, we had made a commitment that this 8 percent surtax, which was for deficit elimination, would be removed. So in due course, after we had balanced the budget, paid off the net debt, and now are working on our first mortgage in the province of Alberta – and I would say that when the figures come out in a month or so, we will take the next part of the mortgage down significantly, probably making a five-year payment in one.

As we looked at our budgets going from the time that we had come in with seven balanced budgets plus surpluses, we said: first of all, let's look at the social programs that we have in the province. So we brought in a budget last year that acknowledged a 21 percent increase in health care, and since then we've also acknowledged that we will be putting back some \$178 million into up-front needs in waiting lists and in retraining people and in doing other things.

In education we said that we would work on 2,500 new teaching positions and assistants as well as increasing the budget there. I think it's some 18 percent over three years. At the same time, we looked at children's services. We looked at the law and order programs, protecting the environment. Agriculture: we brought out a program because the federal government stopped at our border.

After we got through all of that we said: now that we've got our house in order and we've addressed the services, we're going to start taking out the commitment in those taxes. First, the 8 percent surtax . . .

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

MR. SAPERS: Thank you very much, Mr. Speaker. Let me try to focus the Acting Provincial Treasurer's attention. Why has the government rejected Alberta Liberal amendments to both bills 18 and 19 that would have eliminated this extra tax on Albertans, especially in light of the huge budget surplus which the Treasurer is already talking about? Why did you eliminate the high-income tax first?

DR. WEST: Mr. Speaker, what they've done here the last couple of weeks is try to insinuate to Albertans that there is something wrong with a single rate of tax. They have also come in and said: we'd do a better job by bringing the .5 percent out first, then taking the 8 percent surtax out. Well, Mr. Speaker, that's just a mug's game.

The other thing that has become evident in this whole process is that they don't understand the tax system. They've misled Albertans. They do know that the .5 percent is part of the \$1.3 billion and starts falling off on January 1, 2001. The 8 percent surtax they know is coming off this year. The blended between the 8 percent, the .5 percent, and going to a single rate will take \$1.3 billion out of the tax system. They don't even like the single rate of tax.

Now, here's a glowing irregularity in their projections so that people understand what they do know about taxation. They had come out and said: you know, what we would do is that people up to \$100,000 would have a 10 percent single tax, and anybody making \$100,000 would be taxed 12 percent on all of it. The hon. Member for Edmonton-Glenora has said: yes, we would tax the first \$100,000 at 10 percent and anything over that at 12 percent.

#### **Speaker's Ruling Brevity Anticipation**

THE SPEAKER: Thank you very much, hon. Acting Provincial Treasurer. This only begets a problem. Brevity is important. The purpose of question period is not to extend the debate. This afternoon on the Order Paper I do believe there is third reading of a particular personal income tax bill, and we're now involved in a

debate in the question period. The dilemma here is that I have a whole series of private members who still have questions.

So if you, hon. Member for Edmonton-Glenora, have a very brief question which leads to a very brief response from, I presume, the hon. Acting Provincial Treasurer, then we'll allow the next one. But anything more than that, I'm cutting the questioner off before the question ever gets to the responder, because I've got other private members who have important business too.

MR. SAPERS: Thank you, Mr. Speaker. I'm with you.

#### **Personal Income Tax (continued)**

MR. SAPERS: Mr. Speaker, why does the government still want the money generated from the .5 percent personal income flat tax to be in the pockets of the Acting Provincial Treasurer instead of in the pocketbooks of Albertans? Why is that?

DR. WEST: Well, all I can continue is the answer I was giving about how they do not understand the tax system to start with.

Now, I was saying that the person from Edmonton-Glenora here had said at one point in time in *Hansard*: no, no, we didn't mean to take 12 percent on the whole \$100,000; we were going to take 10 percent on the first and 12 percent after. But that's not what the Leader of the Opposition had said in bringing forth their tax plan.

So what that means, assuming that this is really the way the Liberals intend the system to work, is that a tax filer with a \$99,999 income would pay \$8,643 in tax while a filer with an income of \$100,000 – that's \$1 more of income – would pay \$10,372. So by making \$1 more, that poor taxpayer would pay \$1,729 more in tax. One dollar more. Do they understand this tax system at all?

THE SPEAKER: I'd really do a courtesy to both the hon. Member for Edmonton-Glenora and the hon. Acting Provincial Treasurer. I'm actually going to send you copies of the Blues in anticipation of further debate on this matter later on in the afternoon.

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

#### **Midwifery Services**

MRS. GORDON: Thank you, Mr. Speaker. My questions are to the Minister of Health and Wellness. I am told, Mr. Minister, that registered midwives are frustrated. Ontario and British Columbia midwifery services are publicly funded. Alberta midwives are leaving this province to practise where their client base does not have to pay out of pocket for midwifery services. Why is Alberta dragging their heels? When is Alberta going to ensure that we thus fund midwifery services?

MR. JONSON: Mr. Speaker, one of the things that I'd just like to point out – and this goes back to the point at which we worked to have midwifery licensed in this province. I remember a presentation being made to the health standing policy committee. It was a public presentation as I recall. The question was asked of the spokesperson for the midwives: do you expect to be established on a fee-for-service basis such as doctors are? The answer was a categorical no. She said: we're here to make the case for the licensing of midwives. And that has occurred.

2:30

The second point I'd like to make is that birthing services are covered, Mr. Speaker, through the physicians and through the



hospitals and regional health authorities of this province. So it should be very clear that we are honouring the public nature and public funding of those services.

We have, however, as a department taken the lead, and we have over the past two or three years put over a million dollars into projects across the province where we are encouraging RHAs to look at and to work with midwives and to integrate their services into those of the regional health authorities and their hospitals and other facilities.

So we are encouraging this to become part of the system, but we're doing it through a process of projects showing that the relationships can be developed and that it will in fact work.

THE SPEAKER: The hon. Member for Lacombe-Stettler.

MRS. GORDON: Thank you, Mr. Speaker. Mr. Minister, in light of what you just said, is it not a two-tiered system when physician-attended child birth services are funded, yet midwife-attended services are paid for by the client?

THE SPEAKER: Hon. Minister of Health and Wellness, we're not looking for opinions here.

MR. JONSON: Mr. Speaker, I'd just like to point out, as I did, I think, in my first answer, and just emphasize that birthing services to mother and child are covered, are insured in accordance with the Canada Health Act. The delivery approach for those particular services is through the physicians and through the regional health authorities and public health services of this province. So that is certainly provided.

The issue here is the need – and we are working on this, and we are committing dollars to this – to work the midwives into the overall health care team within the health care system through the regional health authorities. We have pilot projects going. We have made awards through the innovation fund to projects across the province to show that this will in fact work.

MRS. GORDON: Mr. Minister, are you or is the Alberta government aware of the number of registered midwives that are indeed leaving this province? What can be done to halt this trend?

MR. JONSON: Well, Mr. Speaker, I do not have any specific figures. As I've indicated, we are both through direct funding by Alberta Health to regional health authorities and through recent awards that have been made, one for the whole area of northern Alberta, another in the WestView regional health authority, through the innovation fund – pilot projects where the use of midwife services will be integrated into regional health authorities are going forward, and it is our hope that these projects will prove to be successful and will be copied in other parts of the province.

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

### **Mental Health Services**

MR. GIBBONS: Thank you, Mr. Speaker. The crisis in mental health care caused by this government began long before the strike of the provincial Mental Health Board workers. With Alberta's growing population there is and there will continue to be a growing demand for mental health services, yet numerous mental health advocates' reports point to the fact that this government's community support for mental patients is either inadequate or nonexistent.

To the Minister of Health and Wellness: given that community mental health services are just as important as institutional resources, why have so many resources gone to the institutions while community mental health services and agencies go without?

MR. JONSON: Mr. Speaker, that is about the third time the hon. members across the way have asked the same question, so I'll have to give the same answer.

First of all, over the last three to four years – and it's illustrated in the budget figures going back to I think about '95, '96 – we have doubled our overall commitment in the budget to the whole area of community mental health in this province. We have certainly increased institutional care by a very, very small percentage compared to that.

The other thing is that I maintain and I think it is still a valid point that we do need hospital care for the mentally ill in this province, and that has to be maintained. But there has been no bed expansion as far as the hospitals are concerned. In fact, there's been somewhat of a reduction.

Now, the other thing, Mr. Speaker, is that there are a number of additional initiatives under way with respect to community-based mental health care. We have worked very closely with the school health initiative. A very important component of that particular initiative through Alberta Learning is to provide mental health services as well as physical health services. We have recently announced an expansion of the overall sleep apnea treatment program. I could go on through a list of other initiatives where we are demonstrating our expansion and improvement of community-based mental health.

MR. GIBBONS: To the same minister: given that this government failed to increase support for community mental health services, will the demonstration project for community mental health at the Edmonton Northeast health centre have the resources it needs to continue?

MR. JONSON: Well, Mr. Speaker, the basis for the hon. member's question is inaccurate, but I would like to point out that as far as I know, the mental health services that are associated with the Northeast primary care clinic and project are continuing.

MR. GIBBONS: They end at the end of May.

Given that the existing community mental health services were insufficient to cope with the prestrike demand, who is looking after the patients being discharged from provincial Mental Health Board facilities during the strike?

MR. JONSON: Mr. Speaker, as the Minister of Human Resources and Employment I think stated so directly, we do have a strike situation, and there are innocent third parties involved in this overall action. The regional health authorities and the provincial Mental Health Board are coping with the situation as best they can. But the fact of the matter is that the people are not on the job doing the work as far as community mental health is concerned in many cases, and that is the reality of this type of bargaining situation.

THE SPEAKER: The hon. Member for West Yellowhead, followed by the hon. Member for Spruce Grove-Sturgeon-St. Albert.

### **Environmental Laws Compliance**

MR. STRANG: Thank you, Mr. Speaker. We've heard about Alberta's tough environmental standards and laws, but recently

we've heard allegations of lack of enforcement. My questions are to the Minister of Environment. Can the minister inform the House about what actions he is taking to ensure industry, municipalities, and others comply with the environmental protection and enhancement legislation?

THE SPEAKER: The hon. Minister of the Environment. [interjections] The hon. Minister of Environment has been recognized.

MR. MAR: Thank you, Mr. Speaker. Over the last year we've undertaken a number of different initiatives that will improve Environment's ability to both monitor and enforce compliance. Earlier this afternoon I tabled a brochure on the compliance inspection program. This program is helping to ensure that our facilities are meeting the requirements of their approvals under the legislation.

The focus of the program is on unannounced inspections, which can include all the aspects of a facility's approval. The inspections concentrate on ensuring that the holders of environmental approvals are operating within their approvals and also within the law, and areas of noncompliance are subject to strict enforcement actions.

THE SPEAKER: The hon. Member for West Yellowhead.

MR. STRANG: Thank you, Mr. Speaker. My first supplemental question is to the same minister. Can he give us some idea of how successful the compliance inspection program has been?

MR. MAR: Mr. Speaker, during the fiscal year ended 31 March 2000 we conducted over 800 proactive compliance inspections. These covered industrial facilities, municipal facilities, and also waste management facilities in the province. To date over 90 percent of areas of noncompliance that we identified had been corrected quickly and effectively. I'd like to point out that many consisted simply of minor administrative issues that might relate to things such as record-keeping and proper signage. These matters were identified in writing for the industries and facilities involved and in most cases were corrected within 30 days of being identified.

2:40

THE SPEAKER: The hon. Member for West Yellowhead.

MR. STRANG: Thank you, Mr. Speaker. My second supplemental question is also to the Minister of Environment. Can the minister describe for the House how effective he has been in following up areas of significant noncompliance?

MR. MAR: Well, Mr. Speaker, for more serious issues such as waste storage limits or storage methods and improper operation of pollution control equipment, they do require further action and investigation. But I believe our program has been well received by the majority of facilities that have been inspected and is a good indication of the commitment that industry and local government have to this notion of shared responsibility.

Investigations and the resulting enforcement actions have been enhanced under the act. In the past fiscal year actions that have been taken range from things as simple as a warning letter to administrative penalties, enforcement actions, environmental protection orders, tickets, and in the most serious of cases prosecutions. Mr. Speaker, these numbers of enforcement actions indicate that we are being vigorous in applying our compliance program, and the numbers confirm this government's commitment to active protection of the environment of the province.

head: Members' Statements

THE SPEAKER: Hon. members, in a few seconds from now we will call upon the first of three hon. members to participate in Members' Statements today.

### Responsible Citizenship in Calgary-McCall

MR. SHARIFF: Mr. Speaker, I left my home in Tanzania, East Africa, and immigrated to Canada some 25 years ago to become a Canadian. I came to respect what this country offered me and my family. I've always believed that Canada is the best place in the world to live, and this has been confirmed by the United Nations for the past six years.

In my earlier days I was involved with a group called Society for Promoting Responsible Citizenship. The society's primary goal was to help new Canadians understand the value of being responsible Canadians. Since my election in 1995 I've always promoted initiatives that help diverse ethnic communities live side by side as responsible citizens.

As you are aware, Mr. Speaker, my riding is one of the most diverse constituencies in Alberta. Many refer to it as the United Nations of Alberta. Regrettably, on February 12, 2000, my constituency was subjected to the worst kind of Third World tactic, denying people the opportunity to exercise their democratic rights by such actions as intimidation, blocking access, personal threats, et cetera. For a moment I thought I was living in Little India. Unfortunately, I was the victim and lost my nomination.

Today may be the last opportunity I can have in this Assembly to recognize and thank the residents of Calgary-McCall for their support and for giving me the opportunity to serve them. I also want to thank my colleagues, staff, and yourself for your continued support. In particular, I want to thank those who stood by me and who did not condone the unfortunate Third World tactics used on February 12, 2000.

Mr. Speaker, I will always reject, resist, and speak against those who attempt to turn northeast Calgary into Little India.

Thank you.

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

### Spring Session Overview

DR. PANNU: Thank you, Mr. Speaker. As this session comes to a close, I rise today to make a few closing comments on the results of our deliberations. Never before has it become so apparent that a government has completely lost touch with the citizens it claims to represent. When a government must resort to the heavy and authoritarian hand of closure to push through legislation that is overwhelmingly opposed by the population, the government has lost touch with its citizens. When a government must again resort to closure to push through unfair and expensive tax reforms, it has lost touch with its citizens.

As I was campaigning on the doorsteps of Edmonton-Highlands, I noticed two things. First, Albertans are feeling frustrated that their government is just not listening, despite the fact that the citizens have raised loud voices. Second, Albertans value the unique and principled positions put forward by me and my party. It's been a great privilege to take over from Pam Barrett and lead the New Democrats in this Legislature and to put forward the distinct positions of Alberta New Democrats.

Where the Tories have come up with a flat tax, Mr. Speaker, the Liberal Party has come up with an almost flat tax that's more expensive, more confusing, and riddled with mistakes. Where the

Tories have allowed private, for-profit hospitals to dip into the public system, the Liberals have advocated allowing private, for-profit hospitals to exist alongside public ones. Where we have argued that schools and hospitals need more attention than do tax cuts, the Liberals have put forward a private member's bill that would threaten stable funding for social programs by subjecting tax increases to a provincewide referendum. The New Democrats have real alternatives, consistent alternatives, and effective alternatives for the concerns Albertans have today.

Thank you, Mr. Speaker.

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

### **Representation in St. Albert**

MRS. O'NEILL: Thank you, Mr. Speaker. In recognition of the opportunity accorded to me as a Member of the Legislative Assembly, I rise to speak today of my understanding of the trust that the voters of the constituency of St. Albert placed in me. It is a trust that I hold as sacred. It is also a trust that I take seriously. I believe it is my responsibility to listen carefully to the voice of my electorate.

The challenge in that latter sentence lies in the recognition that not all my constituents want the same legislation. That is where the challenge exists. I believe it is my responsibility to reconcile many viewpoints into what is the best for all. When the situation is such that public opinion is polarized, the challenge requires even more serious discernment. As a government member of this Assembly I believe I have been entrusted with the responsibility to shape, to evaluate, and to strengthen the legislative position that is most appropriate in the interests of Albertans.

While I am speaking of trust, I want to take this opportunity to say openly that while others can say what they think, they cannot tell me what they think I think. So I wish to conclude my few remarks today by saying this. I trust that the people of St. Albert do know that their government MLA represents their best interests. This representation is informed and solid. It is neither blind nor weak.

head: Projected Government Business

MR. DICKSON: Mr. Speaker, it is indeed with a heavy, heavy heart that I stand to ask, perhaps for the last time, pursuant to Standing Order 7(5) what we might anticipate for next week.

Thanks very much.

MR. HANCOCK: Mr. Speaker, I think the anticipation of the hon. member is correct. By way of notice to the Assembly I wish to advise that when the Assembly adjourns past the anticipated hour of 5:30 p.m. today, dealing with third reading of Bill 18, it's the government's intention to adjourn pursuant to Government Motion 5, agreed to by this House on March 7, 2000.

head: Orders of the Day

head: Government Bills and Orders

head: Third Reading

### **Bill 25**

#### **Miscellaneous Statutes Amendment Act, 2000**

THE SPEAKER: The hon. Government House Leader.

MR. HANCOCK: Thank you, Mr. Speaker. It's my pleasure to move Bill 25, the Miscellaneous Statutes Amendment Act, 2000, for third reading.

I would only add by way of comment in so moving that I appreci-

ate the comments made by the members of the opposition in second reading and Committee of the Whole, wherein they acknowledged the sincere effort that's been made by members of this government to discuss those items which are included in the statute, and that we've had a very productive way of dealing with those issues and getting the miscellaneous statutes before the House.

2:50

THE SPEAKER: The hon. House leader of the Official Opposition.

MR. DICKSON: Thank you very much, Mr. Speaker. This is the last opportunity to comment on the Miscellaneous Statutes Amendment Act, and I wanted to get up quickly before one of my colleagues did, frankly, simply to confirm the support of the Liberal caucus for the miscellaneous statutes and to acknowledge the changes in terms of children's services and the changes to the Colleges Act. This is a positive thing.

[The Deputy Speaker in the chair]

The Alberta College of Art and Design is one of only four institutions in Canada providing the kind of instruction that it does. It now will have the opportunity to confer not only a bachelor of fine arts, which was the case before, but will be able to confer a degree of design. This is something that the Alberta College of Art and Design has looked for for some time. The college is excited about being able to confer a degree that appropriately designates the kind of instruction, the kind of training and education that its graduates have had. It will likely enhance the employment prospects for graduates, so the Liberal opposition was happy to support that.

There are changes to the Election Act which hopefully will facilitate the provision of data and information in anticipation of provincial elections.

The Legal Profession Act represents a number of changes that have had substantial input from the self-governing profession, the Law Society of Alberta. Those changes for the most part give the governance and those charged with the governance of the Law Society of Alberta some additional flexibility.

One of the things I might mark is that I'm proud of the legal profession. Whenever there has been conflict in terms of the changes between the interests of an individual practitioner and the interests of the community, the Law Society has very clearly decided in a way that's reflected in the statute to put a higher emphasis on the protection of the public. That's a significant type of decision to have been made by the Law Society benchers. I think it's significant that self-governing professions recognize that first and foremost their responsibility is not to further the interests of their individual members, but when it comes certainly to the legal profession, it is to enhance the public interest. So I'm proud of the stand taken by the legal profession in that respect.

The changes to the Pharmaceutical Profession Act are minor indeed.

The Motion Picture Development Act section repeals the act, when the corporation ceased to exist January 1.

The Social Work Profession Act recognizes the Alberta College of Social Workers. This is something the social workers in the province have wanted.

The Health Professions Act. Although the changes are numerous, for the most part it clarifies wording, corrects and updates references.

The Child and Family Services Authorities Act. There's been certainly significant input from agencies and professionals involved in the field, and that represents a salutary step as well.

So for all of those reasons I know that every one of my colleagues,

as far afield as Edmonton-Meadowlark and as close as Edmonton-Glenora, is happy to support the Miscellaneous Statutes Amendment Act. [interjection] While I have this mandate and this express authority from the Member for Edmonton-Meadowlark, I want to say again that we're happy to vote in support of the miscellaneous statutes. We only look forward to the time when legislation is designed so darned efficiently that we can reduce the multiple subsequent amendments.

Thank you very much, Mr. Speaker.

[Motion carried; Bill 25 read a third time]

### Bill 18 Alberta Personal Income Tax Act

[Adjourned debate May 24: Mr. Hancock]

22. Mrs. Nelson moved on behalf of Mr. Hancock:  
Be it resolved that debate on third reading of Bill 18, Alberta Personal Income Tax Act, shall not be further adjourned.

[The voice vote indicated that the motion carried]

[Several members rose calling for a division. The division bell was rung at 2:56 p.m.]

[Ten minutes having elapsed, the Assembly divided]

[The Deputy Speaker in the chair]

For the motion:

Amery	Hierath	Oberg
Boutilier	Hlady	O'Neill
Broda	Jacques	Shariff
Cardinal	Johnson	Smith
Coutts	Laing	Stevens
Day	Lougheed	Tarchuk
Ducharme	Lund	Taylor
Dunford	Magnus	Thurber
Friedel	Mar	Trynchy
Graham	Marz	West
Haley	McFarland	Yankowsky
Hancock	Nelson	Zwozdesky
Herard		

Against the motion:

Bonner	MacBeth	Sapers
Carlson	MacDonald	Sloan
Dickson	Massey	Soetaert
Gibbons	Olsen	White
Leibovici	Pannu	

Totals:	For – 37	Against – 14
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[Government Motion 22 carried]

THE DEPUTY SPEAKER: Hon. members are quite aware that there are things that happen outside this House and Assembly, and in a few hours we're all going to reacquaint ourselves with that fact. There are some things that are happening in Canada, and it may change the membership that is in this House. So I'd like to call on the hon. Member for Red Deer-North. This may be my last time as Speaker to call on him.

3:10

MR. DAY: Mr. Speaker, thank you so much for the opportunity to spend a few moments to address Bill 18, and also in the context of what you were saying, that should events unfold the way that I hope they do, this in fact may be my last time in this hallowed Assembly, and I say that with sincerity.

Just taking the next couple of minutes to address, first of all, Bill 18 itself. I can tell you that across the country, not just in this province, everywhere I go people are talking about a sense that there is going to be a new age of respect for taxpayers and for hardworking people. I can tell you, Mr. Speaker, they are looking forward to that possibility at the federal level with great anticipation, and Alberta has set the tone for that level of respect. We are going to see the possibility of ushering in at the federal level as well as the provincial level a brand-new approach of respect to hardworking people. So it's with great satisfaction that I can give my unquestionable support to Bill 18, to seeing it become a reality.

Over the last 10 years we have seen in Canada, when we look at personal income taxes, that Canadians have a sense that they're not getting ahead, and this would include Albertans at times. In fact, they have not been. In the United States the after-tax real income growth in the last 10 years has been on average 18 percent, and in Canada it has been minus 2. Those who feel they've been spinning their wheels have indeed been spinning their wheels.

A presentation to the federal government, related to some of the principles that we're talking about with Bill 18, indicated very clearly that an average family making approximately \$40,000 a year with two dependents, taking the average cost of living, weighing that in across the country and averaging it out, would in fact at the end of the year have to borrow \$640 to be able to make ends meet, and that is not the way that governments should be treating hardworking families and hardworking individuals. So all the concepts and principles that are articulated so clearly in Bill 18 are heartily endorsed not just by myself but I believe by a majority of Albertans and by Canadians from coast to coast.

We are ushering in a new era in the 21st century, Mr. Speaker, a new era of respect that is going to see an invigorated economy, that is going to see the ability of our young people, should they want to stay in Alberta, should they want to stay in Canada – they will be able to. If our young people want to go anywhere in the world to pursue their hopes and their dreams, they should be able to do that, but the fact is that young people and entrepreneurs and hardworking people today as I speak are feeling compelled to leave because of excessive taxation. That is a shame, and that is a national tragedy. This bill and this approach and the principles in this bill will address that and will allow for Canadians to see this country to be the great beacon of hope and the great beacon of opportunity that it has been through most of the 20th century, moving into the 21st century. So I can give my hearty endorsement to this bill and to the principles endorsed here.

I might say, Mr. Speaker, before I sit down, that after 14 years in this Assembly I think I share the reflections of a person of a far greater stature than myself, one Winston Churchill, who commented on democracy and reflected that it is not always a pretty business, that it has its problems and it has its difficulties. Certainly as we think back over time and the deliberations in this Chamber, we know it has not always been pretty and it has not always been without its difficulties, but democracy is of prime consideration in my heart and in the hearts of Albertans, and in this place democracy has been served over the years and will continue to be.

I'm so honoured to have had the opportunity to work with colleagues of the stature of the people that are in this particular Assembly, with the people who serve us in this Assembly, and I can

even say with the opposition, who serve well as critics. They serve the role well and from time to time have offered advice which has been taken by this member and by others. The people of Alberta will continue to be served as long as we recognize that with all its shortcomings, with all its difficulties and challenges, with all the times when we temporarily lose respect for one another in our deliberations, sometimes verbally, we will continue to fly that flag of democracy, a flag which will be flown with pride, a flag which we will continue to rally to protect if it ever comes under duress and one under which I have been honoured and proud to have been a member for the last 14 years.

With that, I conclude my remarks on this sunny Thursday afternoon. Good afternoon, Mr. Speaker.

THE DEPUTY SPEAKER: The hon. Member for Calgary-Buffalo, and we thank you for your patience.

MR. DICKSON: Thank you very much, Mr. Speaker.

MR. SMITH: Is this your exit speech?

MR. DICKSON: I'm encouraged to deliver my final speech in the Assembly as well, but no. Hon. members will simply have to reserve that treat for perhaps a later date.

Let me start off by wishing the Member for Red Deer-North every success in his chase for the leadership of the hard right in the dominion of Canada. We're all watching with keen interest, because there clearly are a number of Albertans and there clearly are a number of Canadians that subscribe to the views that this member genuinely believes and I think has been quite consistent to during his time in the Legislative Assembly. So we'll all be watching with keen fascination as he progresses.

I want to right now offer to this Member for Red Deer-North whatever assistance he would like in learning the opportunities of serving as an opposition legislator. On behalf of a party that for 74 years has honed its skills in opposition, has developed its technique in terms of penetrating examination in question period and rigorous scrutiny in the tough challenge of budget estimates, I want to be able to share whatever expertise we've been able to acquire collectively, and I say this on behalf of my caucus. There are opportunities that this member has never been able to have in opposition. He will revel. I am confident that he will revel, as we revel, in the excitement of serving in the role of Official Opposition.

Now, let me make this observation, Mr. Speaker. It was rich with irony that the Member for Red Deer-North stood up and made his ode to democracy. He may not have been listening when his seatmate just moments before stood up to invoke closure yet again in this Legislative Assembly. It's interesting to be able to invoke Winston Churchill and his leadership and support and promotion of debate in the House of Commons in Westminster – you know, the use of closure there has been treated sparingly. It's been treated as the absolutely massive weapon that it is. But in this Legislative Assembly in the course of just the last three months at least four times closure has been invoked, and as many times we've seen a form of closure in terms of: that the previous question be now put.

I'd have to say that the last three months have witnessed probably the most sustained and ferocious assault on democracy that we've ever seen in the province of Alberta. We've seen it in this Assembly. We've seen it in the attempt with that \$8 million budget Public Affairs Bureau to influence public opinion, to close off public debate. I think what we have seen is an anatomy of a kind of thought control. Sometimes I think of the movie *Stepford Wives*, you know, that a government would want to program its citizens, as

we saw in that classic movie, to be able to accept uncritically the things that that \$8 million Public Affairs Bureau churns out.

Albertans are smarter than that. In fact, when our colleague from Red Deer-North talks about what Albertans support, I'm not sure he's checked in at [www.garydickson.ab.ca](http://www.garydickson.ab.ca) recently. I know he has a web site, and I know he would be interested in visiting mine. In fact, maybe we could establish hot links. We probably appeal to different constituencies, but if he checks my web site, he'd find that there's a bit of an explanation about the tax issue that "is very much in the news." I've asked people visiting my web site to identify whether they support (a) "a progressive tax system with high income earners paying at a higher rate" or (b) "a flat tax system with all taxpayers paying at the same rate regardless of income."

Now, there were 324 visits to that web site between May 18 and May 23, 2000. You know what's interesting? Of 324 visits 63 percent of the people who visited the web site opted not for the flat tax but for the progressive tax. Of the 324 63 percent identified an interest in and support for a progressive tax system. For all I know, these are all people in Red Deer that are visiting the web site to register their concern. They may be from other Calgary constituencies. I don't know exactly where they're from. But it's interesting that in that short period of time, from the 18th to the 23rd, 63 percent in fact disagree with the former Provincial Treasurer, the Member for Red Deer-North, and say: he doesn't speak for us.

3:20

I'd like to say that far beyond that small sampling of opinion, I as a native Albertan think most Albertans intuitively understand that a flat tax system is an unfair tax system. I'm proud to be part of a caucus that at least joined debate on the issue of tax reform and came forward with a constructive alternative. I've always had some misgivings when people talk about tax reform, because it seems to me that it's sometimes code for starting to reduce your support for a strong public health care system or support for public education or support for necessary social services, the kinds of things that make our communities strong and vital, that recognize that everybody doesn't start at an equal place. That's the mythology of the hard right. That's the mythology that everybody starts in exactly the same position and that if you just work hard enough, you too can be a millionaire and be paying the high-income surtax. Well, the reality, Mr. Speaker, as you well know, is that it's something far, far different than that.

When I talk to constituents, it's on the basis that tax cuts only make sense if there's adequate funding of your public health care system, of your public education system, of postsecondary education institutions. I remind people again that if you rank the 25 largest universities in Canada, salaries at the University of Calgary, in the city that many of us here are from, place that institution about 23 out of 25. There continues to be a disconnection where the mission of the Minister of Innovation and Science is to have those high-skill, high-tech, high-paying jobs in the province, yet we continue to see underfunding of postsecondary education, underfunding of public education, and the evidence on the streets of the cities of this province tells us there is clearly underfunding in public health care. You know, tax cuts have to be in the context of adequate funding in those other areas.

My difficulty is: is it not sort of a huge paradox that we have 10,000 health care workers, some of the lowest paid anywhere in Canada for the work they do, who have taken to the streets of this province as we debate giving more dough back to people who are already high-income earners? It just seems to me that every sort of fairness bone in my body starts quivering when I start thinking that we're not reflecting some of the reality that we deal with in our

communities and in our constituencies and right around this province.

I preface my comments about Bill 18 with the very strong caveat that any kind of tax reform has to assume adequate funding of core services and cannot be used and must not be used as an excuse to then start further cutting funding or restricting funding to those core services with the view that we just develop more private alternatives. That's not the answer Albertans want. If this government thinks that they are onto something hot, something flashy and important with this bill, I think they are as sadly mistaken as they were on Bill 11. They will find, when they run into that brick wall, that somewhere along the way the political antennae of the current government has become kind of frayed and fuzzy and is just not picking up the vibrations, not picking up that undercurrent of tension that most of my colleagues see when we go to meetings and talk to folks and read the e-mails. Members in government may be able to discount that and say that those people just don't understand. I mean, it's the same message as with Bill 11 – right? – that people just don't understand the bill: just read the bill and you'll find the answer. Well, the more people find out about these things, the more unhappy they are.

If there was any advantage, I suppose, to Bill 11, it was that it forced people to stand up and fight for public health care. In the same way, I predict that with Bill 18, with somewhat of a delayed impact because we didn't have the four-month run-up to it like we did on private health care, you're going to see Albertans vote yet again with their feet, with their voices, with their ability to communicate. They're going to stand up and they're going to register their opposition to a flat tax that supports and buys into that mythology that everybody starts from an equal place. Most Albertans, at least in my experience, are fair, and the fairness becomes an ethic, becomes a principle which they think is more important than just about anything else. Bill 18 is not about fairness. It's about differential advantage to people who already start off with a significant advantage.

It amazes me that members of the Canadian Alliance and the hard right, as I call that group of Canadians, are able to mesmerize themselves with their own mythology. I guess if you construct a bit of a cocoon and you ensure that you're simply getting magnified back your own image, it's easy to delude yourself, but my prediction is that it is a delusion and that most Albertans don't want to go where this government is forcing them to go and where it is coercively taking them.

[The Speaker in the chair]

You know, I've got a lot of colleagues who want to speak this afternoon, and I'm just going to wrap up my comments. There has been, I think, lots of detailed assessment looking at the impacts and the numbers if you are going to have tax reform. I think the Liberal opposition has addressed that. We've put forward a fair tax alternative to the flat tax. It's one that recognizes progressivity as an essential element of tax.

It strikes me that the Official Opposition does not have the benefit of the 700-odd employees in Treasury. It's fine for the Provincial Treasurer to rhapsodically jump up and down and point out things he may quibble over in the opposition alternative. I haven't seen the studies, Mr. Speaker, done by the Treasury Department because that's the sort of thing that's never shared with legislators. Heck, we only represent the 3 million people in this province; let's keep it a closely held cabinet secret. We've not seen those alternative studies that look at what sort of impacts it would have if you were going to do a tax cut that mirrored the kind of zero, 10, 12 Liberal alternative.

It's too bad, because I think those 700-odd employees in the Treasury Department work for all Albertans, not just for the government of the day and the hard right philosophy that infuses this whole Bill 18 and Bill 19 package.

The case for progressive taxation has been argued, I think, so well by my colleagues. I'm proud of the comments I've read on the part of my colleagues. As we've discussed before, you look at Robert Shapiro's article *Why Fairness Matters: Progressive versus Flat Tax*. If there's any member that has not availed himself or herself of the Legislature Library bibliography – and credit to the people in our library system. My colleague from Edmonton-Riverview alerted me to that amazing array of studies, analyses, textbooks. I certainly haven't read them all. I've skimmed a few, and it confirms again, just as we saw in the case of Bill 11, that the overwhelming body of empirical data, evidence, and learned literature makes the case that public health care is more efficient, more effective, less costly, and more comprehensive. In the same way is there not the same kind of overwhelming preponderance of evidence in this case that shows that a progressive tax system is fairer, more effective, and so on? You know, we have an interesting parallel in terms of the way we've seen these two government initiatives treated.

3:30

I guess I'd just make this comment. You never know. This may be my last time in the Legislature if in fact there's an election before the next sitting of the Legislature. That's a possibility. You never know who the electors are going to favour and who they will not. It seems to me that in that election Albertans are going to be presented with a very, very stark choice, a very clear alternative. In fact, I've done for my own amusement, Mr. Speaker, a little bar graph that shows speaking times of what's gone on with the 24 bills that we've dealt with in the Legislative Assembly. You see the big spikes. You know, it's bills 11, 18, and 19. I think that here are two issues where you have this absolute collision between, in this case, the Liberal opposition in its support for a strong, adequately financed public health care system and the government, and we know what their alternative is: private clinics, private hospitals, and a pile of dough going to the shareholders and directors of private health corporations.

When it comes to tax, we have a stark alternative. We have a government that thinks a flat tax is absolutely the ultimate model, the one that they salivate over and can't wait to see in place. The Liberal alternative is one that respects a progressive tax formula, that recognizes that people who start off with substantial capital have the opportunity to prosper in this province more perhaps than anywhere else in Canada and that part of the cost of that opportunity is paying a surcharge, if you will, paying tax at a higher rate.

I know lots of high-income earners who recognize the merit and the value in that and who don't begrudge paying tax at a higher rate. I mean, none of us particularly likes paying tax, but as Reverend Bill Phipps, the moderator of the United Church and a constituent of mine in Calgary-Buffalo, has said publicly, taxes are never necessarily a pleasant thing, but they serve an absolutely essential purpose. I mean, it's through taxes that we fund our public systems. It's through taxes that we ensure that the gap between the rich and the poor is not aggravated and doesn't become exaggerated. You know, to any of us who've had the chance to go into those nations where they don't have the kind of social support networks and who've seen the huge contrast between those that have and those that do not, you know that it makes for the most unstable kind of nation. The most stable countries in the world are those that find ways with strong social programs to be able to moderate those differences.

DR. MASSEY: What about compassion?

MR. DICKSON: My colleague from Edmonton-Mill Woods talks about compassion. Well, compassion is part of the Canadian character. It's certainly part of the Alberta character. Look at Alberta history. It was all about compassion. It was all about a spirit of community. It was all about a sense of sharing. That's been sorely tested with Bill 11. Bill 11 did it, but Bill 18 is doing it as well.

So when we vote on this, let's be really clear what we're voting on. This is one of those defining and dividing issues. I vote with my colleagues with great enthusiasm because I'm proud of the position that my caucus has taken, and it's one, I think, that's reflective of where most Albertans are. Those who think otherwise will have their time of reckoning in front of the electors of this province, and I look forward to that with a sense of confidence. I think that on this issue, as with Bill 11, the gap between the governed and the governors has become a chasm, and I think that's going to be evident when the votes are counted after that next election.

Those are the comments I wanted to make at this time on this bill. Thank you, Mr. Speaker.

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

MR. STEVENS: Thank you, Mr. Speaker. It's a pleasure to rise this afternoon and make a few comments with respect to Bill 18 in third reading. I've talked to a large number of people with respect to tax since coming to this Assembly in '97, and all of those people, to a person, have indicated that they feel they pay too much tax, excessive tax. I have talked to people with respect to Bill 18 specifically, and every person I have talked to has been supportive of this bill and what it accomplishes, which is a tax reduction for all Albertans.

The hon. Member for Calgary-Buffalo has indicated that the Liberal opposition criticism of this bill has had a delayed impact. I would suggest to you, Mr. Speaker, that in fact it has no impact whatsoever, for as of this morning my office had received no criticism of any form whatsoever with respect to this government's proposals with respect to the reduction of income tax as reflected in Bill 18. In fact, I can go further and say that I've had no discussion with anyone about a so-called Liberal tax policy, and perhaps that's because it's newly minted and hasn't had an opportunity to be fairly tested in the public. But the fact is that I have had no such discussion, so I think the hon. Member for Calgary-Buffalo has some significant work ahead of him, notwithstanding his web site.

MR. DICKSON: At [www.garydickson.ab.ca](http://www.garydickson.ab.ca).

MR. STEVENS: Well, thank you very much, member. We wanted to get that on there again to assist you, and that's why I responded.

In this particular seat I've had an opportunity to listen more closely to the Liberals, and what I've heard generally is a lot of criticism: criticism that health is underfunded and mismanaged and in crisis, criticism that education is underfunded, mismanaged, and in crisis, criticism that social services are underfunded, mismanaged, and in crisis. In fact, I'd say that one can go through each and every department or ministry of this government and have the same criticism heaped upon that department by these Liberals. It's a litany of complaint, a litany of negativity, so it should be no surprise to anyone that the opposition in this particular case has decided to be critical of Bill 18 and this government's initiative to reduce the income tax that is paid by all Albertans.

It makes you wonder, given the complaints and criticism of mismanagement, underfunding, and whatnot across the board, why some 55,000 new Albertans migrated to this province in the past year or so, which is about the largest migration to a province since

Statistics Canada has been keeping these records. Now, I don't know why they did that. Perhaps they weren't listening to the Liberals.

MR. SMITH: They made a point of not listening to the Liberals.

MR. STEVENS: They made a point of not listening to the Liberals. That could be it.

What Bill 18 does, Mr. Speaker, is provide 190,000 low-income Albertans with the incredible advantage of no longer paying any income tax. Now, in questions and debates the opposition often says: what, government, are you doing to address the issue of poverty? Well, the fact is that this government does a lot of things. It has initiatives in Community Development and Learning and Children's Services and Health and in other areas, but what we have here is an addition to that list, and that is ensuring that 190,000 low-income Albertans will no longer be paying income tax. In other words, it will leave more money in their pockets.

3:40

Now, I think what's interesting is to compare how this tax policy as reflected in Bill 18 compares to that of other provinces, in particular our socialist neighbours. I think it would be also of interest to see how this tax policy as reflected in Bill 18 compares to the Liberal federal government tax policy. I can tell you, Mr. Speaker, that Bill 18 will reflect very well indeed.

Dealing firstly with the provincial comparison. Two days ago, on May 23, the Acting Provincial Treasurer tabled a document in this Assembly which set out some comparisons. It was titled *Interprovincial Tax and Health Care Insurance Premium Comparison, 2001*. There were certain assumptions in there and certain numbers provided, and I think it's worth while underscoring what some of those comparisons indicate.

Taking a one-income family with two children that has \$30,000 of employment income and taking into account the family tax credit here in Alberta, there in fact is a payment of \$699 to that particular family. When looking at B.C., we have a provincial income tax payment of \$272. In Saskatchewan there is an income tax payment of \$876 and in Manitoba a tax payment of some \$575. When one takes into account the list of taxes and premiums which are considered in the comparison, the differential between Alberta and B.C. is \$1,901, between Alberta and Saskatchewan \$1,727, and between Alberta and Manitoba \$1,980. Those differentials, of course, all reflect the Alberta advantage from a tax perspective. So when we're talking about low-income people and comparing that issue relative to the provinces immediately around us, Alberta does very well indeed, as reflected in the policy in Bill 18.

Now, looking for a moment at the federal side of things, we have a situation where many, indeed probably most of the 190,000 low-income Albertans will continue to pay federal income tax when they will not be paying provincial income tax. I'd like to give you some examples, but before I do, what I want to mention is that there's always some reluctance to give out federal income tax numbers, because the feds base things on assumptions. Some of the assumptions that have to be used here are as follows: an inflation rate of 1.8 percent; a Canada pension plan rate of 4.3 percent, with an upper threshold of \$38,100 and a lower threshold of \$3,500; and an employment insurance rate of 2.9 percent, with an upper threshold of \$39,000.

Now, using these assumptions, in the year 2001 we have the following examples. A single-income earner with \$12,500 in income will pay Alberta provincial income tax of . . .

MR. HIERATH: Zero.

MR. STEVENS: Zero. You're absolutely right. And federal income tax of \$757.

A single-income family with \$27,000 in income and two children will pay Alberta provincial income tax of zero and federal income tax of \$1,999.

The next example is a two-income family with \$27,000 in income. That family will pay Alberta provincial income tax of zero and federal income tax of \$1,831.

The next example is a single senior with \$17,130 in old age security and private pension income. They will pay Alberta provincial income tax of zero but federal income tax of \$880.

Now, I think these particular examples and facts should be remembered by all members of this Assembly and in fact by all Albertans when they are engaging in a discussion regarding tax fairness as reflected in tax policy.

Now, I'd like to make a few comments with respect to the importance of Bill 18 for all Albertans, and that particular discussion centres around the debate regarding the problems of brain drain, standard of living, and productivity as reflected in Canada as a whole and necessarily impacting on Alberta.

It's important to provide some of the factual background with respect to that. According to Industry Canada, Canada's standard of living has increased by 7 percent since 1987, while the United States' standard of living has increased by 17 percent. However, Canada has not always lagged so distant behind the Americans. In the immediate postwar period Canada had the second highest productivity level to the United States within the OECD. The OECD claims that if Canada continues on the growth trend that it is now on, our per capita GDP will drop from 10 percent above the OECD average – that's 10 percent above the average – to 15 percent below the average within 20 years. It has been predicted that within that same period five of the G-7 nations will be from Asia, despite the economic turmoil of 1998.

It's also important to note that within Canada, Alberta and Ontario have the highest productivity, well above the national average, but these two provinces are considerably below the U.S. average. On a measurement scale with the Canadian average productivity at 100, the U.S. measures on that scale at 118.4 while Alberta and Ontario are at 107.6 and 105.8 respectively. In other words, Alberta, which does the best of all provinces, is still 10 points below the American average.

The last factor that I wish to refer to is that if Canada's productivity had grown at the same rate as the United States' since 1979, then Canadians' real income today would be more than \$7,000 a year higher per person. That's since 1979, over the last 20 years or so.

So the issue with respect to the problem is: what direction should this government take to improve our standard of living, to stop the brain drain, and to increase our productivity? Now, admittedly this is a complex issue. Tax cuts alone cannot stimulate the economy and improve productivity. There are other issues that are as important or perhaps more important in certain circumstances such as investment in human capital, research and development, and increased trade, all of which must be part of the standard of living solution. But tax cuts play a significant role. For example, John Roth, who is the CEO of Nortel Networks, believes that the key is to cut personal income taxes so that the number of high-tech jobs being created in Canada will not shrink and in fact will increase.

Obviously this government wants to improve the standard of living of Albertans, and to date we have created jobs, full-time ones, that are predominantly concentrated in growing economic sectors. This government has allowed for the right economic environment by allowing small and medium-sized businesses to keep more of what they make so that they have the resources to grow and hire more

staff and produce more goods, but this challenge is an ongoing one because this challenge is a global challenge.

3:50

What Bill 18 does in relation to the issues of standard of living and productivity is as follows. It will improve the standard of living of all Albertans. Why is that? Each and every Albertan will have more money in their pocket because each and every Albertan will be paying less Alberta income tax. Secondly, it will improve the rewards for hardworking Albertans. It will create incentive. Thirdly, it will improve the ability of small business to grow and hire more staff and produce more goods, which will address in part the productivity issue, and it is an important part of the policy to retain and attract talented and knowledgeable people to Alberta.

At the beginning of this new century and this new millennium, Alberta is on a strong foundation. We have a balanced budget, a top education system, probably the best health system in Canada, an economy growing in the right direction, and, with Bill 18, a personal tax system that benefits all Albertans and which strengthens the Alberta advantage.

Thank you very much.

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

DR. PANNU: Thank you, Mr. Speaker. Bill 18 is in its third reading, but debating a bill which fundamentally structures Alberta's personal income tax system with the hammer of closure looming over our heads is an irresponsible way to develop public policy. It is irresponsible, and it is undemocratic. It's unfortunately all too typical of a government which during this entire spring session has shown itself to be increasingly remote from Albertans.

Bill 18, as amended, increases personal and spousal exemptions to \$12,900, and I support that. It also lowers the tax rate by half a point, to 10.5 percent. However, even these changes, while sacrificing yet another half-billion dollars in personal income tax revenue, do nothing to address the fundamental unfairness of the flat tax proposal and now the bill, which will become law within an hour or so.

Bill 18, as amended, will have the combined effect to reduce personal income taxes by some 25 percent, or \$1.3 billion. That is personal income tax revenue. After years of earning billions of dollars in surpluses with little or no tax relief, the government suddenly decided to forgo \$1.3 billion in revenues in one fell swoop. The question that must be posed is whether we can afford to forgo this amount of revenue without risking the province's financial bottom line or risking the sustainability of funding for vital services like health care and education.

It's not many years ago, Mr. Speaker, that the former Treasurer of this province made an assertion that Alberta doesn't have a revenue problem; it has a spending problem. With these cuts, without asking serious questions, it will put us again in a situation where we indeed may have a revenue problem. With revenues cut and our health care and education requiring increased spending to make up the shortfalls and the damage that has been done to those institutions over the years because of thoughtless cuts, what we need to do is to ask serious questions before proceeding down this road, but there's no evidence that that's been done. Where are the studies to back up the proposition that we can prudently forgo such large revenue amounts? Can we always count on \$30 per barrel oil or sky-high natural gas prices? Should we solely be focusing on reducing personal income taxes, or are there other alternatives for government revenue sources that should be reduced? For example, health care premiums or user fees of all sorts.



I'm disappointed that such major changes to tax policy are being made without any answers to these questions. We appear to be basing our tax policy on the political needs of this government and on the political aspirations of our Provincial Treasurer, on leave, and not on solid analysis and solid evidence. These massive personal income tax cuts appear designed to curry favour with the voters at election time with little thought to their long-term consequences for popular institutions such as health and education.

There's also no reason why the personal and spousal exemptions could not be increased, thereby helping low-income earners while keeping the rest of the tax system progressive, thereby not providing unjustified tax breaks to only the wealthiest Albertans. That's what this proposal does.

The alternative to the proposal, presented by the Official Opposition party, does certainly introduce another tax bracket, the 10 and 12 model, but there again this proposal is flawed. It has some incredible anomalies there that cannot be explained as we apply this model to people who move from the \$99,999 to just \$100,000 income bracket. So whichever plan you take, the first or the second, there are problems with them which must be addressed before we really move towards passing a bill like this one.

We New Democrats are not opposed to increasing personal and spousal exemptions, as I said before, as a way of getting low-income Albertans off the provincial tax rolls. Let there be no doubt about this. However, there's no good reason why the rest of the tax system can't stay progressive, with those making higher incomes paying tax at a higher rate. For example, instead of having a 10.5 percent tax rate for all taxpayers, why not have three tax brackets? Say, 7 percent on the first \$30,000 of taxable income, 10.5 percent on the next \$30,000, and 14 percent thereafter. This approach would generate roughly the same amount of revenue but much more fairly than will be the case under the government's single-rate system or the Official Opposition's proposal.

Every single taxpayer would save money under this three tax bracket approach when their 2001 tax bill is compared to their tax bill in '99. Even the wealthiest Albertans would benefit by having their top marginal tax rate cut from 14.28 percent, which is presently the case, to a straight 14 percent. However, a progressive tax structure such as the one I'm proposing would prevent a situation whereby the wealthiest Albertans receive tens of thousand of dollars in tax cuts while middle-income Albertans save only a few dollars on their tax bill.

Contrary to the claims being made by the government or by their soul mates, such as right-wing think tanks like the Fraser Institute, there's no evidence to support the contention that flat taxes such as those set out in the government's Bill 18 make the tax system either simpler or more efficient. Complexity in the tax system results from the deductions and credits that go into the calculation of taxable income, not from having more than one tax bracket.

4:00

In terms of efficiency there's no evidence that unfair flat tax systems are any more economically efficient than multibracket, progressive tax systems. For example, despite its costly and inefficient health care system, on the whole the United States is considered by some to have the most efficient economy in the world. However, on average the United States has a more progressive tax system structure than Canada does. For example, at the federal level the U.S. has five tax brackets, ranging from 15 to 39.6 percent, compared to three federal tax brackets in Canada, ranging from 17 to 29 percent. At the state level California, which is anything but an economic basket case, has six tax brackets. The state of Montana on our southern border – some of the officials from this state were

introduced to us yesterday from your gallery, Mr. Speaker – has 10 tax brackets.

The government has provided little or no evidence that directing tax cuts at high-income earners will generate any more economic activity than directing tax cuts towards middle-income Albertans. In fact, there is much evidence to suggest the opposite to be the case. Tax cuts directed at low- and middle-income earners will generate more economic activity than tax cuts directed at the wealthy. That's because the wealthy will likely invest their tax savings in GICs or mutual funds, including foreign content ones, offshore investments, and offshore vacations in interesting places. Meanwhile, middle-income earners are likely to spend their savings on things at home that more directly lead to local job creation; that is, buying goods and services. In other words, our economy is likely to get a bigger bang for the buck by directing tax cuts at lower and middle-income earners than at high-income earners.

Prior to the implementation of a 10.5 percent tax rate, as the amended Bill 18 proposes to do, Alberta already had the lowest top marginal tax rates in Canada. The approval of the government's Bill 18 will turn this gap into a gulf. What possible justification can there be for the province of Alberta having a top tax rate of 10.5 percent when the next lowest province, Ontario, has a top tax rate of 17.4 percent?

Bill 18 will truly turn this province into a tax haven for the wealthy. However, by the same token, the shifting of the tax load may well result in the flight of middle-class taxpayers like tradespeople, nurses, and high-tech workers, who are much better off under the progressive tax systems of Ontario or the U.S. than they will be under this province's flat tax.

The so-called flight of these workers has been I think wrongly and erroneously attributed to taxes alone, I must add. An exceedingly well-researched, book-length study published last year by David Livingstone of the University of Toronto draws attention to the growing gap between the educational qualifications, on the one hand, and the kinds of jobs that young Canadians can get. That growing gap between educational qualifications and the kinds of jobs people can get is what may be driving many young Canadians and Albertans across the border, where they can find jobs that match their excellent qualifications. We haven't paid any attention to that side before, simply assuming that it's the tax rate that drives people in or out of our province and following this foolish line of unexamined argument.

In fact, the government's flat tax rate as set out in Bill 18 is such a bad idea that it leads me to question the real agenda behind it. Today I read in the newspapers again a reference to Dr. Ken McKenzie, a U of C professor of economics who is serving as an adviser, I guess, to the government of Alberta on taxation policy. He seems to be endorsing moving to a sales tax model and abandoning taxing personal incomes as a model to generate public revenues. So is that the agenda? Will the government, as soon as we pass this bill here today – or when we vote on it and it is passed – begin to in fact shift towards a policy which introduces a sales tax as an alternative to income tax? Is that how Albertans are going to stop paying any income tax in the next few years, as the former Treasurer suggested is likely to happen? I think the government needs to come clean on this and tell Albertans what its real agenda is.

I find it most interesting that some of the strongest advocates of the flat tax on personal income advocate the eventual replacement of personal income taxes with a broadly based sales tax. After Albertans get used to paying a single rate of tax on their personal income, it is not as big a step to get Albertans to accept a single-rate consumption tax.

I point, in addition to the statements made by Dr. McKenzie, to an

article that recently appeared in the *Edmonton Journal*. The article points out that the Canada West Foundation, which has worked closely with the Conservative government on a number of sensitive issues, is studying the possibility of a sales tax as an alternative to income tax. The foundation's executive director, Dr. Roger Gibbins, is quoted as saying that the flat tax paves the way for a debate on sales tax. Gibbins is quoted as saying: we are going to suggest that a consumption tax may replace a flat tax altogether; end of quote.

In summing up the reasons why he strongly opposed Bill 11, I will quote from an excellent paper written by Dr. Melville McMillan of the department of economics at the University of Alberta. This paper, entitled *Alberta's Single Rate Tax: Implications and Alternatives*, was tabled earlier in this Assembly. Dr. McMillan writes:

Alberta taxpayers' disposable income will benefit from the planned income tax reductions. Few would argue with the merits of focusing significant gains on low income taxpayers. Questionable, however, is the planned single rate which will afford absolutely and relatively large tax reductions to high income taxpayers. Middle income taxpayers gain less from the tax reduction and end up paying a larger share of the Alberta tax burden. Nor is there evidence of offsetting gains unavailable from a more distributional neutral tax reduction. Interestingly, in contrast to the Alberta move to advantage high income earners, the Federal and Ontario governments' efforts towards tax reduction have not moved nearly so much in that direction . . . Unfortunately, the shift of the Alberta income tax burden to the large middle class has been obscured by the Provincial Government which has emphasized tax reductions instead. Consequently, the question of the change in the distribution of the tax burden is not being debated as thoroughly as the issue deserves.

The government's move to force this seriously flawed and wrongheaded bill through this Legislature with the heavy hammer of closure is ill advised. Even at this 11th hour I urge the government to reconsider this foolish and regressive plan which favours the wealthy at the expense of the large middle class. In fact, as I look across the way at my colleagues on the other side of the House, I ask myself the question: why is the Conservative government championing a discredited flat tax that benefits mainly the wealthy when every other government in the country is focusing tax relief on the middle class? After all, it was middle-class taxpayers who bore the brunt of the tax increases that were used to balance budgets.

First Bill 11 and now Bill 18: two pieces of legislation forced through this Assembly that benefit the very few at the expense of the many. This government appears to be losing touch with the concerns of grassroots Albertans. As I campaign in the Edmonton-Highlands by-election, the anger directed against this government and against the Premier is palpable. Albertans see this government and the Premier as increasingly arrogant and out of touch with their concerns. No wonder the Premier dare not knock on doors in the Edmonton-Highlands by-election.

Through the passage of Bill 18 the government is shafting middle-class workers, especially single people and two-income families. Last time I checked the stats, there were three times as many two-parent families where both parents work compared to two-parent families where only one of the parents works.

In conclusion, Mr. Speaker, I urge the government members to carefully consider what they are about to do. Maybe the tax cuts embedded in Bill 18 are deep enough to hide the fundamental unfairness of the flat tax. Then, again, maybe they won't. I for one look forward to taking the debate over the flat tax out from under the dome and to the taxpayers of Alberta.

Mr. Speaker, I just want to close by drawing the attention of your end of the House to a statement taken from a paper presented by Trevor Harrison at the University of Alberta. He is addressing

questions as to the reason for reducing taxes. I quote him here. He says: it's highly questionable that people move here to Alberta only because of lower taxes. Taxes are the only stable source of funds the provincial government has, because royalties are cyclical, and the cyclical nature of the economy is as certain as the sunrise every morning. The government is really living on the knife-edge by giving up tax room. If public health care and education are going to be maintained, you are going to have to come to terms with where you're going to get the money.

That's the money that's being risked by this tax cut, Mr. Speaker. Thank you very much.

4:10

THE SPEAKER: The hon. Minister of Government Services.

MRS. NELSON: Well, thank you very much, Mr. Speaker. I wanted to speak one more time on this bill at third reading. I want to start off by making a couple of corrections to the hon. leader of the third party. He talked about an agenda where there may be the introduction of the concept of a sales tax in this province, and I'd like to refer him to the agenda that is here from this government.

We actually passed – and I'll remind him – the Alberta Taxpayer Protection Act so that any government in the future would have to go to the people and ask under referendum if they wanted their provincial government to in fact put in place a sales tax. I daresay that the answer quite clearly would be no. I would ask hon. members to refer to that act, because the position of our government has been that there will not be a sales tax in this province, and that has been made abundantly clear a number of times. So, please, refer to that act. We haven't talked about it for a while, but it is the law, so we have to always remind ourselves of what protection is in place.

Mr. Speaker, taxes are not nice, not at any stage. Nobody enjoys paying taxes. Whether it's a provincial tax, a municipal tax, an education tax, or a federal government tax, no one enjoys paying taxes. Typically we all complain when we file our tax returns, because it's a shock when you get to the end of April and you realize what has been taken out of your disposable income to support programs by the local municipality, the province, or the federal government. We all value those programs, we all say we want to have those programs, but the shock comes when we realize how much those programs actually cost. And all members are quite right: taxation dollars are a major source of revenue for any government at any level. Believe you me, the more dollars that come in, the more governments will spend. It's just the culture. It's the Canadian way.

I think what we have tried to do in our government and under our Premier's leadership is to identify what the government should be doing, where the government should be spending and, more importantly, where it should not, and what kind of a scheme we can put in a fiscal framework that allows for the government to do the core programs it should be doing and to leave the things it shouldn't be doing to other sources.

We've heard some talk today about the concern that tax reductions could lead to a shortage of funds because of the vulnerability of resource revenues. We've all seen those vulnerabilities, and we've gone through some pretty rough times in the past when we've seen as much as \$10 per barrel shifts in crude oil and the impact it's had. You know, sometimes what happens – and I remember the 1980s. I was in the oil patch when things dropped 50 percent overnight, from \$30 a barrel to \$15 and all the way down to \$9, and I saw what happened. It's amazing how the industry has learned an awful lot of things from that experience.

Also, the government has learned. The government back in the '80s had a theory that government should be involved in diversifying

the economy. Well, that's not really the role of government. What the role of the government probably should have been – and you learn through hindsight. Hindsight is always 20/20 vision. What the government should have learned was that it was really a framework that was necessary so that the private sector could diversify the economy if it made sense.

Fortunately, we have been through a process for the last seven years where the private sector has taken that up. Yes, we are reliant upon the oil and gas revenues, but we also have a diversified economy that the private sector made. The private sector came in and became a partner in providing an economic stability in this province that has not ever been found before. In fact, you can't find it across Canada or anywhere else. I think Albertans should be very proud of that diversification and economic development that occurred by the private sector, not by the government but by the private sector, and that came as a result of a framework that was conducive to that kind of development and diversification taking place.

The other thing I heard was that there is a vulnerability with tax revenues. If in fact the economy is not healthy, if people are not corporately making a profit, taxes are not paid. You only pay a tax on profit, and if people are not employed, they're not paying tax. You must have a framework that is working together, where you have economic prosperity, economic development, high employment rates, new creativity, new capital investment. That provides the cycle of flow of dollars through the system.

So what does that all mean to Bill 18? Well, Bill 18 from my view is dealing with the reality of – we were stuck in a groove in Alberta where we were piggybacking on a federal tax system. We had tax on tax, and to delink ourselves from that system, we had to come forward with another framework that would not penalize Albertans again with tax on tax, where you had a thing that was called bracket creep, where you had shifts from a federal government that would penalize the Alberta provincial tax base.

Bill 18 does the delinking. It puts us into a position where we have a single tax rate, and by having a single tax rate, we are able to look at our personal exemption side of the equation also. By moving the personal exemption side to be equal between a spouse and a person, we have in fact recognized that there were some discriminatory practices in place between married couples, quite frankly. So that is dealt with. By going to a single tax rate, we have been able to move away from the tax-on-tax system to a more tax-on-income system, which is a purer tax base.

The amendments that were brought forward recognizing the shift down to the single tax rate of 10.5 percent ensure that Albertans will have a tax relief in the year 2001. I want to just use a couple of examples. I know the hon. Member for Calgary-Glenmore used some. For a single person we have an example of a lady who is a janitor in Strathmore earning \$27,650 a year. Half of her health care premiums are paid by her company, and in 2002 she will pay \$1,391 in provincial tax. That's \$208 less than what she paid in 1999. So here is a single person earning money, having tax premiums, and she will see a reduction.

Ted is a journeyman who is an autobody mechanic working in rural Alberta. He earns \$38,000 a year and has half of his health care premiums paid by his company. In 1999 Ted paid \$2,720 in provincial income tax. In the year 2001 he will pay \$2,405, a savings of \$315. These are actual real-life examples of where people had peculiarities.

Single-income families. Shelley is an occupational therapist in Calgary, while her husband stays at home with her son, Jeff. Shelley earns \$41,400 a year. In 1999 Shelley paid \$2,672 in provincial

income tax. In the year 2001 under the single tax rate she will pay \$1,384, a saving of over \$1,280.

Carlos is a construction superintendent working in Edmonton. His wife, Natalie, is a homemaker. Carlos earns \$60,500 in salary and taxable benefits. In addition, Carlos earns \$750 from his investment income and makes an RRSP contribution of \$4,500. In 1999 Carlos paid \$4,563 in provincial taxes. In the year 2001 he will pay \$2,995, a provincial tax saving of \$1,568.

4:20

Mr. Speaker, the point of this is to indicate that Albertans will receive a benefit from a single tax rate. The Member for Calgary-Glenmore talked about the people that will pay no tax at all. The way that calculation comes about, if you refer to your tax return, is that the tax is based on taxable income on the tax return, line 260; that times 10.5 percent. You go down then to the tax credit area, you take line 338, and you multiply that by 10.5 percent. You subtract that from line 260, and you end up with a number as to what your taxable income will be. Now, with the increase in the personal exemptions you have the opportunity to have your income come down to zero taxable income, because you combine the two exemptions and take the 10.5 percent.

This tax act is long overdue. There's been a fair bit of debate on it, talking about what it means to Albertans, but quite frankly I think it's time that we had a delinking from the federal system so that we are able to give back to Albertans some of their money. Yes, we have to be careful to ensure that the core programs of government are still funded and affordable. Quite frankly, if we could do more, I think everyone in this House would applaud that, but we also have to be careful. Even your own leader recognized that if we're going to reduce taxes, we have to reduce spending first. You can't do both. You can't do it all.

It would be nice to say that we could be, like some jurisdictions, tax free. That's not reality. It's not feasible. Because we have programs that are offered for the public good, we have to make sure that the core programs that are essential to Albertans, such as our health and education and social programs and our infrastructure, are maintained and can be afforded by the government they elect. So this act I believe is positive for people.

I'll leave people with this thought. I've talked with my constituents, and if you think back – and all of us in here are old enough to think back to the early 1980s. You ask people: how much disposable income did you have back in 1980 or '81 compared to what you have today? And it's amazing, Mr. Speaker, when you really add it up, when you think of how costs have spiraled and how people have worked very hard. Their taxes have gone up, but their purchasing power has gone down. This is one way to give money back to the people who put it in the pot, the taxpayers, the shareholders whom we work for, so that they can make decisions as to what they're going to do with their money. Moving it through the economy is healthy for the economy. We can go through all kinds of economic studies to talk about the impact when it takes basic economics 201 to figure out that dollars flowing through the economy is a healthy environment. Even the opposition can understand that.

So I would ask the opposition: let's not play politics with people's funds. Let's make sure we join together and support this bill and give back to Albertans their money, because they deserve it and we are now in a fiscal position in this province where we are able to move forward with some of these tax cuts. We can't do it all.

MRS. SLOAN: You can't pay our health care workers a fair wage?

MRS. NELSON: We can't do it all, Mr. Speaker, but there is a right

balance there, and this whole concept is striking that balance.

The hon. member from Riverbend is yapping about health care workers. They will receive . . .

MR. HANCOCK: Riverview.

MRS. NELSON: Well, whatever. Edmonton-Riverview, not Riverbend.

They will benefit from this tax bill the same as everyone else, Mr. Speaker. Quite frankly, I'm sure they will be delighted to see this bill go forward, and I would hope that the opposition would not play politics on this and would do the right thing and support Albertans receiving some of their money back.

Those are my comments. Thank you.

head: Statement by the Speaker

### Introductions of School Groups

THE SPEAKER: Hon. members, I'll recognize the hon. Member for Edmonton-Ellerslie in just a moment, but I'm going to take extraordinary leave to deal with the privilege, essentially, of members and the privilege of the House. Just bear with me for a moment or two.

An hon. member has advised that a regrettable incident occurred in the Assembly earlier today, and I want to have these comments placed in the record for the integrity of the Assembly and the integrity of the hon. member. Earlier this afternoon a group of schoolchildren from Paddle Prairie was in the Legislative Assembly for a field trip, and the hon. member, in this case the hon. Member for Peace River, had originally planned to meet the group at noon for a photo. Unfortunately, because of parliamentary responsibility he had to send regrets at the last moment.

The group of children was not scheduled to be in the Assembly, but as does happen periodically, some of these changes do occur with tour guides, and the group was admitted into the gallery during the question period. The hon. Member for Peace River constituency unfortunately was not informed that they were in the Assembly. Of course, other members of the Assembly were introducing school groups, and needless to say, the hon. member felt a little embarrassed by the fact that he had no notice that his group was there. That is unfortunate and should not have happened.

The correct procedure, of course, is that the tour guides associated with the Office of the Legislative Assembly should have provided a normal notice to be placed on the desk of the hon. member so that the hon. member would have been in a position to introduce these children.

I raise this now because it has happened in the past that an hon. member may be away or out of the Assembly at a certain time when his school group does come in, and the office of the Speaker does receive letters from those individuals, who are teachers and educators and others, saying: wow, how is it that one group gets introduced and another group does not?

There's absolutely no reason for the hon. Member for Peace River to feel embarrassed about this today. He may feel angry, and he should take out his anger on the Speaker for failing to fulfill the proper mandates which are associated with this. But the Speaker would like to convey to the hon. Member for Peace River that this should not have happened, that this was an oversight, and that the chair itself will convey a letter of information to the teacher and the school group in Paddle Prairie saying that it was regrettable and that hopefully sometime soon they will be able to see the smiling face of the hon. Member for Peace River and they will continue forward in a good, harmonious relationship.

So there is an apology extended to the hon. Member for Peace

River, as there will be an apology extended to the teacher and the school group from Paddle Prairie.

MR. FRIEDEL: May I just say thank you very much, Mr. Speaker.

head: Government Bills and Orders

head: Third Reading

### Bill 18

#### Alberta Personal Income Tax Act

(continued)

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

MS CARLSON: Thank you, Mr. Speaker. I'm happy to take this opportunity to address Bill 18, the flat tax bill, in its final stage of third reading, when we have a last chance to review the bill in its final form before it's passed, unfortunately under the threat of closure, the reality of closure, which will be occurring one hour from this point in time. The government has once again thrown about its weight in deciding that it knows what's best for Albertans, in fact stifling debate on this particular bill, one that is very important to the future of Albertans, I believe, and one that will be changing the entire basis of how democratic decisions are made in this province and the reasons why we make those decisions.

Initially I would like to refer to the comments made by the Provincial Treasurer earlier this afternoon when he talked about this bill. He introduced it by saying that this would be bringing about a new age of "respect for taxpayers and hardworking people" and that Alberta "has set the tone" for establishing that respect. I don't think "respect" would be the correct word to use here, Mr. Speaker. The manner in which this legislation is being approached in not respectful of the Canadian identity or Canadian process. A flat tax shows disrespect for what has historically been the essence of being Canadian, Mr. Speaker. So I am deeply concerned about his comments and the context in which he is promoting his own personal ideology.

[The Deputy Speaker in the chair]

He talked about the hopes and dreams of young people being enhanced by the flat tax. Well, nothing could be further from the truth. The hopes and dreams of young Albertans is enhanced by those young people having an equal opportunity to succeed, by choosing to provide the kinds of benefits they need to have, equal representation or the closest thing to equal representation that we can provide to them in this society. We need to present to these young people a kind of society that is rich in more than just money. This government has been obsessed with the ideology of money, when in fact what makes us rich are the kinds of services, the kinds of integrity we have, and the kind of equal opportunity we provide to everyone in this society.

4:30

How do we do that? We do that through a progressive tax base, Mr. Speaker, one that is representative in terms of providing for the needs of the people, and by not unduly burdening one sector of society with an inordinate burden of tax. In this case, this particular bill will place a heavier burden on middle-class taxpayers than it does on anybody else, not on those who have already succeeded in our society and who don't need a helping hand but on those particular people who are trying to provide an environment that is better for their children and for their grandchildren in the future.

We provide equality by providing high levels of services, by doing

things like Head Start programs, by providing a high level of access to education and a high level of education itself, and by providing health care. Those things are funded through a progressive tax base in a way that is fair, based on each individual's ability to pay, Mr. Speaker. I would like to talk about that in terms of the Canadian identity that we have established within the framework of comments made on April 13 of this year by John Ralston Saul, who is a well-known author in Canada and a philosopher who has addressed this issue I think quite deliberately and in a manner which bears paying attention to by all of us, particularly by those legislators who would want to now change the manner in which we approach providing services in this society.

He talks about how our culture and our society and our country and therefore our provinces

became rich because we chose to make ourselves a certain kind of society. And that kind of society has to do with egalitarianism and democracy and out of that came the conscious ability to construct prosperity.

That's by giving people equal opportunities and chances to move forward.

The opposite of that kind of society, which people who have built this country and legislators who came after those initial builders made a conscious choice to follow the path of, is a society that focuses on self-interest. Self-interest would dictate that those who want services pay for them as they need them and there is no extra money for anybody else, that in essence they're paying for only themselves and there's nothing to share around. That would be a self-serving kind of society that we would move to, and it's one that we have deliberately moved away from.

Other societies have pursued that. We see that very much in the American style of democracy, where it's each for his own and very little is provided in the way of public services. We can see that. Tax rates are uniformly lower there, and a great deal of attention is placed on financial success and not other kinds of success, things like giving a helping hand to those who don't start out as fortunate as some of the rest of us.

If we take a look at the history of Canada, Mr. Speaker, we will see that the founders of this country were highly concerned about providing an egalitarian kind of society where the wealth was shared amongst all, not in terms of money but in terms of the kinds of opportunities and services that were provided. If we were to look back at what Robert Baldwin had to say in the early 1800s, we would see that one of the things he stated was that we're "so fortunate as to belong to the favoured class," those of us who have money, that we "could not be so narrowminded and so blind to [our] own interests as to object to being taxed to effect great and important projects." I think that's an interesting statement that stands today, Mr. Speaker, and one that we need to examine.

It is not what was being promoted by either the Provincial Treasurer this afternoon or the Acting Provincial Treasurer in terms of his response to questions. They clearly came out on the side of the individual, that those who are so gifted in life through their own talents or through place and birth should also be gifted in terms of lower tax rates. I don't understand the logic in that when you compare that to helping society out on their own. This country was not built on that narrowminded kind of thinking, and I think this is a time for us to reflect on that.

If we take a look at Louis LaFontaine, also in the 1850s, he also supported social equality as a binding cornerstone of the kind of Constitution and equality and windows for opportunity for Canadians in this country, Mr. Speaker. It's time for us to take a look back at that, because a flat tax changes those dynamics. It's something

for us to reflect on at the very final stages of this particular legislation.

Do we want a privileged caste in this society, Mr. Speaker, or do we want opportunities for all? Do we sacrifice political liberty if we give unfair advantage to a specific class in our society that can in fact afford to pay and who I believe and who many of these original founders of Canada as a country believed had a responsibility to pay their fair share? A progressive tax means that those who can afford to pay do pay their fair share. The kind of progressive system that we have had enhances and reinforces our sense of community in terms of our responsibilities for our neighbours rather than taking the point of view that this government has taken, where you pit one group against the other, one neighbour against the other, one class of people against the other, those who are high-income earners and those who are not.

It's a completely different perspective that we're taking a look at. We're taking a look at ensuring the maintenance of a sense of a community, the sense that basic education, basic health care rights, basic access to other kinds of services this government provides are fundamental rights of Canadians, and they're paid for by somebody. In this case they're paid for on a proportionate basis in a progressive tax form.

Do we need tax reform? Absolutely, Mr. Speaker. There isn't a person in this Legislature that wouldn't agree with that. We need fair taxation. That means an end to such things as user fees, which are arbitrary and regressive taxes. It means an overhaul of the tax system in a manner that treats everybody in a fair manner.

A good start to that is the Alberta Liberals' proposal of a zero, 10, and 12 tax base, where low-income earners don't pay any provincial tax, middle-income earners pay a 10 percent fee, and high-income earners pay a 12 percent fee. I have yet to meet a single person in that high-income bracket who does not think that that is a fair burden for them to take on. They have more disposable income. They are prepared to take their fair share of that burden. I think this government is selling that group of people short by thinking that they do not have that kind of responsibility and that they do not endorse the Canadian philosophy in terms of how we want to manage our country and provide services.

4:40

This government would promote individualism, where people simply have the right to walk away and go wherever they choose and not help out their neighbour. That's not how this country was built, and it is not what gave many of their ancestors the opportunities to move forward in terms of the place they had in society and their countries of origin. I think it's important that people reflect on that kind of a background and think that if we were in the kind of society that only promoted individualism and former caste systems in terms of those who have and those who have not, we would see that many of the people in this room here today would not be here, Mr. Speaker, if we lived in a different country with a different system.

I don't see anything wrong with the kind of system that we had where there is a belief in inclusiveness and the idea that it's important to promote ideas that are not based on self-interest. We have to remember those kinds of things. If we were to take a look back through Macdonald's and Cartier's statements made as founding members of this country, we would see that they also supported an egalitarian kind of system.

We do hear arguments against paying for public services. If you take a look at those historically, Mr. Speaker, you will see that they're based on antidemocratic, colonial beliefs, where the caste system was important. I don't think that that's what Canadians are all about. We can see from my colleague from Calgary-Buffalo's

survey that he took off the Internet that 63 percent of Albertans who responded also do not think that antidemocratic, colonial beliefs are the way we want to go in this particular society when we talk about a fair tax system.

I would like to quote from John Ralston Saul's paper where he said that "there has always been and there will always be opposition from those who can pay; it's perfectly normal." He says that with money in his pockets he has "no desire to take it out of his pocket. It's nothing wrong; there's nothing evil about not wanting to hand over [your] money." We've seen this government enforce that. He says that it's just always been that way but that if you're conscious about it, you realize that you don't want to hand over the money. He says that you have to convince those who have the money that it's their duty to pay, and you have to have regulations to make sure they do that. He also says that inevitably people with money will prefer a two-tiered system because it's easier and it's cheaper for them and it costs them less and that they'll just pay for their own kids' services and needs and look after themselves.

There's nothing surprising in that. In fact, we've heard that exact argument from this government at every stage of debate on this bill. That's the kind of government and taxation policy that they would support, where they just want to look after their own and nobody else.

Mr. Speaker, he says that "the public good demands more from us." I agree with that statement, and 63 percent of the people who responded to the Member for Calgary-Buffalo's question also believe that the public good demands more from us. It demands even more financially from those who are able to pay a larger part. People who are able to pay a larger part support that belief. They are perfectly willing to pay their part, provided they understand the role that they're playing in society.

Something we have to reflect on at this point in time when we're talking about changing the kind of tax base that we have had in this province is: do people want to provide for the public good? It is the Canadian way to do that, Mr. Speaker. It is the Canadian way to ensure that we have a basic level of public services, more than a basic level of public services when it comes to education and health care.

We've seen that in more aspects than just tax dollars in this particular province, Mr. Speaker. We see it in the kinds of charitable contributions people make. We see it in the kinds of volunteer time that people contribute throughout this province, and we see large portions of that time coming from people who are in a higher tax bracket and who can afford to pay more. On the whole, when people think about the common good and the greater good of our society, they are quite prepared to pay for that privilege, and that's what happens in a progressive tax system. We can ensure that we provide a fair level of service or a better level of service, one that can be globally competitive for all, where we don't unfairly give a tax advantage to a particular class of people who do not need the advantage. I think that's something that's important to see.

Those who are high-income earners do have an advantage in this society in terms of influencing legislation. Because they have more disposable income, they can influence legislation at many different kinds of levels: direct donations, lobbying. They have time to hire people to lobby or directly influence. We've seen a lot of that happen here. The middle class have a hard time just surviving: getting the kids through school, getting a little retirement money put aside, paying off the mortgage, taking care of the neighbours. They don't have the same kinds of access to lobbying efforts that we see from those who have wealth, yet we see that most of those who have wealth do not unfairly use that privilege, Mr. Speaker. We see that

most who have that wealth are quite prepared to work for the greater good.

But not this government. They want to support those people who have already got that benefit in society, and that's the choice they've made: not to support a real sense of community, not to support the traditions of this country, not to support an egalitarian society, and not to support those young people that the Provincial Treasurer spoke about earlier in his comments in terms of having equal opportunity. If we don't ensure that we have an adequate tax base in this province to provide essential services like kindergarten programs, which this government felt were disposable, like Head Start programs, like access to public education and to advanced education, then we are not providing any kind of an egalitarian society for those young people who are coming up. That is a real shame, Mr. Speaker, and it's where we're headed with this particular bill.

A flat tax bill is more than just the introduction of a new tax system. It's an introduction of a new way of thinking for this province, one where we focus on the needs of the individual – of me, myself, and I – and forget about the responsibility we have to take care of our neighbour, to provide a helping hand when necessary and a hand up whenever we can. We forget about those kinds of principles. We move into a conquer and divide kind of society, and I do not want to be a part of it.

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

**MS HALEY:** Thank you very much, Mr. Speaker. It's a real pleasure to be able to rise in the Assembly and address Bill 18 in third reading. I have listened carefully to the opposition protest both Bill 18 and Bill 19, both of which will see Albertans pay less provincial income tax in the future. I admit to some surprise that the Liberals would have protested this tax cut. I do sometimes forget, however, the fundamental philosophical difference between Conservative, Liberal, and ND minds. Conservatives actually believe that the money belongs to the people and that government has a responsibility to return that which is taken in excess of what is needed to deliver the programs the people have asked us to deliver.

Having said that, Mr. Speaker, I should not be surprised about how provincial Liberals feel about tax cuts in light of what their federal cousins have done to Albertans and, indeed, to all Canadians over the years. Since the Chretien Liberals came to power in 1993, the average family taxes have ballooned from \$13,937 a year to \$18,146. [interjection]

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

**THE DEPUTY SPEAKER:** The hon. Member for Edmonton-Norwood is invited to join the debate at the appropriate time, and this is not the appropriate time. We have recognized Airdrie-Rocky View.

4:50

#### **Debate Continued**

**MS HALEY:** Thank you, Mr. Speaker. Since 1989 the amount of money individuals paid to government, including income taxes, Canada pension plan, and employment insurance premiums, has climbed by 54 percent. Over the same period pretax income has risen only 32 percent. Thus the burden is growing 1.7 times faster than the ability of the payer to pay.

There is no surprise that low-income families find themselves sinking into debt. This fact was reported to the federal cabinet prior

to their throne speech this year. While I am pleased that the federal government has responded even in a small way to the growing tax burden that we all find ourselves under with some movement on bracket creep over the next four to five years, the federal progressive tax will see low-income families paying taxes while borrowing money to make it through the year. That, Mr. Speaker, is unacceptable.

In response to that, Bill 18 has been developed. It will see over 190,000 low-income families and individuals come right off the Alberta provincial tax rolls. I call that a good thing, Mr. Speaker, truly part of the Alberta advantage, an Alberta advantage that extends to all people of this province no matter their age, their income, or their status.

The federal Liberal cousins to our own Liberals here claim that their government policy helps low-income families, yet according to news reports done by the family institutes, this is not true. Federal income tax policy in fact pushes people into debt, and the benefits from government policy won't change that.

MS OLSEN: That is Stockwell's statement.

MS HALEY: Actually, no, Edmonton-Norwood. It's my speech. I just wrote it. If you don't like it, you can get up and refute it later; okay?

THE DEPUTY SPEAKER: Through the chair, please.

MS HALEY: Well, I'm trying, Mr. Speaker.

Proof of this is in the growth of household debt. The Vanier Institute of the Family says that we have more household debt than disposable income. In the mid-1960s in Canada total liabilities were 72 percent of disposable income. In 1993 it saw us as a nation pass the 100 percent mark, so more than 100 percent of our annual disposable income is now owed. Today, in the year 2000, we are at 114 percent of our disposable income. Mr. Speaker, is this because Canadians and Albertans don't work hard enough? Is it because we just blow off our paycheques on frivolous things? Actually, I don't think we do. I think the problem is that we're being severely overtaxed by all three levels of government.

Here in Alberta we're trying to recognize the reality that Albertans deserve to keep more of their own income. Bill 18 allows Albertans to do just that. The opposition would have you believe that having a single rate of tax is a bad thing, yet here's the thing, Mr. Speaker. Back in the 1960s right here in Canada, across the entire country, the tax rate was 8 percent, 8 percent for everybody regardless of their income level. It was good enough back when John Diefenbaker was the Prime Minister of this very great nation, and since then we could have used a few more John Diefenbakers. Governments here and all across Canada, wanting to be all things to all people all of the time, started creating programs and more programs and more programs. And what do you know? These programs all have to be paid for.

So how do you pay for them? Well, you pay for them with more and more taxes, more and higher taxes that have to be collected. The 8 percent tax applied to everyone, not just to one group of people. So how do you get more money, Mr. Speaker? Well, you slide the rates up. But you could have done it at just 8 percent or 10 percent or 12 percent for everybody. No. There was a whole new insidious method that was developed because the higher income people here are less than the majority of people in the country.

So you split the tax rates. You go into progressive tax systems. Here for this group you have a high rate of 27 percent. Then for this group over here you've got a high rate of 51 percent. Then provincial governments all across the country just latched onto whatever

that rate was and said: "We'll take 40, 50, or 52 percent of whatever they're getting. Oh, that's not enough. Let's slap some surtaxes on top."

All the while that's not enough. Taxes go up and up and up, and it's not enough. Let's spend more money than we have. That was the next great theme for 25 years in this country, spending more than we had. So on top of having almost the highest taxes in the world – only five countries have higher taxes than we do – we spent more money than we had even at the high tax rates.

So we go along with this, and here are some interesting numbers. In 1970 as a nation we owed \$17 billion. In 1993, just 23 years later, we owed \$466 billion. Today, in the year 2000, our country is \$584 billion in debt. Interest has grown from \$1.8 billion in 1970 to \$39 billion in 1993 to \$45 billion in 1998, or \$1,500 for every man, woman, and child that live in this country. That's just interest. That's not the debt. This interest has to be paid each and every year without fail. You can defer the bulk of your payment on your total debt, but you cannot defer your interest. Twenty-seven percent of federal revenues goes to pay interest. So here we are as Albertans paying federal income tax, and 27 percent of it is not creating one job, not creating one program. It is only going to interest, and the majority of that isn't even being paid inside our own country because we borrowed off international markets. So we're getting it coming and we're getting it going.

Meanwhile, the same federal government has cut transfer payments. Here in Alberta we're trying to make things work. We've managed through the Alberta advantage to increase the size of our economy, which has benefited all Albertans, including the federal government, who have managed to increase their take of what they get out of Alberta, but all of this was done at the cost of an onerous tax system. We're accused by the Liberals of doing this on the backs of middle-income people or of favouring one group over another. Mr. Speaker, we're working very hard to treat everyone the same, everyone except the low-income earners in this province, who will pay nothing in provincial taxes.

I don't understand why the Liberals are not standing up and criticizing the federal government, who does nothing but take more from us and give less and less back on an annual basis. Well, from a philosophical base, Mr. Speaker, the Liberals are now saying that we are driven by the hard right, yet they sit there and vote against a tax cut for Albertans in a country that is the fifth-highest taxed country in the world. How much tax is enough?

Thirty years ago in Canada we were a prosperous nation. We had low taxes and an excellent standard of living, and the federal government – by the way, massively Liberal for the last 30 years – has borrowed us into one of the highest taxed nations in the world. Their share of the interest bill is killing our low or middle income, and you guys sit there and cheer. Sounds about right.

Which brings us back, Mr. Speaker – Alberta was at some point following that lead, and the Alberta government was spending 20 percent more than they had in revenues each and every year for years. You'd know about this because your leader was one of the people that helped do this.

[The Speaker in the chair]

The tax-and-spend philosophy was deeply entrenched in all governments in this entire country, and in 1993 we broke that mold here in Alberta. Alberta has no more deficits. We have our debt coming down and under control. We have very good programs for the people of this province, and, where possible, money is spent on onetime programs to improve the infrastructure of our province and continue to build on the Alberta advantage.

It's time for Albertans as individuals to reap some of the benefits of our growing and very dynamic economy, and by next year, when the new tax bill finally takes hold and Albertans get a chance to take advantage of this – for example, if you earn an employment income of \$30,000 or are a one-income family with two children, in Alberta your total provincial tax bill, including income tax, health care premium, payroll taxes, fuel taxes, tobacco/alcohol taxes, will be \$533. You might want to compare that to people who live in Newfoundland, who will be paying \$3,911. It's fairly steep for a low-income family.

An employment income of \$55,000 for a two-income family with two children in the same basket of taxes will be \$3,234 here in Alberta. It will be \$6,583 in Newfoundland, \$6,906 in Quebec, and \$5,396 in Manitoba. On an employment income of \$100,000 for a two-income family with two children, in Alberta your total tax bill will be \$7,347, compared to Newfoundland at the other end of the country at \$13,294, \$17,574 in Quebec, \$10,851 in Nova Scotia, \$12,465 in Manitoba. It doesn't sound like a real bad deal for Albertans to me.

On top of that, we now have the Canadian Federation of Independent Business saying that this is a good thing; 80 percent of them are supporting it. We've got places like the National Foundation for Family Research and Education supporting it. We've actually got real-live constituents supporting it.

5:00

You know, when I ran in 1993, there were a few things that I wanted to do. I wanted our deficit to be gone. I wanted our debt to come down and be paid off, and I wanted taxes to be fair for everybody. This bill goes a long way towards making the tax system fair for all Albertans.

I am, for one, truly excited by the changes that we are making. I believe it will benefit all of us and not only through lower taxes but also in our ability to attract and keep some of our very mobile, very well educated, very much in demand population. I want Alberta to be a place to come to for people like doctors, people who are involved in our knowledge-based industries, which is truly the place where we want to position Alberta. We don't want it to be a place that people leave because we are no longer tax competitive with the rest of the world. We pay 20 percent more in income taxes in Canada than they do in the United States, and this is not that far across that border.

I know a lot of young people who have left my constituency and this province to work in the United States. I don't blame them for going, but I think it's a terrible loss for all of us, and one of the reasons that they don't come back is because they have a superior tax system. They feel they're overtaxed in the United States; well, we're taxed a 20 percent difference, Bill. You might want to keep that number in mind.

Anyway, Mr. Speaker, I'm absolutely delighted to support Bill 18, and I truly look forward to its full implementation next year.

Thank you.

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

MR. SAPERS: Thank you very much, Mr. Speaker. The member who was just speaking, the Member for Airdrie-Rocky View, was absolutely right: there are some fundamental differences between the way that Liberals think and Conservatives think. I guess Conservatives confuse fairness with saneness, and Liberals know that fairness is all about equality and equity. You know, those are pretty important philosophical differences, pretty important differences in terms of philosophy.

As I was listening to the government supporters support this bill over this debate that's been under the gun of closure all the way through, including these dying minutes of the debate, it occurred to me that listening to the government trying to sell their flat tax plan is like when you go into a discount clothing store and somebody tries to sell you a one-size-fits-all T-shirt. We all know the problem with one size fits all is that really one size fits none, and that's exactly what we have with this flat tax. We have a simple approach, somebody trying to sell the idea of one size fits all when really what we need is some tailored tax policy so that it will truly fit people at various levels of income throughout our society.

You can try and point fingers at the federal government and you can try to pretend that you're disassociated from previous provincial governments, but the reality is that in the last number of years certain things have taken place. Over 30 years of Conservative governance – and I use that word advisedly; it is more like Conservative dominance – in the province of Alberta we went from a province with no debt to a province with a huge debt. We went from a province that was spending as it went to a province that was spending 20 percent more every year than it took in in revenue. This all happened under a Conservative government, Mr. Speaker.

Then in 1993 we had an election where the province was taken from tax-and-spend Tories to tax-and-cut Tories, and then they made a big deal out of balancing the budget, meanwhile trying to pretend that they were responsible for the economic diversification and for the robust economy that Alberta has enjoyed, particularly as a result of what's been going on in technology and in the petrochemical sectors.

Now, at the same time that was happening, for several years we had a Conservative government in Ottawa. We had a Conservative government that ballooned the debt – and I hear the Minister of Justice applauding the federal government of Brian Mulroney that ballooned the debt – that brought in GST, that taxed Canadians like they've never been taxed before, that left an incredible mess that thank goodness the federal Liberals under Jean Chretien have been equal to the task of managing. Then, to add insult to injury, we have people standing up in this Assembly on the one hand, like the Minister of Government Services, saying, "Let's stop playing politics," and then you have individuals like the Member for Airdrie-Rocky View saying that PCs, Progressive Conservatives, believe that tax money belongs to people. But of course what she forgets is that this government has the legacy of saying no, that the money must belong to shopping malls and the money must belong to waste management disposal plants and the money must belong to MagCan and to billions of dollars worth of handouts to corporations that have failed.

So, really, when you talk about rhetoric, I agree with the Minister of Government Services. We should put politics aside, and we should get rid of the rhetoric. We certainly don't need to listen to the self-serving commentary about who it is that believes who controls the money. Obviously, Mr. Speaker, the money belongs to the taxpayers, and we are their servants when we go to spend the money.

But I am getting a little bit tired of the hypocrisy. I'm getting tired of listening to the New Democrats say, "Oh, we can't have a flat tax," when the former leader of the New Democrats wrote an article that was published in the *Edmonton Sun* back in January of 1996 where she said: you know, what Canada needs is a flat tax. The New Democrats say, "Oh, we want tax fairness," but they are the party that said: let's triple the deficit elimination tax that the high-income earners pay. They wanted to bring it up to, I think, over 20 percent at one point in time.

So we've got hypocrisy coming at us from the left. We've got



hypocrisy coming at us from the right. The government is saying, "We want to do the right thing for low- and middle-income taxpayers," but they've had an opportunity, Mr. Speaker, to eliminate the .5 percent flat tax that would bring \$360 million worth of tax relief to every Alberta taxpayer, shared savings all the way across the spectrum. You know what? They say: "No, we can't do it. We can't do it because we can't afford it."

They can't afford to bring that level of relief in, but on the other hand they're talking about how they want to be thanked for bringing in \$1.3 billion worth of tax cuts on the other side. Talk about a mixed message and confusion. It must happen when you have part-time people in the job, Mr. Speaker. We've got this hypocrisy coming at us from the right. We've gone from tax creeps to tax hypocrites, and I don't think Albertans are being very well served by that.

Now, earlier today we heard a very moderate – and I'm pleased to acknowledge it – presentation by the former Provincial Treasurer, who dropped in to say hi and to let us know how things are going. I appreciated the opportunity to see him, and I appreciated the opportunity to listen to him. Obviously, I think the experience that he is gaining on the national stage has tempered him in his approach, and it was a pleasure, actually, to listen to him making comments. Frankly, I disagreed with his conclusions, but I must say that I thought well of the manner in which he presented those arguments. So while his ideology I still think is just way off-kilter and leaning far too far to the right, I must say that he's found a more palatable way of presenting it.

During that presentation it made me think of a recent Stats Canada study which found – and this is unbelievable, Mr. Speaker. Statistics Canada found that, contrary to popular belief, if you take a look at the middle of the middle-income earners in this country and the middle of the middle-income earners in the United States of America and you control for things like health care expenses – in other words, you look at total family income and you look at all the measures of central tendency to determine who's really in the middle in terms of family income on this side of the border and on the south side of the border – and you control for health care expenses so that you don't even have health care expenses to throw the argument off-kilter one way or the other, because we know of course that in the United States health care takes up a far greater degree of individuals' disposable income than it does in Canada, unbelievably what this very scientific study found is that those middle-income families in Canada had more disposable income. In spite of all the rhetoric we hear about the tax disadvantage, Canadians actually had more money in their jeans at the end of the day.

Now, this is something that you don't hear coming from the right wing, that's trying to sell this nonsense that it's just taxes that have caused the brain drain. It's not just taxes, Mr. Speaker. In fact, we've got an example going on in this province right at this very minute of what really causes the brain drain, and if you read the same newspapers that I read this morning, you saw the stories about the medical professionals, the nurses and the doctors, who are leaving this country in increasing numbers. The reason why is because, particularly in this province, those men and women aren't respected for the contributions that they make. Their working conditions are abysmal and getting worse, and the pay scale for many of them is at or near the bottom of the rung. Those are the kinds of issues that drive people away from this province and this country. It's not just this simple straight-line logic that the government would have us buy into, which says: oh, well, we taxed them too much. That doesn't seem to hold up very well in the light of day.

5:10

The provincial Premier, in between his arguments that he gets into with his colleague Premiers, has gone on record as saying that

Albertans are going to be saving on average \$1,500 in income tax as a result of Bill 18. You know, Mr. Speaker, that's simply not the case, because the average Albertan doesn't make a taxable income of \$125,000. That's how much you'd have to make in order to get the benefit at the level that the Premier has been talking about, and that's if you factor in the spousal exemption and you factor in the average tax credits that Albertans typically take advantage of. So there have been some very misleading statements made about who it is that's going to save what.

Now, the Alberta tax changes won't take effect until next January, yet for two years in a row this government has been announcing and reannouncing – and I think it was up to 14 separate announcements – tax relief and tax changes, but for 24 months they took no action. Then they start taking some action, and then they only take action with a combination of the flat tax and the removal of the 8 percent surcharge, action that basically only caters to the wealthy.

You know, they say that these are temporary taxes and they're anxious to see them removed, but it reminds me of a quote by C.D. Howe – who I'm sure isn't a philosophical hero of several members of the government – when he was minister of trade and commerce in the '50s. He said, "There is nothing more permanent than a temporary government building – unless it's a temporary tax." That must be a sentiment that the Acting Provincial Treasurer ascribes to, because he stood not once but twice in this Assembly in the past couple of days to protect the government's ability to keep on collecting that .5 percent flat tax so he can continue to take out of the pockets of Albertans over \$300 million and put it into his pockets, Mr. Speaker, metaphorically speaking of course: not into his own pockets but shared on behalf of his colleagues in cabinet.

Now, federal tax changes for the year 2000 will reduce the amount of tax payable for a spectrum of Albertans, and I do applaud that; that is good. But it's the distribution that's the problem. Now, the federal government seemed to be able to figure it out. They went to the middle bracket and decreased the middle bracket . . .

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

#### **Point of Order Allegations against a Member**

DR. WEST: Yes. Under 23(h), (i), and (j), on trying to inflame this Assembly with some of his rhetoric. He has insinuated by his comments that I as Acting Treasurer stood in this Assembly to defend the right to keep the .5 percent flat tax, that was put in some years ago. He said on two occasions that I defended it, yet I've stood up here and defended Bill 18 that incorporates .5 percent and its removal January 1, 2001. Then he comes and insinuates in his debate the opposite. I think he should retract that, because he's famous for dropping innuendos in here to send out there to the public of Alberta something that was not the intention of another hon. member in this Assembly.

MR. SAPERS: I'd be happy just to hear your ruling so that I can carry on with my debate, Mr. Speaker.

THE SPEAKER: Well, hon. member, if one hon. member says that another hon. member said something and the hon. member who is the subject of it stands up and says, "No, I never said that," then it's really incumbent on the person who first threw the ball to make a response.

So the ruling is what? I have to accept the word of an hon. member, and in this case if the hon. member says, "I never said that," I have to accept that word. That certainly takes precedence

over somebody else who says: well, no; you said that. The only person who knows what they said is the author. So in this case I have to accept the word of the hon. Acting Provincial Treasurer. I would ask the hon. Member for Edmonton-Glenora to be careful to not give statements to other hon. members when they stand up and say: no, I never said that.

I don't know if that clarifies anything, but please proceed.

MR. SAPERS: It's as clear as the government's tax policy, Mr. Speaker. Thank you very much.

### Debate Continued

MR. SAPERS: I just don't want to waste any time. You know, I sat and I listened to the rhetorical statements from so many government members today without interfering, but you know, when the Acting Provincial Treasurer gets his skin a little bit ruffled, he has to stand up and try to disrupt debate. Well, that's fine. He can go ahead and do that. The record will show, Mr. Speaker, how he voted on the amendments that would have removed the .5 percent tax. The record clearly shows that he voted twice against Liberal amendments that would have saved Alberta taxpayers real money, would have put money back in their pockets in this next tax year, and he voted to keep that money coming out of their pockets and into his treasury. So that's what the record shows, and if he wants to say that's a distortion, he can try to sell that outside the Chamber, because the reality is that this government talks a good game about tax reform, but all it is is talk.

Now, the federal government, as I said, managed to figure it out right. They attacked those middle tax brackets and they brought them down. The Ontario government seems to have figured it out right. Look at what the Ontario government did, their philosophical cousins. They said: look; we're going to reject the flat tax because it doesn't work for people. What they said is: we're going to have a progressive system; we're going to have rates at 6.2 percent, 9.24 percent, 11.16 percent. It's still deindexed, it's still delinked, and it's fair, Mr. Speaker. They understand it. They've done the same thing in Saskatchewan.

So if the folks in Ontario, who this province loves to emulate so much, have figured it out and if even those socialists in Saskatchewan have figured it out – and I know that some members of this government actually have roots back there and have spoken proudly of them – if they figured it out, why is it that this government can't figure it out?

Why is it that British Columbia, which wants to go to tax on income and delink, stays with a progressive rate? Why is it that Saskatchewan, which is delinked and wants to go to tax on income, has opted for a progressive system? Why is it that Manitoba, which wants to delink, stays with a progressive system? Why is it in Ontario? Why is it in New Brunswick? Why is it in Prince Edward Island? Why is it in Nova Scotia? Why has every one of these jurisdictions made the decision to delink, to index, to protect from bracket creep? Yet they figured out a way to keep the system progressive and fair. Why is it that those governments have figured it out and our government hasn't? It's just ideology. They're blinded by their own ideology, and it's not good enough for Alberta. It's not good enough for the taxpayers.

Mr. Speaker, the actual CPI increase for the year ended September 30, 1999, was 2.7 percent. That's almost twice the rate that's used in several clauses of the government's legislation. Why is it that they've made that miscalculation? What is it that they're trying to manipulate? Why is it that when the federal government has said that the most important thing is to take a look at both moderating the

tax rates for the middle income and then providing incentives for investment through reducing the dividend tax payable, this government says: what we have to do to stimulate the same kind of supposed growth in the economy is only provide major relief at the top end?

Mr. Speaker, why is it that there are different calculations? Why is it that Albertans at the \$30,000 level overall may only receive savings of about \$40 or \$45 and at the \$40,000 level maybe about \$95 dollars? Why is that? Why is it that this government continues to favour those who give political donations in the province but not to other charities?

If they're talking about meaningful tax reform, there is so much more that they could have done. In fact, this tax budget reminds me very much of a former Prime Minister when he made the following statement. He . . .

THE SPEAKER: The hon. Government House Leader.

### Point of Order

#### Allegations against Members

MR. HANCOCK: Thank you, Mr. Speaker. Under 23(h), (i), and (j). It's unfortunate that in the dying minutes of this portion of the session I have to rise to ask the hon. member to retract the comment that he just made. This government and these members do not favour people who give political contributions. It's a mean and unrealistic and unfair slur on the character of every member of this House to make those kinds of allegations in a speech, and he should be asked to withdraw that allegation.

MR. SAPERS: I have no idea what he's referring to. I'm talking about the tax credit you get for political contributions. Now, if he's feeling that sensitive, you know, maybe he doth protest too much. I wasn't suggesting that the government pays more attention to those who give them political donations. That would be the party, Mr. Speaker. I clearly said government.

5:20

I don't know what that Government House Leader is on about. I'm talking about tax policy. I'm talking about the government. Government tax policy clearly provides a maximum tax advantage to people who give a \$100 political donation. You get a far better tax advantage than if you give \$100 to the United Way. That's the point I'm making. So if he can't understand the difference between the Progressive Conservative Party, of which he is a proud member, and the government of Alberta, then that's his problem, but I certainly don't have anything to apologize for, Mr. Speaker.

THE SPEAKER: So I take it, hon. member, that you are saying that you did not provide any slur on any hon. member with respect to advocating favours for contributions.

MR. SAPERS: No. Thanks very much, Mr. Speaker.

You know, these childish interruptions from the members of the government's front bench are getting to be very, very annoying.

### Debate Continued

MR. SAPERS: What I was getting on to, Mr. Speaker, is that this government's defence of its tax policy does remind me of a former Prime Minister of Canada when he said, "I think it really was a mukluk budget – it was luck for the privileged few and muck for the rest of us." Those are the words of the Right Hon. Pierre Elliott Trudeau when he was Leader of the Official Opposition campaigning against the Conservative budget of John Crosbie. Of course, that

was the budget back in 1980 that paved the way for so many of the problems that the federal Liberals eventually had to go and clean up.

As a result of Bill 18 Alberta tax filers in the lowest 52 percent of the income scale, those earning between zero and \$30,000, will get an average annual tax reduction of \$673 under this government's tax plan. Six hundred and seventy-three dollars. Alberta tax filers in the middle 39 percent of the income scale, between \$30,000 and \$70,000, will get an average annual tax reduction of \$554. But wait for it. The top 4 percent of Alberta tax filers, in the income scale of \$100,000 and over, those six-figure income earners, will get an average tax reduction of \$5,404 under the government's tax plan. The very top 1 percent, the wealthiest Albertans, those tax filers whose income is above \$150,000, will get an average tax reduction of nearly \$11,000. Nearly \$11,000. And this government confuses that with fairness. That is something that I will never support.

Mr. Speaker, not only did this government vote against an amendment which would have saved Alberta taxpayers that \$344 million to \$355 million in terms of the .5 percent flat tax; this government also once again, on one of the most comprehensive tax reforms that this province has ever seen, Bill 18, totally redoing the Alberta personal income tax regime, voted against referring the regulations of that very complicated area of law to the Standing Committee on Law and Regulations. They still want to be able to meet behind closed doors in cabinet, in secret, with no sunshine creeping in because the blinds on the windows will be drawn, and they want to be able to come up with their secretive tax plans as to how they're going to continue to be able to pick the pockets of these hardworking Albertans.

Mr. Speaker, at least the former Provincial Treasurer had it right when he used to wear that lapel pin about the sweat-soaked loonies. At least he seemed to be knowledgeable and seemed to be aware of the fact that it's real Albertans that provide real money, and it's the sweat of their brow that funds this government's proclivities.

Now, they want to keep it secret. Because of their time allocation manipulation, because we now have a Government House Leader who I think holds the record for closure, the new captain of closure, because of that kind of manipulation, we couldn't even get that amendment on the floor. They were careful to make sure that we couldn't even get that amendment on the floor.

Not only wouldn't they allow that amendment, Mr. Speaker – this is the one that should really, really irritate Albertans, and I know that it will. We've heard all the rhetoric about pointing fingers at the federal government. Because of the federal government's projected surpluses, because it's used 42 percent of its economic surplus for tax relief where this government's only used 12, because of its aggressive moves on tax reform, the federal government is going to continue to bring real tax relief – real tax relief – to the middle-income Canadians and the middle-income Albertans.

Now, Mr. Speaker . . .

THE SPEAKER: Hon. Government House Leader, I take it this is a point of order.

#### **Point of Order Allegations against a Member**

MR. HANCOCK: It is indeed. I deliberated before raising it, Mr. Speaker, but I can't let it go unchallenged. Under 23 (h), (i), and (j), a definite attempt to besmirch this individual member's character by calling this member the king of closure or whatever the term was he used. In fact, it is a matter of public record that the federal Liberal government passed the record for closure by invoking closure and time allocations 67 times. On some occasions – and I can provide the information if the House would like to have it – they invoked

closure and had a vote before there had been any more than one hour of discussion on the bill, and I don't believe that's ever happened in this House.

So they should look in the skin of their federal cousins for who's using closure the most, and the record will clearly show that closure has been used in the federal House by the federal Liberal government much, much more often, with more frequency and with less ability to debate bills than ever in this House.

MR. SAPERS: On this point of order, Mr. Speaker. I'm sorry. I didn't call him the king; I called him the captain. But, of course, if he says that he's not the king, then he's just the prince of closure. He's number two but trying harder. So I withdraw that.

#### **Debate Continued**

MR. SAPERS: Now, let me please continue, Mr. Speaker, because we are under the threat of closure in the princely way in which it's been brought upon us, and I think I have less than four minutes left before the clock will expire and Albertans will be the recipients of this ill-conceived, unfair, biased, and bad law. So I hope that members of the government, as sensitive as they are, as much as their bubbles have been burst, as much as their thin skins have been irritated, will let me continue in the next couple of minutes uninterrupted.

Now, Mr. Speaker, the provincial Liberals under the leadership of the Member for Edmonton-McClung . . . Mr. Speaker, that can't be my time.

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

MR. YANKOWSKY: Thank you, Mr. Speaker, for this opportunity to speak to Bill 18. I have certainly been looking forward to speaking on Bill 18, the Alberta Personal Income Tax Act. The reason I've been looking forward to this is because this bill really does something to help my low-income constituents and Albertans, and I think it's important to acknowledge this.

There is much talk from the opposition that Alberta's new tax plan benefits high-income earners. This is true. This government won't deny or apologize for that. But the Liberals always seem to stop there. This bill will also benefit middle-income earners. They are talking benefits to the tune of \$612 in savings for a two-income family earning \$55,000 with two children or savings of \$1,206 for a one-income family earning \$40,000 with two children, and I have many such families in my constituency, Mr. Speaker.

The fact is that Alberta's new tax plan goes even further, and that's something the critics don't like to mention. Bill 18 frees 190,000 low-income Albertans from provincial taxes. I'll say that again, Mr. Speaker: 190,000 low-income Albertans freed from provincial taxes. But given their record, it may be something they copy in their next budget and try to take credit for inventing, and for the sake of other Canadians, I can only hope they do so.

Low-income Albertans deserve a break. They may be students trying to get through school. They may be young or just entering the workforce. They may be single parents. Bill 18 will benefit each and every one of them.

Let's look at a part-time student. With Alberta's new tax plan, even if a student is working full-time at McDonald's earning minimum wage, he or she won't pay any provincial tax. Now, let's look at an Albertan entering the workforce. If he or she earned \$20,000, they would save \$386 from 1999. However, this federal tax bill will look . . .

THE SPEAKER: Hon. Member for Edmonton-Beverly-Clareview, we now have a point of order from the hon. Member for Edmonton-Ellerslie.

**Point of Order  
Questioning a Member**

MS CARLSON: Mr. Speaker, under *Beauchesne* 333 would the member entertain a short question?

THE SPEAKER: Hon. Member for Edmonton-Beverly-Clareview, you need only say yes or no.

MR. YANKOWSKY: No, I will not at this time.

**Debate Continued**

MR. YANKOWSKY: In 2001, families with two children who earn less than \$33,400 will pay no provincial income tax. For these families the refundable Alberta family employment tax credit will exceed Alberta tax payable. Unfortunately, the federal Liberal taxes account for two-thirds of the tax bill. We would love to be able to announce that these low-income Albertans won't be paying any income tax at all, but we will have to wait until the federal Liberals find room in their budget to help these families.

5:30

Mr. Speaker, the opposition has suggested that health care premiums should be eliminated instead of moving to a single-rate tax. They suggest that would provide greater relief to low-income Albertans. However, there are several problems with this approach. First, low-income Albertans already receive generous subsidies to help pay for health care premiums. Many of these Albertans would receive no benefit from the elimination of this premium.

Seniors also receive generous relief on premiums. In fact, less than one-third of seniors pay full premiums. Seniors start paying income tax at a lower income level than they start paying health care premiums. Therefore, low-income seniors would benefit more from tax reductions.

Mr. Speaker, I could go on and on, but I just want to say that Alberta's new tax plan helps middle- and high-income Albertans, but most importantly it helps those that need it most. That's why we should all support Bill 18.

THE SPEAKER: Due notice having been given by the hon.

Government House Leader under Standing Order 21 and pursuant to Government Motion 22, agreed to earlier this afternoon, under Standing Order 21(2) I must now put the question on the motion for third reading of Bill 18, the Alberta Personal Income Tax Act.

[The voice vote indicated that the motion carried]

[Several members rose calling for a division. The division bell was rung at 5:31 p.m.]

[Ten minutes having elapsed, the Assembly divided]

For the motion:

Amery	Johnson	Smith
Broda	Jonson	Stelmach
Cao	Laing	Stevens
Cardinal	Lougheed	Tannas
Coutts	Lund	Tarchuk
Ducharme	Mar	Taylor
Dunford	Marz	Thurber
Friedel	McFarland	Trynchy
Graham	Nelson	West
Haley	Oberg	Woloshyn
Hancock	O'Neill	Yankowsky
Herard	Pham	Zwozdesky
Jacques	Shariff	

Against the motion:

Blakeman	Leibovici	Pannu
Bonner	MacBeth	Sapers
Carlson	Massey	Sloan
Gibbons	Olsen	White

Totals:	For – 38	Against – 12
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[Motion carried; Bill 18 read a third time]

THE SPEAKER: Hon. members, pursuant to Government Motion 5 as agreed to on March 7, 2000, this House now stands adjourned. Have a good, safe summer, and I'll think of you all.

[Pursuant to Government Motion 5 the Assembly adjourned at 5:44 p.m.]