

## Legislative Assembly of Alberta

Title: **Tuesday, March 16, 2004** **8:00 p.m.**  
 Date: 2004/03/16  
 head: **Committee of Supply**  
 [Mr. Tannas in the chair]

**The Chair:** I'd like to call the Committee of Supply to order.

For our first item this evening I wonder if we might have consent to briefly revert to Introduction of Guests?

[Unanimous consent granted]

head: **Introduction of Guests**

**The Chair:** The hon. Member for Calgary-Shaw.

**Mrs. Ady:** Thank you, Mr. Chairman. I'd like to introduce tonight in the members' gallery a former member of this Assembly that you all know. She used to be the Member for Calgary-Currie, and she is now the special adviser for public affairs for the Calgary Chamber of Commerce. She spent many a night in here with us. I think many of you recognize her: Jocelyn Burgener. As well, we have Tom Palak. He is the policy analyst for the Calgary Chamber of Commerce. Would you both please rise. Last but not least is Cassandra Litke, who grew up in Calgary-Shaw, and actually her younger brother ran around with my older son. They were friends. Her name is Cassandra Litke, and she's the senior policy analyst for the Calgary Chamber of Commerce. Give them the warm and wonderful welcome of the night crew. I mean the House.

**The Chair:** The hon. Member for Edmonton-Glenora.

**Mr. Hutton:** Thank you very much, Mr. Chairman. I would like to introduce to you and through you, actually, five people that are sitting in the members' gallery. They're having a little tour this evening. They are a group of folks that get together. They're the class of '75 from Ross Sheppard high school. I went to Jasper Place composite high school and used to go to their football games and give them a hard time.

**Mr. Snelgrove:** You were from the class of '65.

**Mr. Hutton:** Yeah. Much, much older. But I married a girl from Ross Shep.

I would just like to introduce this crew that are sitting up in the members' gallery. We've got Darcey-Lynn Marc. We have Chris Bradbury, Leslie Ellis, and David McKay. We also have Diane Thomas, who is their guide and coconspirator this evening. I'd ask you all to rise and receive the warm welcome of this Assembly.

**The Chair:** The hon. Member for Edmonton-Beverly-Clareview.

**Mr. Yankowsky:** Thank you, Mr. Chairman. I'd like to introduce to you and through you Mr. Ken Chapman, seated in the public gallery. Besides other things he is involved with the workshops happening right now on family violence leading up to the round-table on family violence in Calgary on May 7. If you would please stand and receive the warm welcome of this House.

**The Chair:** Okay. For the benefit of those who have been introduced and those who have not been introduced in the gallery, I want to explain that this is a less formal part, and hopefully we can keep

the exuberance down to a level such that we can all hear the one and only person that's allowed to speak out loud at a time in the House. If you have a guide for the floor plan of where the members sit, only the member that is standing and speaking is likely to be in their position. The others can move around, hopefully quietly, in this informal session of the Legislature, the committee session.

head: **Interim Supply Estimates 2004-05  
 Offices of the Legislative Assembly,  
 Government, and Lottery Fund**

**The Chair:** The first question really would be as to the method of procedure. Do you want to go department by department, or do you want to talk in generalities about all of them. What is your agreed wish?

**Mr. Hancock:** I will give a brief introduction to it, and then members of the House can go wherever they wish with respect to questions or discussion.

**The Chair:** Okay. Let us proceed. Are you the first minister up? The hon. Government House Leader.

**Mr. Hancock:** Thank you, Mr. Chairman. Just briefly the overview. For the benefit of members the Minister of Finance introduced the interim supply this afternoon. It really is just in the nature of making sure that government continues to operate while we debate thoroughly in Committee of Supply and appropriations the budget, which is scheduled to come down on March 24. I think the hon. minister this afternoon put it into a context that for the most part, when you're looking at supply, you're really looking at a portion of the year's expenditures to be voted.

We can expect, of course, under our Standing Orders that 20 days will be spent in Committee of Supply, so if the budget comes down on March 24, presumably one could foresee that we might have completed the budget process by mid-May. Obviously, employees of the government wish to be paid for the month of April and for the month of May, so one would assume that we should make provision for that. As well, there are other grants that go out to organizations which go out at the beginning of the year and should not be held up waiting for the vote on full supply.

The interim supply numbers for each department are not an exact science but rather an estimation of the first quarter or so of expenditure plus whatever grants are normally paid out in that first quarter. So it's not exactly a quarter of the budget or half of the budget but really a number which is determined to cover the first few months of expenditure for each department plus the expenditures that might be expected to be made on grant programs or to other organizations or in some other manner paid out in the first six months of the year.

Speaking specifically to the Justice estimates, there's nothing in the Justice estimates of \$70,500,000 that stands out in particular. It meets exactly the formulas that I was just mentioning.

So that's just a brief overview of the rationale for the numbers as is, and we're looking forward to the real discussion on a department by department basis as we go into Committee of Supply following the budget on March 24.

**The Chair:** I wonder if the committee would agree to a brief reversion to Introduction of Guests. The chair apologizes; I missed one hon. member.

[Unanimous consent granted]

head: **Introduction of Guests**  
(*reversion*)

**The Chair:** The hon. Member for Edmonton-Riverview.

**Dr. Taft:** Thank you for consideration there. I'm rising on behalf of the Member for Edmonton-Gold Bar to introduce a group of women who are here as part of a group called Women Supporting Women. I would ask them to rise as I read their names: Fay Stalker, Gladys Honey, Bea Berke, Doris Pettit, Rae Ehrman, June Dixon, Coral Bellerose, and Mert Shapka. They are here to see what happens in the Legislature in the evening as I'm sure we're all curious about. I'd ask everyone to give them a warm welcome. Thank you for coming out.

head: **8:10 Interim Supply Estimates 2004-05**  
**Offices of the Legislative Assembly,**  
**Government, and Lottery Fund**  
(*continued*)

**The Chair:** Okay. Now the hon. Interim Leader of Her Majesty's Loyal Opposition.

**Dr. Massey:** Thank you, Mr. Chairman. Here we are again with interim supply estimates for 2004-2005. I'll start, as I think I've started almost every year that this comes before the House, with the question: why?

**Dr. Taylor:** Because my staff wants to get paid, Don, to pay their mortgages and buy groceries.

**Dr. Massey:** Well, then, why don't you plan better?

**The Chair:** Hon. minister, you will have your chance as soon as the hon. leader steps down. I'll put your name on the list, but in the meantime, hon. leader.

**Dr. Massey:** Thank you, Mr. Chairman. The question that's asked is, you know: why does this happen? Those of us who come from municipal politics will remember the pressure that was put on us by government to have our budgets in place and passed before we started spending the money. It seems to me that's still a requirement that was a sound requirement fiscally. It was the responsible position to take. If it's good for the goose, it should be good for the gander.

The government has complete control over the sitting of this Legislature. We could sit earlier in the year if timing is the problem. There's no reason why we should be going through this exercise and then really talking about a third of the money in the coming month, after it's already been spent. So it's again a matter of process and a questioning of the government as to why they haven't seen cause to change the process so that they, too, are not spending money before they have the approval of the Legislature.

Mr. Chairman, it's a lot of money. If you look at the departments, the Department of Learning is asking to spend close to a billion dollars before this Legislature takes a look at even one budget line. You have to ask how responsible it is of this House to engage in that kind of a procedure. It just does not make sense.

A number of the departments, Mr. Chairman, obviously are doing some work to try to reduce their reliance on interim supply. If you look at the Sustainable Resource Development budget in 2002-2003, the interim supply request was \$101.915 million, and this year it's down to \$52.3 million. It seems to me that it's a department that is

moving in the right direction. Fifty-two million is still a lot of money to ask for when the Legislature doesn't know how you're going to spend it, but I think it shows some effort to address the problem and to decrease the reliance on interim supply.

On the other hand, there are departments, as I said, where it just seems to be more and more the way they operate. Learning moving from \$615.5 million in fiscal year 2002-2003 to this year, when the department is asking for almost a billion dollars, seems to be, as I say, a move in the wrong direction. A number of other departments have similar large increases. If you look at Children's Services, from \$121.9 million to \$184 million this year, a \$60 million increase in the request for interim supply. Some of the other departments are much more modest but, again, moving in what I think is the wrong direction, Mr. Chairman. Aboriginal Affairs from \$11.005 million in 2002-2003 to \$13.8 million this year. Better but still growing.

So those are some initial comments I have about the budget. There are a number of departments represented. The document raises a number of questions about the kinds of controls that the government has on spending, and I'd be interested in hearing some of the ministers' defences for having this item in front of us.

Thank you, Mr. Chairman.

**The Chair:** The hon. Minister of Environment.

**Dr. Taylor:** Thank you, Mr. Speaker. I feel compelled to rise and speak to these issues. As you're aware, I might not be the most expert here on parliamentary procedure, because you often correct me, Mr. Speaker.

**Mr. Hancock:** That's the chairman.

**Dr. Taylor:** Oh, chairman. The House leader has already pointed out that I've made a mistake here. You're not the Speaker tonight; you're Mr. Chairman. And occasionally you point out my faux pas.

But I do feel compelled to speak because, you know, we have a budget coming down next Wednesday, and after that budget the way the process works – and that member knows – we have 24 days of budget discussion. I think that is the correct number: 24 days of budget discussion, Mr. Chairman. As you know, we sit four days a week, so you can figure out how many weeks that is, and the budget will not be passed and approved by this House until those 24 days of budget discussion are done.

So I want to ask this member: over that time period does he want the schools to close? Does he want teachers not to be paid? Does he want his colleagues at the university not to be paid? Because without these supplementary estimates those teachers will not be paid. Without this supplementary estimate his colleagues at the university will not be paid. Without the supplementary estimate my staff, approximately 900 people, will not be paid. Mr. Chairman, all of those people at the university, the teachers, my staff all have families. They've got mortgages to pay. On top of that, I would just point out: I won't get paid, you see. The member won't get paid.

Now, the member can afford not to be paid because he's a double-dipper, Mr. Chairman. He's collecting a big academic pension as well.

**Mr. Bonner:** And you wish you were.

**Dr. Taylor:** I wish I was as well. But collecting an academic pension as well as sitting here and making money, Mr. Chairman.

So the issue is that we have to do this. All of these items in here, including my budget of \$30 million, will be discussed after the budget of next Wednesday. In fact, the Liberals have put me on

notice that my budget will be discussed next Thursday afternoon. They've called the Department of Environment to sit here in this House and have them question me about my budget next Thursday for hours and hours, Mr. Chairman.

Now, does that make sense that they're up in this hypocritical manner and saying . . . I agree with you. You're right, Mr. Chairman. It does not. I'm glad to see that you're shaking your head in agreement with me.

It makes no difference, Mr. Chairman, whether this is discussed tonight or it's discussed next Thursday. I think, Mr. Chairman, it's high time that these people realized that these people – teachers, MLAs, university professors – need to be paid and quit trying to play politics with something as significant as this.

Thank you very much.

**The Chair:** The hon. Interim Leader of the Opposition.

8:20

**Dr. Massey:** Thank you, Mr. Chairman. I've never heard such garbage. That minister sits in a cabinet that could fully call this Legislature back into session January 15. Count the time from January 15 to the end of March 30, and how much time do we have for a budget? Plenty of time. This budget could be passed before a dollar of it is spent. And to turn around and try to indicate that people aren't going to be paid is just . . .

**An Hon. Member:** They won't be if we don't pass it, Don.

**Dr. Massey:** This one. But you've had how many years – 10 years – to change the process?

**The Chair:** Through the chair, hon. member.

**Dr. Massey:** I'm sorry.

They've had 10 years to change the process, and every year they come with exactly the same excuse: you've got to pass this or people aren't going to be paid. That is ludicrous, Mr. Chairman. We could have in place a process where we did look at the items and have the entire budget scrutinized. It could be scrutinized in a meaningful manner, knowing that not a dollar of it was going to be spent until it was passed. So for the minister to get on his high horse and to accuse us of politicking is deception of the first order, Mr. Chairman, and I don't accept it for a moment.

**The Chair:** The hon. Member for Edmonton-Glenarry.

**Mr. Bonner:** Thank you very much, Mr. Chairman. It is a pleasure to rise this evening and speak to interim supply in the Committee of Supply. I think one of the things we have to look at here is, first of all, that we have to start with comments by the Premier where he's in charge of a somewhat \$20 billion-plus budget every year. Now, if we were to compare that to any business that operates with a \$20 billion budget per year, then certainly I think we can make some very valuable comparisons.

One of those comparisons would be that nobody, absolutely no business, would vote this amount of money based on a single line requesting so many millions. And this is not a one-time occurrence. This is an occurrence that happens year in and year out in this Assembly. When we look at \$5.56 billion being voted on here in the next few days, that's enormous compared to our budget. This represents over 20 per cent of the budget that we are being asked to vote on.

We're being asked to make some sort of analysis based on one

line. There is no breakdown at all for where these dollars are to be spent. Certainly, Albertans deserve better, Mr. Chairman. We realize that, yes, we do need money to operate, but as the hon. Member for Edmonton-Mill Woods has pointed out, we have every opportunity to meet in this Assembly long before we get to this point, long before we get to a year-end, to request those monies, to study those monies, and, if we as an Assembly desire to, to pass the allocation of those monies.

I look at these expenses, and they are to cover three major areas: operating expenses, capital investment, and nonbudgetary disbursements. The total amount of interim supply, as I said earlier, is \$5.56 billion. Now, this \$5.56 billion is broken down in the following way. We have \$5.05 billion for operating expenses and equipment and inventory purchases. We have another \$133.5 million for capital investment. Of that \$5.56 billion, we have \$66.4 million for nonbudgetary disbursements, and we also have \$313.6 million in payments through the lottery fund.

Mr. Chairman, the \$5.05 billion to be spent on operating expenses can further be broken down in the following manner. We have \$19.2 million which will be spent by the Leg. Assembly, and the bulk of that, \$5.029 billion, will be spent on the various government ministries where they have indicated, with one line, what the comparison is going to be. This comparison is for the fiscal year 2002-2003, for the fiscal year 2003-2004, and for the fiscal year 2004-2005. So we do get to see, in the various departments, which departments have increased their requested amounts for interim supply, which have basically remained stable, and which of those have decreased.

There obviously are some flaws in this process, and I think one of the major flaws in this whole process is that there is a serious lack of disclosure within the supply votes. In other words, how can we question huge increases when we have no breakdown of where those huge increases are going?

This troubles me because we continually hear this government through its Executive Council members talking about openness and accountability. We hear the word thrown around here quite often, that it is a transparent operation. But this certainly isn't transparent. It is one lump sum, and we don't have transparency here, we don't have accountability, and we certainly don't have openness. We've heard these same arguments used quite often in question period in recent weeks regarding government programs for BSE and, certainly, how we're going to have a full accounting of those. Yet here we are asked to allocate over 20 per cent of this year's budget based on one line.

Again, it makes the taxpayers of this province wonder what is happening to their money. Here we have a situation where contrary to any measures of openness and accountability we see something collapse together that can only obscure clarity and can only hide transparency. Providing a global figure for each department under the interim supply vote as requested here this evening without a breakdown by program and subprogram I believe shows this government's utter contempt for the process of accountability.

In the interest of ensuring openness, accountability, and transparency and imposing rigorous fiscal discipline, it is necessary, Mr. Chairman, to ask all ministers during appropriation on interim supply to provide to this House a breakdown of the interim supply by individual program within each department and then relate that appropriation by individual program to the performance and outcome targets established in their own business plans.

I have further concerns on the size of the request that we are being asked to approve in interim supply. The \$5.56 billion requested here is more than some provinces have for a budget for the entire year, and to do it in this fashion certainly doesn't follow best practices for

business or for government as far as the transparent and open spending and accountability of taxpayer dollars.

I certainly have enjoyed the opportunity to put some of my concerns on the record tonight regarding interim supply, Mr. Chairman. In conclusion, I look forward to the comments of many members in this House because this is a huge amount of money. I know that every constituency in this province has constituents who are deeply concerned about spending and how we have increased the amount of our budget each year in this province, yet we don't after 10 years of going through this process seem to have improved upon it. It is still a very flawed system.

So I would hope not only that other members will speak regarding the interim supply, but I would also like them to question and provide answers to their constituents on how we as the Legislative Assembly of Alberta can spend over \$5 billion of taxpayer money and do it only on the basis of a one-line request.

**8:30**

With those comments, Mr. Chairman, I will take my seat and certainly listen to the comments by other members of the Assembly. Hopefully, we can through our discussions here this evening not only get more answers in regard to \$5.56 billion but, as well, certainly improve this process, which is flawed.

Thank you.

**The Chair:** The hon. Member for Edmonton-Riverview.

**Dr. Taft:** Thank you, Mr. Chairman. These debates on interim supply have a special place in my heart because the first point of order that was ever called on me was called on me as a rookie MLA by the Government House Leader during these debates. We were debating billions of dollars in expenditures, and there was nobody from the government side speaking a word to it, and I was frustrated and made some unparliamentary comment about how remarkable it was that we could pass billions of dollars in spending and nobody on the government side seemed to have any questions or points to make or any statements to make at all. So when I said something unparliamentary, a point of order was called, and I was reprimanded.

However, the point I was making then remains the same today. This is 5 and a half billion dollars.

**Mr. Dunford:** So you haven't learned a thing.

**Dr. Taft:** I'll just choose more parliamentary words.

Five and a half billion dollars is a staggering amount of money. I don't suppose we'll have any discussion at all about it from the government members, and that really disappoints me. I think that if their constituents realized it, they'd be a bit surprised as well.

I also concur with the comments of my colleagues that if we had a budgeting process that worked on a normal schedule, we wouldn't be in this situation. There's no reason in the world that the budget can't be introduced in January, debated fully, and be voted on and settled by the time we start spending money on April 1. The way we handle it now seems completely out of sync. We introduce the budget so late that we'll be debating the budget well into the next fiscal year and spending money by the billions before the budget is even approved. This should not happen. You know, in a proper budgeting process there's just no excuse for this to occur. I take this as a real sign, frankly, of weak management, and I see weak management spreading throughout this government.

As far as I'm aware, the most extreme example of budget cycles getting out of whack in this government occurs in the Department of Health and Wellness, where the department in turn passes on money,

as it will in this bill, to regional health authorities. The regional health authority fiscal year starts April 1, and I had it on excellent source and was able more or less to confirm it with the minister that the regional health authority business plans and budgets were not signed until the fiscal year was nine months old.

So we were nine months into the spending year for the regional health authorities and they still hadn't had the budgets for that year signed off. Now, that's terrible management. How do you hold your regional health authorities accountable? How do you manage your money when you're that far out of sync?

So I just find the entire budget process of this government to be undisciplined in the extreme. Of course, given that we only have a few words on each line of the budget, it's virtually impossible to know what value we're getting for the money at this point. We're expected to cross our fingers or hold our breath in hope that this money is going to be well spent. There's no plan that we see. It's just voting in the dark. That's pretty frustrating.

So I think it's time that we tried to take some action on this legislation, Mr. Chairman, and I have an amendment I would like to propose at this stage—I've got the appropriate number of copies here—approved by Parliamentary Counsel. Do you want me to read it now?

**The Chair:** Move it, and then we'll continue.

**Dr. Taft:** Yes, I'll read it and move it. Thank you. I'll just wait for the pages to distribute it. I'll wait for a minute.

Mr. Chairman, I'd like to move that "the Executive Council estimates for 2004-2005 interim supply estimates be reduced by \$3 million so that the operating expense to be voted is \$3 million." As you can see, that's approved by Parliamentary Counsel.

**The Chair:** Many of the members now have it. This amendment, Edmonton-Riverview, will be known as amendment A1. You may proceed.

**Dr. Taft:** Thank you, Mr. Chairman. I am through this motion proposing to reduce the budget allocated to Executive Council, and there's a specific reason for this. Under the office of Executive Council, which is basically the Premier's office and the cabinet, there is an allocation in this legislation for \$6 million, and we are wanting to reduce that by half. The objective here is in fact to propose a reduction in the size of the Public Affairs Bureau.

Now, many people don't realize that the Premier is not only the Premier, but in the case of this government he's also the minister responsible for the Public Affairs Bureau. His actual title is Premier of Alberta, minister responsible for the Public Affairs Bureau. The Public Affairs Bureau is a very substantial branch of the government. It's not well known, but it's basically the propaganda wing of this government. I've been able to obtain a staff list for the Public Affairs Bureau, which is really quite remarkable.

**Mr. McClelland:** Point of order.

**The Chair:** You have a citation, hon. member?

**Point of Order  
Parliamentary Language**

**Mr. McClelland:** I think it's under Standing Order 23. It's the use of the term "propaganda." I don't think that the use of the term "propaganda" is parliamentary, Mr. Chairman.

**The Chair:** Standing Order 23 is close. There are a whole bunch of subsections that we usually quote from.

The hon. Member for Edmonton-Riverview on the purported point of order.

**Dr. Taft:** Well, if the term “propaganda” offends the member, I will substitute “spin.” Would that be okay? Would that offend the member if I called it the department of government that does the public relations spin doctoring?

8:40

**The Chair:** The chair would observe that the word “propaganda” in some contexts can be considered a pejorative term and in others a descriptive term, so it really becomes very subjective. I guess if we’re talking in terms of Dr. Goebbels of 60 years ago, then “propaganda” had a hateful turn to it, but many people refer to the publication of government or opposition platforms as propaganda, and it’s not deemed in that sense to be offensive. The hon. Member for Edmonton-Riverview has already afforded us another word that, hopefully, is less offending, should it be offending.

So, hon. Member for Edmonton-Riverview, I would invite you to continue.

**Dr. Taft:** Thank you, Mr. Chairman, for your always wise comments. The thin skin of the backbenchers will have to thicken up here. Or is that offensive too?

#### Debate Continued

**Dr. Taft:** What’s remarkable about the Public Affairs Bureau is its size and its budget. When you go through the staff list for the Public Affairs Bureau, you learn that the Premier has working for him about 260 people, spin doctors of one kind or another. Actually, that’s not fair. There are 260 staff in the Public Affairs Bureau.

Now, that includes a number in the Queen’s Printer, so we can take them out, and it includes a number in the government’s telephone system, what I call the RITE system or whatever it’s called today. Take them out, and you’re left with about 230 public relations spin doctors working for the Premier. Two hundred and thirty. Now, that’s remarkable. That includes a large number of directors, public affairs officers, web site managers, graphic designers, secretaries, and support staff. It is, I’m sure, the largest public relations organization in Alberta, and its got a huge budget.

My ambition here is to reduce the size of this Premier’s Public Affairs Bureau to something equivalent to what I understand is the size of that for the President of the United States. A recent *New Yorker* magazine article wrote at length about public relations out of the White House and identified the President of the United States as having 55 public relations staff. Now, in Alberta, a much smaller jurisdiction, we have 230, and in fact, of course, that’s not the full story, because as many members of cabinet will know, their departments have communication staff of their own.

So the ambition of this little amendment here is to bring the size of the Public Affairs Bureau in closer line with what we might find in other governments and in the process save the taxpayer a bit of money and perhaps even improve the direct accountability between the citizens and this government.

Mr. Chairman, I can see some people flipping through, looking for responses to prepare, and I look forward to the debate on this. I mean, here we are trying to reduce the size of government, increase accountability, save taxpayers money. So why not do it? I look forward to the reasons.

Thank you.

**The Chair:** The hon. Minister of Justice.

**Mr. Hancock:** Thank you, Mr. Chairman. I had a moment there when I was really exhilarated, and that was when the hon. Member for Edmonton-Riverview indicated that his ambition was to reduce the size of the Public Affairs Bureau. I thought his ambition was much larger than that and, indeed, even to be leader of the Liberal opposition, but actually perhaps the ambition of getting an amendment passed in Committee of Supply might be ambition enough. I’m not sure.

I listened intently to some of the earlier comments about Committee of Supply and interim supply and whether or not interim supply should be a necessary procedure – and, yes, I will be speaking to the amendment with respect to this, Mr. Chairman – whether interim supply was an appropriate tool in a parliamentary process, and of course I would indicate that interim supply is clearly provided for in the rules and is clearly a part of parliamentary tradition not only in this province but in this country and in parliamentary systems around the world. It’s clearly contemplated that there will be provisions for interim supply, and it’s clearly contemplated that budgets and appropriation acts will be brought down at appropriate times. It’s not just a question of when the Legislature opens; it’s how you determine appropriate times.

Mr. Chairman, I see you wondering and puzzling how this relates to the amendment itself. It relates to the amendment itself in this way. By making an amendment to cut interim supply in half for the Public Affairs Bureau, it doesn’t achieve any of the lofty ambitions that the hon. member opposite has put forward for it. It doesn’t in fact reduce the Public Affairs Bureau at all. It just means that you pay them for a month less or two months less in time.

The question about cutting down the size of government is one appropriately addressed when you’re actually dealing with Committee of Supply and the estimates. Passing this amendment, as lofty as the ambition is that the hon. member has put forward, doesn’t achieve the objectives he is trying to attain. So I would suggest that he save his ammunition for a week or two.

**The Chair:** The hon. Interim Leader of her Majesty’s Loyal Opposition.

**Dr. Massey:** Thank you, Mr. Chairman. Speaking in support of the amendment, I guess I have another reason for supporting the amendment, and that’s because Executive Council has to bear the responsibility for continuing the completely unacceptable budgeting process that we’re involved in tonight. So I think that for that reason alone the budget should be cut as, if nothing else, a signal to them that the budget arrangements are not acceptable.

I think it’s also germane to the amendment that there is a huge increase in the Executive Council budget, because one of the first things that the Premier did was to move the Public Affairs Bureau into his purview under Executive Council. It’s part of what’s caused this huge increase in Executive Council over the years.

With respect to the Government House Leader’s comments about parliamentary tradition, I don’t understand how the because-they’re-doing-it-elsewhere argument means that we should do it here.

So I think it’s a good amendment and should be passed, Mr. Chairman.

[The voice vote indicated that the motion on amendment A1 lost]

[Several members rose calling for a division. The division bell was rung at 8:49 p.m.]

[Ten minutes having elapsed, the committee divided]

[Mr. Tannas in the chair]

For the motion:

Bonner	Massey	Taft
Mason		

9:00

Against the motion:

Abbott	Goudreau	McFarland
Ady	Hancock	Melchin
Amery	Hutton	Rathgeber
Broda	Jacobs	Renner
Calahasen	Johnson	Snelgrove
Cao	Jonson	Stelmach
Cenaiko	Knight	Stevens
Danyluk	Kryczka	Strang
DeLong	Magnus	Taylor
Doerksen	Maskell	VanderBurg
Dunford	McClelland	Yankowsky
Evans		

Totals:	For – 4	Against – 34
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[Motion on amendment A1 lost]

**The Chair:** The hon. Member for Edmonton-Highlands.

**Mr. Mason:** Well, thank you very much, Mr. Chairman. It is indeed an honour to stand and speak to the question of the interim supply. I want to indicate just for the record that I do believe that the Public Affairs Bureau is in effect the propaganda arm of this government.

**An Hon. Member:** Are you reading the same speech?

**Mr. Mason:** No. Actually, Mr. Chairman, it's not. It is not the same speech. It is just self-evident to any objective observer that this is so. It is no surprise, really, that any fair-minded person would come to this conclusion. I think it is absolutely important that we take account that this area . . .

#### Point of Order Parliamentary Language

**Mr. McClelland:** To be fair, Mr. Chairman, after having risen earlier and asked the chairman's indulgence that perhaps the term "propaganda" is not parliamentary, again I would cite our Standing Order 23(j) or (i) perhaps. The fact is that the term "propaganda" imputes motive, which is certainly not appropriate. Having raised the issue with the Member for Edmonton-Riverview, it's only in keeping to raise the issue with my honoured friend from Edmonton-Highlands.

Thank you, Mr. Chairman.

**The Chair:** Edmonton-Highlands on the purported point of order.

**Mr. Mason:** Yes. Well, Mr. Chairman, I think the purported point of order is invalid. In fact, it is quite silly in my view. Propaganda is simply the propagation of ideas and concepts by government, and all governments engage in it. It's just that most governments in Canada do not engage in it quite so much as this one.

But, you know, to suggest that it is an improper term or is in some way unparliamentary is to try and take a legitimate criticism of government, which this is – this is a legitimate criticism of this government, and it would be legitimate in any province or in the

federal government. All governments have been known to engage in propaganda from time to time and saying so ought not to be considered unparliamentary.

Pending your ruling, Mr. Chairman, I will indicate that I use the term advisedly and would continue to use it unless it were ruled out of order. I think it is a legitimate criticism by members of this Assembly against this government. It is, in fact, true.

**The Chair:** Okay.

The hon. Government House Leader.

**Mr. Hancock:** Thank you, Mr. Chairman. I thought that as I had a dictionary handy, I might bring to the House's attention what propaganda means, not what the hon. member thinks it means. It has, in fact, two meanings. The second is "a committee of Roman Catholic cardinals responsible for foreign missions." I'm sure that if that's what he meant in using the term, he clearly was misusing it and abusing it, and it wouldn't be in context.

But the other definition is "information, especially of a biased or misleading nature." Biased or misleading nature. And to suggest that there are public servants in the Public Affairs Bureau who work every day as hard as they do to make sure that Albertans get good information about what's happening in their province and what the government is doing for them – to suggest that that is propaganda and is biased and misleading surely must be unparliamentary.

**The Chair:** The chair is unable to locate anywhere in our references that propaganda as such is unparliamentary, because there are words in *Beauschesne* and elsewhere where a given word (a) is against the rules in this setting and the same word (b) is granted as being parliamentary.

The chair is also in charge of a dictionary not quite as large as the hon. Government House Leader's. Very often a good quality dictionary will have four or five or six popular definitions. But the first one in the *Oxford* dictionary to which I refer says, "Propaganda . . . association or organized scheme for propagation of a doctrine or practice; . . . doctrines, information, etc., thus propagated." Surely it's part of all political parties to enunciate that, hopefully not just the government.

So does it meet the test that is referenced by the hon. Member for Edmonton-Rutherford, "uses abusive or insulting language of a nature likely to create disorder"? It doesn't say controversy, which we've had, but disorder. I don't think that this one under the context as used by the hon. Member for Edmonton-Highlands would, in fact.

The hon. Member for Edmonton-Highlands is probably cautioned to not use the language that he was drawn up to question on, and that would seem to the chair to be reasonable.

Edmonton-Highlands.

**Mr. Mason:** Thank you very much, Mr. Chairman, and I appreciate your fair and unbiased ruling. It certainly would not meet the test of the hon. Government House Leader's definition, which would be to be unfair or biased.

#### Debate Continued

**Mr. Mason:** I just want to indicate that when I used the term "propaganda," I did not mean that the government was always misleading in its statements through the Public Affairs Bureau or was biased at all times, but I do believe that sometimes the releases that are issued through this particular branch of government are misleading in the sense that they would have Albertans believe that they have a good government, and in my view that is not the case.

So I think that it is an interesting apparatus that this government has set up and one that seems to grow with each passing year.

**9:10**

You know, I have noticed, while I'm on the subject, Mr. Chairman, in some of my travels around the province at some of the meetings involving hundreds of very hard-pressed Alberta beef farmers that there are government officials present in the panel. There are a number of people at these meetings. There's the National Farmers' Union. There is the Alberta Beef Producers, which is a state-sponsored union of beef farmers where membership is required and dues are mandatory, compelled by the state. Also present at these meetings are representatives of Alberta Agriculture, and I'm very surprised just how far they will go in terms of a political defence of the government and the government's record in this matter.

It brings me to another concern that I have, which is related to this one, and that is the politicization of our civil service by the Progressive Conservative government. The ideal, in my view, has always been a neutral and professional public service, one that is not political and does not venture to defend the political actions of the government but, rather, just to simply give statements of fact with respect to policy. So I want to place on the record my concern that officials of Alberta Agriculture have crossed the line, in my view, at these public meetings in terms of making what I would consider to be political comments in defence of the government's record in the matter of BSE.

Getting back to Public Affairs, recently one of the newspaper columnists reported on a document which they had obtained from the Public Affairs Bureau relative to statements to be made about the New Democratic Party caucus on the BSE issue, and, Mr. Chairman, I might say that that document was highly political. It advised politicians, the minister and so on, to make comments sharply critical of the New Democrats on this issue and to make what were essentially political statements. So it's clear to me that the Public Affairs Bureau operates in a highly political and partisan fashion on behalf of the government. The documents are available that would give some evidence of this, so any suggestion that it is not a propaganda bureau I think is misplaced.

I want to ask, I guess, a number of questions aside from the Public Affairs Bureau. First of all, I want to indicate that the fiscal plan outlined in Budget 2003, which was last year's budget, indicates that the general corporate tax rate will go down from 12.5 per cent to 11.5 per cent, which would be a 9 per cent reduction which is going to permanently reduce provincial revenues by \$161 million. The question I have for the government on this matter is why this would be a higher priority, for example, than eliminating health care premiums for Alberta seniors, which only reduces revenue by \$90 million.

The question with the government, as with all governments, is: what do you do with almost infinite demands for services and very finite finances? It may be that Alberta has much greater financial capacity than some other provinces, but it is nonetheless true that this province has still a finite amount of revenue, and the revenue does not meet every demand which is placed on the provincial treasury. So you have to make choices, Mr. Chairman, and in this particular case I think the choice has been to reduce corporate income tax while permitting the continuation of a substantially increased health care user fee.

I know that when this issue is asked in question period, government ministers, including the Premier, are wont to quote back at us the words of Tommy Douglas, something to the effect that everybody has to pay a little bit or they won't quite understand that health

care actually has a cost. That is no doubt a correct quotation of Tommy Douglas, but it is taken completely out of context and used to justify something that the former Premier of Saskatchewan and the father of medicare in this country would never have accepted. It is about the only quotation from a New Democrat Premier or any other New Democrat politician that this government seems to have, and it is completely misleading to suggest that the policies of this government would in any way have been endorsed by Tommy Douglas or other New Democrat Premiers, who have always acted as staunch defenders of our medicare system.

So that's a question that I have for the government: why would they want to reduce corporate taxes and at the same time jack up health care premiums?

Another question that comes to mind, Mr. Chairman, is that in the last couple of budgets school property taxes have been allowed to increase alongside the increase in Alberta's property tax base, thereby breaking a promise made by the Finance minister in April 2001 to freeze school property taxes at a constant \$1.2 billion.

Again, when we've asked this question, the minister has dodged and ducked the real issue by saying that the rate has remained frozen, except that her promise was that the total amount accruing to the government from this source would be frozen at \$1.2 billion, and allowing an increase in the total amount taken because of an increase in the value of the total property in the province at the fixed rate is not in keeping with her own commitment. The objective, as I understood it, was that the education property tax would gradually be allowed to wither away because the total amount would be frozen and against inflation it would be a declining amount in real dollars.

So a question really needs to be answered from the government side: why did they break the promise, and are they going to continue to allow increases in property taxes? Are they going to continue to be invading this level of municipal taxation, and why don't they think they have enough revenue, given all of the resource revenue, the taxes that they collect, and, of course, the massive amount of money they now collect from people who are addicted to gambling? So those are important questions.

We'd like to know whether the government intends to break this promise a third time in this spring, and we would like to know how the government intends to respond to the motion which was passed last week phasing out school property taxes.

Another question we have, Mr. Chairman, is how much more gambling revenues are expected to rise next year. This has become a serious problem for the government. They've become in fact as addicted to this source of revenue as any gambling addict, and they can't get out of it. They need to bite the bullet and find some way, get some help if they need to, to get away from the dependence on gambling revenues. They are creating havoc among a significant number of families in this province, and it's just not right. The government needs to have the political will to find a way out of the problem that they're in.

**9:20**

Another question that we have is the horse racing subsidies. Now, the government promised many times, particularly early on in its tenure, that it was going to get the government out of the business of being in business. That was a constant refrain we heard, Mr. Chairman, in the early days of the revolution of the one whose name starts with a K, yet they're still in subsidizing one particular industry, and I don't understand it.

Why is this particular industry more important than the taxi industry, for example? Why is it more important than the forestry industry or the beef industry or whatever it is to have a constant, ongoing, unjustified, and unjustifiable subsidy for horse racing in

this province? This, of course, is money that comes at the expense of other priorities, as it always does.

The next question I'd like to raise is just how the government plans to allocate the \$500 million in additional oil and gas revenue that is being transferred to program spending this year. As we know, the Assembly has been asked to pass a bill which increases the amount of natural gas and oil royalty revenue that can be transferred out of the stability fund and into program spending. I've spoken on that bill a couple of times now in this Assembly, but what hasn't been answered is just how the government plans to allocate that additional \$500 million a year.

When the opposition raises this question, the normal response from the government is: we thought you wanted to spend more on all of these different things, and now that we're transferring the money to do it, you're kicking and screaming, and isn't that just like the opposition. The question here is: is it the most appropriate source of the \$500 million? I guess that's the question for the debate on the bill, but the question for here is: what exactly is it going to be used for? I think it's important that the government give us an indication whether or not it's going to go to schools or hospitals and other priorities and in what amounts.

I want to indicate as well, Mr. Chairman, that the allocation of \$500 million at this time is not the little adjustment in the fiscal stability plan that the government talks about. It is in fact a part of the ongoing theme of this government's financial management of the affairs of the province, and that is that the real cycle in revenues and spending in this province has nothing to do with oil and gas prices, which have remained fairly steady. Except for one year, they've remained higher than budgeted in almost every year. In fact, I think there's been about a \$2 billion unanticipated surplus on average over the last eight years. The real cycle in government spending, Mr. Chairman, is election cycle spending, and this government is famous for that.

We know that before the last election year after year there were cries of poverty, and we can't afford it, and the opposition wants to bankrupt us, and so on. Then, lo and behold, just before the last election there was a significant increase in spending, and in particular there was an enormous torrent of money that was poured into various subsidy programs for electricity and for natural gas. In fact, Mr. Chairman, believe it or not, the government spent, according to its own figures, approximately \$4.2 billion on natural gas and electricity rebate and subsidy programs before the last election and, until just the last few months in the case of natural gas, has not spent a penny since.

Nothing could be clearer than that this government has decided on a policy of spending enormous amounts of public money just before election time only to promptly turn off the tap as soon as the election has passed. That does not meet the smell test, Mr. Chairman. We have seen some natural gas subsidies in the last few months as the continuing high price of natural gas has actually finally hit the government's trigger. So there has been a little bit of subsidy for gas since then, but by and large the whole thing was a cynical election scheme to spend enormous amounts of money directly on problems that the government had itself created, and the prime example of that is, of course, the electricity deregulation issue.

Now, I want to ask a little bit about P3s. We would like to know whether or not the capital cost of the P3 projects, such as the Calgary courthouse and the southeast Edmonton ring road, will be included in the capital estimates, or does the government plan to hide the debt from these projects to keep it off the balance sheet? This is an important question, because the government has again set this policy that it is going to try and be debt free by the centennial of our province. [Mr. Mason's speaking time expired] If no one else wants to speak, Mr. Chairman, then I will continue.

**The Chair:** Actually, hon. member, it is a thought, though you could only continue after receiving unanimous consent from the committee or after someone else has spoken and then sat down. Then if no one else speaks, you could go. So if you wish to ask for unanimous consent, feel free.

The hon. Interim Leader of Her Majesty's Loyal Opposition.

**Dr. Massey:** Thank you, Mr. Chairman. There's a great deal to be said and question in the interim supply estimates, but unfortunately we don't have the details that would allow us to ask those questions and to make judgments about the soundness of the requests before us.

Thanks, Mr. Chairman.

**The Chair:** The hon. Member for Edmonton-Highlands.

**Mr. Mason:** Thank you very much, Mr. Chairman, for your most excellent guidance on the matters at hand. [interjections]

**The Chair:** Hon. members, one person speaking at a time. Thank you.

Through the chair, hon. member.

**Mr. Mason:** Thank you, Mr. Chairman.

**An Hon. Member:** Remember that you don't get paid by the word though.

**Mr. Mason:** No, I don't, and lucky for you.

Mr. Chairman, the question of P3s is a very interesting one because there hasn't been, really, a case made that P3s are effective, and usually what happens is that P3s end up costing more and producing poorer results than if the government had done it itself.

9:30

That is for several important reasons. First of all, usually the government department involved has the expertise that the private sector needs in order to construct a particular project. That's one thing. Secondly, government can usually access money at a cheaper rate than the private sector can. Thirdly, there's no incentive to cut corners and otherwise produce less of a quality product. So as a general rule P3s cost more and produce a lower quality product than if the government had just carried on and built the project itself. So why, then, do you want to get into P3s other than that it is a popular conservative panacea for government spending albeit about 10 years past its prime?

Does this help, then, in the government's objective of eliminating all of the debt? There's a huge infrastructure gap. There's a tremendous demand for new infrastructure, and with the election coming, it's just perfect timing for the government to meet that demand. So they want to spend a lot on infrastructure, but they've also committed themselves to making Alberta debt free by the year 2005. If they spend billions of dollars on infrastructure, then the provincial debt will rise again, and they'll never reach their objective.

So how, then, is the government going to solve this conundrum, Mr. Chairman? Well, one of the ways that they're going to do that is to go into the question of P3s, build expensive projects worth billions of dollars, and make sure that the debt appears on someone else's balance sheet. So the question I have then is: is there a responsibility on the part of government to indicate how they are going to meet their obligations under the P3s? Because as surely as the sun rises in the morning, the government will have to repay these



private companies, and they will have to pay for these projects with a little extra added in so that the companies can make a profit.

So it's more expensive, but the question I would like answered is whether or not the P3 projects are going to appear as debt on the government balance sheet or not. I would also like to know why the government is not being in any way transparent about the tendering process for this.

Now, on Energy I'd like to ask a little bit about the natural gas rebates for next winter. Is the government going to put upfront money into gas rebates into the budget next year, or will they assess their political needs first and wait until the election is closer before deciding just how big the rebates will be? This could be a multiple-choice question, Mr. Chairman, or a true or false – I don't know – but it would be nice to get an answer on that.

Now, with respect to the Learning budget I'd like to know how much more funding school boards can reasonably expect. How will the funds be allocated to implement the Learning Commission recommendations?

In the Department of Health and Wellness I'd like to know how much is going to be spent on the government's upcoming two-tier campaign. How much is going to be spent on the public consultation that we heard so much about today? How much is going to be spent on propaganda on behalf of the government with respect to that? How does the government plan to address the looming budget deficits by a number of health regions, Mr. Chairman? How will the government address gaps in mental health services?

I could go on at some length about these matters. In the interests of time I'm just going to run through the questions only.

In Human Resources and Employment will the government adjust social assistance, shelter, and AISH rates, which have only gone up once in the last 10 years? Does the government plan to tie rates to the cost of living, and if not, why not?

In the Department of Seniors, Mr. Chairman, I'd like to know what government initiatives to fight homelessness might be contained in upcoming spending. Why has the government seemingly backed away from earlier promises to eliminate health care premiums, which I talked about a little bit at the beginning?

Those are my questions, Mr. Chairman. I would appreciate answers in whatever form the government finds convenient.

I just want to say in closing that it ought to be unacceptable to members of this House to be voting interim supply at this time. It is not beyond the capacity of even this government to produce a budget in a timely fashion and allow us to debate a full and complete budget at this time of year. The fact that the budget is again late indicates serious problems. I don't exactly know what those problems are, Mr. Chairman, but it certainly indicates that there is some failure in the government as a whole or in the Finance department or with the minister.

In no way ought this Assembly to allow the government to continue to get away with these interim supply bills when their own budget is just a matter of being brought forward within a few weeks. It just doesn't strike me as evidence of a government that is fully competent in its management of the public funds and public affairs, Mr. Chairman, and I find it, at least for myself, a completely unsatisfactory state of affairs.

Thank you very much.

**The Chair:** In the momentary silence I would remind all hon.

members – and if you would take responsibility for your seatmates who may not be here or may be in the outer precincts – that tomorrow morning the MLA for a Day students will be here in the Assembly. So tonight after we leave, whenever that might be, if you could have your desktops cleared and whatever you want to place in the drawers placed in there. The other material that's normally left underneath can be left there, but if you'd have the desktops cleared and your drawer ready for locking, it'll be locked tonight but will be reopened before the Assembly starts at 1:30 tomorrow afternoon. I think probably even the chair needs to go to his own desk and do some tidying.

We are in Committee of Supply.

**Some Hon. Members:** Question.

**The Chair:** There actually isn't a question in front of us; it's not until tomorrow.

**Mr. Hancock:** Well, Mr. Chairman, if you were to confirm that there were no additional members wishing to speak at this time, I would move that we call it a day and adjourn debate.

**The Chair:** Okay. I think there are two parts to that. Is there anyone, then, who wishes to speak further to the interim supply estimates? There being none, then we'll take the second part of your instruction.

The hon. Government House Leader has moved that the committee do now rise and report progress and beg leave to sit again.

[Motion carried]

9:40

[The Deputy Speaker in the chair]

**The Deputy Speaker:** The hon. Member for West Yellowhead.

**Mr. Strang:** Thank you very much, Mr. Speaker. The Committee of Supply has a number of considerations pertaining to interim supply resolutions for the 2004-2005 interim supply estimates of the offices of the Legislative Assembly, the government, and the lottery fund for the fiscal year ending March 31, 2005, reports progress thereon, and requests leave to sit again.

I wish to table copies of all amendments considered by the Committee of Supply on this date for the official records of the Assembly.

**The Deputy Speaker:** Does the Assembly concur in this report?

**Hon. Members:** Agreed.

**The Deputy Speaker:** Opposed? So ordered.

The hon. Government House Leader.

**Mr. Hancock:** Thank you, Mr. Speaker. I move that we adjourn until 1:30 p.m. tomorrow.

[Motion carried; at 9:42 p.m. the Assembly adjourned to Wednesday at 1:30 p.m.]

