



Province of Alberta

The 29th Legislature
First Session

Alberta Hansard

Wednesday evening, June 24, 2015

Day 7

The Honourable Robert E. Wanner, Speaker

Legislative Assembly of Alberta
The 29th Legislature

First Session

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Party standings:

New Democrat: 53 Wildrose: 21 Progressive Conservative: 9 Alberta Liberal: 1 Alberta Party: 1 Independent: 1 Vacant: 1

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Legislative Assembly of Alberta

7:30 p.m.

Wednesday, June 24, 2015

Government Bills and Orders Committee of the Whole

[Ms Jabbour in the chair]

The Chair: The committee is now called to order.

Bill 2

An Act to Restore Fairness to Public Revenue

The Chair: Are there any comments, questions, or amendments with respect to this bill? No one wants to speak to the bill? All right. Are we ready to call the question, then?

Hon. Members: Question.

[The remaining clauses of Bill 2 agreed to]

[Title and preamble agreed to]

The Chair: Shall the bill be reported? Are you agreed?

Hon. Members: Agreed.

The Chair: Opposed? That's carried.

Mr. Bilous: I move that we rise and report Bill 2.

[Motion carried]

The Chair: The committee will now rise and report.

[The Deputy Speaker in the chair]

Mrs. Schreiner: Madam Speaker, the Committee of the Whole has had under consideration a certain bill. The committee reports the following bill: Bill 2. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

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

Hon. Members: Agreed.

The Deputy Speaker: Opposed? So ordered.

Government Bills and Orders Third Reading

Bill 2

An Act to Restore Fairness to Public Revenue

Mr. Ceci: Madam Speaker, it's my privilege to rise today and move third reading of Bill 2, An Act to Restore Fairness to Public Revenue.

The Deputy Speaker: Any members wish to speak to the bill in third reading? The hon. Member for Airdrie.

Mrs. Pitt: Thank you, Madam Speaker. Does this government think that Albertans are children? Is the NDP worried that Albertans will blow their paycheques on beer and popcorn? Is that why the NDP thinks they are the ones best suited to decide what Albertans do with their money? Maybe they can help me out. Why aren't the NDP looking for cost-saving measures? If they want, I have a few

suggestions. Instead, they just tax, tax, tax. "Raise taxes; give us your money," the NDP says. "We know what to do with it." I doubt that.

We even pitched in. We proposed a reasonable amendment: soften the blow to the job creators in this province. The economic climate is scary enough: tax hikes, royalty reviews, drastic minimum wage increases. We are trying to be the voice of reason here. Let's be reasonable. Let's not tax job creators out of business or out of the province. I feel like we aren't being heard here. Many Albertans agree.

What we really would like is if this government would send this bill to committee. Let's have a fulsome debate on the impacts. Let's do a bit of research. We can call stakeholders in. The Premier can bring in her big-labour report writers, but we can also hear from independent experts and real-world businesses to make sure that we are taking a measured approach. Rushing this through seems reckless.

The thing is that we over here at the Wildrose want strong and effective front-line programs, too. We want families living in poverty to have the tools to get by and gradually thrive. We want to protect our vulnerable. We just don't think a bloated bureaucracy is the way to go. Similar to how we feel about Albertans knowing how to spend their money best, we think the front-line service workers, the people on the ground, know the best way to administer services. All this can be done with current revenues, which are headed for the third highest ever this year.

We also spend lots of money, and we still can't be sure how much this government is spending, because they aren't being transparent. Spending alone cannot be the measure of success. If it were, our government would be 20 per cent more successful than B.C., but we aren't. It's how many people that are served and how well they are served that matters. In fact, how well you serve the needy with the fewest dollars taken from Alberta families should be the measure.

For starters, I'm not sure why this government sees the need to fill every vacant spot at AHS when everyone knows they're already bloated. Why not spend half as much and spend it directly on surgeries? But from what we've seen, this government's priorities are government workers and raising taxes to pay for them. I hope we get a different impression before long.

I imagine this is a steep learning curve for these new NDP ministers, but let's slow this down. Let's get this right. Let's talk about it. We may have some ideas that could help. Albertans deserve more. They deserve a better government.

The Deputy Speaker: Next I will recognize the hon. Member for Highwood.

Mr. W. Anderson: Thank you, Madam Speaker. It's my pleasure to rise and speak to the House today on Bill 2, An Act to Restore Fairness to Public Revenue. With this legislation the government is proposing an increase in taxes on Alberta businesses from 10 per cent to 12 per cent, a 20 per cent increase. Alberta will no longer be the lowest taxed province for businesses in Canada. In fact, only Nova Scotia, Prince Edward Island, and Newfoundland and Labrador will have higher business taxes, and that's no advantage.

While Wildrose has helped this government already, namely by lending them our policy of ending corporate and union donations – and I can say that you're welcome – it seems not even Wildrose's sound, pragmatic amendment of lowering small-business taxes by a meagre 1 per cent was able to break through the antibusiness armour this government has cloaked itself in. It was an opportunity this government chose to waste despite the fact that their own party campaigned on it three years ago today, and I'm sorry.

I would be remiss if I didn't highlight that business taxes aren't the only taxes this bill raises. Bill 2 proposes an increase in the income tax on higher income earners. Those earning more than \$125,000 a year will now be paying a higher tax rate at 12 per cent. The bill's name, An Act to Restore Fairness to Public Revenue, implies that these changes will make Alberta taxation more fair, but this is not the case. It wouldn't be so bad if Bill 2 was the only time this government had chosen to go against well-established, modern economic policies in favour of an extreme, dangerous antibusiness legislation, Madam Speaker, but this government seems intent on doing its best to destroy the Alberta advantage in its first hundred days.

Another example of this government's fanatical antibusiness mania is their foolhardy proposal to increase minimum wages by nearly 50 per cent. While this proposal sounds helpful – and I'm sure it's well intended – the truth is that it does exactly the opposite. Earlier this week the Premier was asked whether she believes that increasing the minimum wage will lead to more jobs in Alberta. Her response: "I absolutely believe that increasing the minimum wage will lead to more jobs." She goes on to say that study after study shows that increasing the minimum wage actually "grows jobs and it grows economic activity." With that, Madam Speaker, trickle-up Notleynomics was born. [some applause] Thank you for that applause. Thank you.

7:40

I know that I speak for many in this Chamber when I say that I would love to see these studies. In fact, I can think of more than a couple of universities that would be interested in seeing these studies as well. The economics department at the University of Chicago would, I'm sure, be very interested in seeing these studies. When asked about what studies the Premier was referring to, all she could cite was a Unifor study that even the left-leaning government of Ontario has cashed out on. The Premier also made an unfounded claim that raising the minimum wage helps the poor. That might be true for the poor who are getting minimum wage but not overall and certainly not for those who are getting laid off.

While I won't hold my breath on seeing anything other than a big-labour sponsored study for evidence of her claims, I thought I would share some of the studies I found. I'll preface it by saying that these are studies conducted by academics from universities and not big labour. The study entitled *The (Non) Impact of Minimum Wages on Poverty: Regression and Simulation Evidence for Canada*, by Michele Campolieti, Morley Gunderson, and Byron Lee, discovered that

the effect of minimum wages on poverty for Canada using data from the Survey of Labour and Income Dynamics (SLID) for 1997 to 2007 [finds] that minimum wages do not have a statistically significant effect on poverty and this finding is robust across a number of specifications . . . Furthermore, we find that job losses are disproportionately concentrated on the poor.

A similar study, *Teen Employment, Poverty, and the Minimum Wage: Evidence from Canada*, by Anindya Sen, Kathleen Ryczynski, and Corey Van De Waal, found that

a 10% rise in the minimum wage is also significantly associated with a 4%-6% increase in the percentage of families living under Low Income Cutoffs . . . A higher minimum wage [may] paradoxically result in a significant negative shock to household incomes among low-income families.

According to these numbers a 47 per cent increase, as the one we're seeing here, would reduce employment by as much as 4.7 per cent to 14.1 per cent. What does that look like in real jobs? Well, according to Stats Canada in 2014 there were 2,054,499 people employed in Alberta. So that means we can expect a loss of jobs anywhere between 96,000 to 290,000 jobs lost in Alberta.

But there might still be hope for Notleynomics. Stephen Gordon, an esteemed professor of economics at Laval University, wrote in a 2006 article:

- When minimum wages are 'low' – say, less than 40% of the average hourly wage – then moderate increases won't have a significant short-run effect on employment.
- When minimum wages are around 45% of the average, they significantly reduce employment.

What is the skinny on Alberta's average hourly wage? Given that the average hourly wage in Alberta is around \$25 to \$29, depending on your source, a minimum wage of \$15 is more than 50 per cent of the average, so it would indeed significantly reduce employment. Stephen Gordon wrote a piece in *Maclean's* in 2013 discussing the theory being pushed by big labour, that minimum wage hikes mean more jobs. In his survey of the literature he found that there was no proof of it and that Canada, even more clearly than the U.S., has shown a clear relationship between wage hikes and job losses.

In addition, in the survey of the literature he cites a peer-reviewed 2012 study that finds that, quote, our results highlight that, political rhetoric notwithstanding, minimum wages are poorly targeted as an antipoverty device and are at best an exceedingly blunt instrument for dealing with poverty. Why? Because most people making minimum wage are not in poverty. They are young people or others who share a home that is not under the poverty line. But young people and the poor are the ones hardest hit when the lower wage jobs get cut. There are many more articles Gordon surveys in the *Maclean's* piece, and unlike the Premier, I'm happy to table this article that lists an array of them. In fact, I'll be tabling all of the reports and peer-reviewed articles I mentioned tomorrow afternoon.

Don't get me wrong. I genuinely want Notleynomics to do what it promises: increase jobs, help the poor, lead to a stronger, more robust economy. Why wouldn't I? Why wouldn't anyone? I think we can all agree that more people working for more money is exactly what we all want. Unfortunately, the studies and statistics and, more importantly, common sense simply don't lend themselves to Notleynomics, and I fear that by the time this government finally figures it out, it will be too late for hundreds of thousands of Albertans. I believe the changes proposed in Bill 2, raising business and personal taxes, will not result in a better economy for all Albertans and that we need to reconsider these major changes to Alberta's tax structure.

Thank you, Madam Speaker.

The Deputy Speaker: Standing Order 29(2)(a) comes into effect. Are there any questions or comments?

If not, I'll call on the hon. Member for Chestermere-Rocky View.

Mrs. Aheer: Thank you, Madam Speaker, and thank you for giving me the opportunity to rise and speak against Bill 2. The Alberta advantage is a comparative advantage. Bill 2 compromises the delicate balance between revenue and expenditure that Albertans must maintain in order to ensure that the Alberta advantage is sustained. This revenue stream depends on and is maintained by the commitment by industries to build Alberta's economy. We in the Wildrose caucus are troubled by the NDP's unwillingness to heed our pragmatic concerns regarding this ill-conceived proposal.

Alberta is not the place for radical experiments. After British Columbia increased their business taxes, private investment declined sharply, dropping 3 per cent in 2012. In contrast, the rest of Canada saw a 1.5 per cent increase. Madam Speaker, Alberta depends on private capital investment to encourage economic growth. Between the minimum wage increases of nearly 50 per cent, a 20 per cent increase in income taxes, adding multiple new provincial personal income taxes, imposing uncertainty on our

energy industry by royalty reviews, and carbon levies that will stifle private investment – we haven't even heard about the carbon levies, if anybody can clarify. Albertans with high-paying jobs like our doctors will leave this province in search of locations with more favourable taxation conditions to work and grow business in. Large businesses will leave Alberta for more favourable taxation conditions, and we are deeply concerned about the impact their exodus will have on individuals they employ and the mom-and-pop businesses that provide services to larger companies.

Alberta will no longer be able to claim that we are the lowest taxed province in Canada for business. It's this low-tax business climate that has attracted business. The NDP are destroying the Alberta advantage. This province will see an overall effect that will end and negatively affect all business to one extent or another.

Madam Speaker, an energy company can drill a well in Saskatchewan or in North Dakota just as easily as it can drill in Alberta. Albertans are advantaged greatly from having the lowest business tax rate in the country. Because of our friendly business climate we have the highest level of investment and the lowest unemployment rate, something to be very proud of. Jack Mintz said that Alberta would lose 8,900 jobs for each one-point increase in the business tax rate.

The passing of Bill 2 will push away businesses that contribute to the revenue stream with unfavourable economic conditions. It will push away the highly skilled workers that are instrumental in this province's intellectual capital, individuals who are a critical part of this province's knowledge economy. Madam Speaker, 800,000 people voted for someone other than the NDP, and they also deserve to have a voice at the table.

Thank you.

The Deputy Speaker: Standing Order 29(2)(a). Does anyone have any questions or comments for the Member for Chestermere-Rocky View?

If not, I call on the Member for Calgary-Elbow.

7:50

Mr. Clark: Thank you very much, Madam Speaker. I believe in a progressive income tax. I also believe that large corporations can and should pay more, and I believe that Albertans are willing to pay fair value for efficient, high-quality public services. That, I think, defines modern Alberta, but we've missed the balance here.

I believe five brackets of personal income tax are too many. I believe a 50 per cent increase in the top marginal tax rate for individual earners is too high. I think a 2 per cent increase to corporate taxes eliminates Alberta's low-tax advantage and creates a risk of capital flight to other provinces. The Alberta Party proposed in the provincial election to increase corporate tax 1 per cent, maintaining Alberta's low-tax advantage, the lowest taxed jurisdiction in the country, but generating badly needed revenue. The same with personal income taxes: we believe in raising the top marginal tax rate to 13 per cent across three tax bands. This delivers more revenue, which I do agree is badly needed, but it also creates an incentive and a requirement for the government to exercise fiscal discipline to ensure that the public services that we deliver are in fact delivered efficiently, to ensure that we get more value for the money that we spend on our public services in this province. That's the balance that I believe has been missing from this discussion.

I also reiterate the argument around integration of the tax system and the fact that we, I believe, inadvertently on the part of the government created what will likely result in tax flight away from the province of Alberta. Those dollars, that are badly needed in this province, will end up in the treasuries of other provinces. That is a significant risk that this government must understand.

In the end, Madam Speaker, as much as I do understand and agree with the basic principles of progressive taxation, ensuring that large corporations pay their fair share, I cannot support Bill 2. Thank you very much.

The Deputy Speaker: Five minutes of questions and comments for the hon. member?

Seeing none, we'll proceed with Rimbey-Rocky Mountain House-Sundre.

Mr. Nixon: Thank you, Madam Speaker. I rise tonight to speak against Bill 2. I promised my constituents in Rimbey-Rocky Mountain House-Sundre that I would fight against the tax hikes being brought in by the NDP, and tonight I'm here to do just that. It would seem that we now have a government with a narrow-minded mission to destroy the Alberta advantage. They're blinded by ideology, and hard-working families are about to pay the price. That's why we are here fighting against higher taxes that are going to hurt Alberta.

These tax hikes are going to hurt seniors, who spent their lives building our province and the economic engine that it is today. These tax hikes are going to kill jobs and provide a disincentive to move to Alberta. It's going to send a signal to the world that Alberta is not open for business, that Alberta is no longer the best place to live, to work, or to raise a family. Madam Speaker, that's exactly the wrong signal that we should be sending to the world in a time of economic uncertainty.

When thousands of Albertans are being told they no longer have a job, why on earth would the government raise taxes? It's just plain dumb. When Alberta businesses are facing competition like never before from within Canada and around the world, why would the government raise taxes? Seriously, it's just dumb.

In my life before politics I worked with disadvantaged Albertans. They were down on their luck, but we did everything we could to help them. We didn't rely on the government; we relied on donations from generous Albertans. Now the government wants to take more of their money. That's not being very helpful, Madam Speaker.

In this House we shouldn't be finding ways to make Alberta less competitive. We should be doing the exact opposite. We should be working to ensure that Alberta remains the most charitable jurisdiction in Canada. Taking money away from hard-working Alberta families does the opposite of that. We have heard absolutely no details on where the government is planning on saving money or finding efficiencies. Not a single detail. This government does not have a plan. Personally, I think it's because the NDP has no plan to make the government more efficient. They have no plan to find savings with existing programs or spend existing tax dollars more responsibly. They're just going to take more money from hard-working Alberta families instead. It's shameful, Madam Speaker.

On this side of the House we're going to stand up for hard-working Alberta families. That's why we're fighting against these tax hikes. Hard-working Alberta families need a champion, and this NDP government is anything but. They're not standing up for Alberta families. They're not keeping the Alberta advantage. They're doing just the opposite. They're making us less competitive. They're making it harder to live and work and raise a family in Alberta. They're implementing a tax hike for the sake of their blind ideology. They're playing politics with the future of Alberta and with the livelihoods of Alberta families. It's shameful, Madam Speaker.

Albertans expect more from their government, and we're going to hold them to account. We're going to vote against Bill 2 and not put up with it.

Thank you very much.

The Deputy Speaker: Any questions or comments?

Seeing none, I'll next recognize the hon. Member for Fort McMurray-Wood Buffalo.

Mr. Yao: Thank you, Madam Speaker. I'm pleased to rise to speak during third reading of Bill 2. I want to spend a little time considering the effect the tax will have on Albertans, specifically seniors. Living on a fixed income, as many seniors do, requires budgeting, careful planning, and an eye for savings. Based on the sort of budgeting and numbers we've seen from the government so far, they could use some advice from the people living on a fixed income.

I need to communicate to people who live carefully and responsibly what the NDP has planned for the budget of this province. The Wildrose needs to communicate and the NDP certainly needs to communicate why increased revenue is the only option. We're here to advocate for everyday Albertans, all of them. We want to advocate for the front-line workers, for small business, for farmers, for seniors, and for families. How can we do that if there aren't any details provided for the spending? How can Albertans know how to budget if the NDP has no idea what the impact of the tax increases will be? How is it going to impact our seniors?

We have proposed changes to Bill 2, adjustments, ways that this could be implemented without making rash decisions. You cannot tax your way to prosperity. You cannot tax us all to a healthy economy. It's never been done. Give businesses and people the chance to get jobs to buy houses, to keep our economy successful. Give them a chance to absorb the measures by making them less sudden and less drastic. Let's talk to business owners. Heck, even talk to big labour. That would mean that we'd have the chance to fully debate this.

Wildrose wanted to try a more measured approach because I'm concerned about the impact of these tax increases on seniors. How can we communicate these changes to people on fixed incomes, who will be sure to feel the effects of these significant economic changes? What studies have been done? What research? What stakeholders have been met with to consider this question?

Rather than raising taxes, we should instead look for savings. If we can figure out how we can save money so that those who are delivering the services, those that best understand the needs of our communities, are served to the fullest capacity.

Let's go off script for a second here, shall we? Wake up. All right.

Madam Speaker, in my previous life I've had the pleasure of working in communities such as Ponoka, Lac La Biche, and Peace River. I did educational stints in Edmonton and Grande Prairie. I flew the air ambulance and ground ambulance all across this province and all of western Canada, B.C. and Saskatchewan, from the Territories, even to the States. We dropped patients off. I have been everywhere, and I have literally seen every type of habitat that seniors live in. They don't live much differently than the rest of us, but there is one difference. Their homes are dilapidated. Everything is old. The fences and the houses aren't painted. Everything is worn down. They need adjuncts in all their homes to be ambulatory. They need rails in their houses so they can walk around. They need bars on the sides of the toilets so they can literally use a toilet, and they need medications and so many other things. They need wheelchairs, they need walkers, they need a whole lot of things, and they do it on a very fixed income.

When we increase taxes for Albertans, we should be confident that this is actually to help Albertans. So far we've seen no evidence, no studies to show that this is the case. I hope that this government will truly reconsider the decisions that they are about to make.

Thank you.

The Deputy Speaker: Standing Order 29(2)(a) allows for five minutes of questions or comments.

Seeing none, go ahead, hon. Member for Drumheller-Stettler.

8:00

Mr. Strankman: Thank you, Madam Speaker. I enjoyed the hon. member's comments about his travel and visiting other locations. I was wondering if he could just expound on that a little bit because I gather from that that he's seen how seniors are treated and managed in other jurisdictions. I was wondering if he could expound on that a little bit, please, because I'm thinking that they are and have been and have gone to different tax jurisdictions.

Mr. Yao: Why don't you throw me puffballs like what the NDP throw out at each other? I can honestly say, Madam Speaker, that the seniors issue is a widespread issue right across this country. It's actually a North American thing. There are issues. Not too many jurisdictions have invested in their seniors. They rely mainly on local support, and eventually they get the government sponsorship. There are hospitals everywhere that continue to have seniors.

Seniors live in apartments, houses, lodges, shared accommodations of various types. They live in the basement, a room of their children. They live in hospitals. They live in trailer parks. They live in all sorts of various accommodations. Truly, I haven't seen – some communities do have, like, some amazing facilities. I hope that Fort McMurray can get one such facility because it is long overdue.

The Deputy Speaker: Any other questions or comments under 29(2)(a)? The hon. Member for Calgary-Fish Creek.

Mr. Gotfried: Thank you, Madam Speaker. It seems to me that we've come to a point here where earning \$125,000 is subject to punishment in Alberta, which I think would be interesting news to those people who work hard and invest their time and energy in this province, many of them working long hours, some of them in manual labour, some of them in trades, others in professions, to achieve that.

I'm going to make it a little bit more personal. I'm going to use an example of a gentleman that I know.

The Deputy Speaker: Hon. member, is this under 29(2)(a), or were you speaking directly to the bill?

Mr. Gotfried: No. Sorry. This was to the bill.

The Deputy Speaker: Okay. Then I will call on you again in just a moment.

I'd like to recognize for the moment the hon. Member for Calgary-Bow.

Ms Drever: Thank you, Madam Speaker. Thank you for giving me the opportunity to speak on Bill 2. I would like to keep this brief. The term "Alberta advantage" was never directed at the majority of Albertans, just the top 7 per cent and large corporations. This bill changes that. The Alberta advantage now represents the majority of middle-class Albertan families. This new tax system will give Albertans the proper services and infrastructure so desperately needed in our health care, social services, and education. This is what they voted for, a fair taxation system, which requires everyone to pay their part towards moving Alberta forward.

Thank you, Madam Speaker.

The Deputy Speaker: Any questions or comments for the hon. Member for Calgary-Bow under 29(2)(a)?

If not, we'll move on, and I'll now recognize you, hon. Member for Calgary-Fish Creek.

Mr. Gotfried: Thank you, Madam Speaker. Again, I'll just go back to saying that it seems that we're moving towards punishing people that work hard and are lucky enough to earn more than \$125,000. As I said, I would maybe bring this down to a bit more of a personal story of an individual who I think maybe started out well below that. A gentleman I know came to Canada as a new immigrant in 1982 with nothing but an education, which he got at the University of Manitoba, paid as a foreign student to achieve that education. He chose Alberta for his new home. He came to Canada and worked hard – in fact, he worked in an ice cream shop while his spouse worked to complete her CA – and nurtured a dream to start his own business.

He took risks, made well-reasoned investments, employed people, only a few at the start but has now turned his operation into well over a hundred individuals working directly in hundreds of trades and other suppliers working for him as well. He made commitments, both short and long term. He built relationships with integrity, honesty, and trust; struggled with ups and downs and economic cycles; and even carried employees through times of difficult economic conditions.

Early on in his success – actually, before his success, when he probably was not even taking a paycheque home himself – he made a \$100,000 a year commitment to a childhood cancer organization. He shared with me that there were many times in the early years when he wasn't sure where that \$100,000 was coming from. In fact, he hadn't paid himself at all in many of those years. Since that time, in the late 1990s and early 2000s, through being an entrepreneur, starting out as a small-business man who did not make \$125,000 – in fact, he didn't take a paycheque home – I'm sure that gentleman worked himself up somewhere through that period to be taking home \$125,000 in the business that he and his wife grew and sacrificed for and worked long hours for.

Over the past decade that same gentleman and his wife have done some of the following things: given directly \$1.6 million to childhood cancer and helped raise over \$5 million for the same cause, supported a local multicultural festival to the tune of \$1.5 million, committed a further \$1.5 million to a regional nonprofit recreation facility, donated a million dollars to Mount Royal University to establish a centre for continuous learning, donated \$3 million to a local college to establish a business school, and committed \$2.5 million to a foundation focused on social enterprise to support sustainable practices in the nonprofit sector.

Madam Speaker, these are the people that we're disrespecting, that we're going after now as if they deserve punishment for their success and hard work, who support not only our economy but our society in many ways that are too great to measure. I would suggest that this bill attacks people that this province works hard to attract: entrepreneurs, spirited people, people looking for a bright future, people looking to establish homes for their families with a bright future. We hear that all the time. That's why people come here. This bill appears to punish those same people, and I object to that.

Thank you.

The Deputy Speaker: I will call on the hon. Member for Grande Prairie-Smoky.

Mr. Loewen: Thank you, Madam Speaker. It's no secret that Alberta's economy is slowing. A large part of our economy is suffering through low world oil prices. Jobs are being lost, as seen by the recent elimination of 185 positions with TransCanada. When we are facing extended low oil prices, the government should be

offering policies that help the economy grow, not shrink it further. Families are suffering. Businesses are suffering. The problems are compounding, and this poorly conceived bill is adding to Albertans' burden.

While the economy is in a downturn, why does this government want to railroad through changes to the minimum wage, changes to business tax, and changes to personal income tax for those 10 per cent who already pay 50 per cent of the income tax? As if this isn't enough, the government compounds the problem by suggesting a vague royalty review as well. A review. Let's be realistic. A review is an open dialogue. This is a punitive action, plain and simple. You can't tax yourself into prosperity no matter how noble you perceive your actions to be.

This government was elected to serve all Albertans. You can't begin a process in the middle. That doesn't help Albertans. It simply compounds the problems they already face. This government needs to start at the start. You find where to start after you do everything to become more efficient. That's a simple principle of business. You cut the waste, cut the inefficiencies, the duplication of positions.

8:10

Alberta already runs the most expensive government in all of Canada. There needs to be a concerted effort to make government more efficient. Streamlining doesn't mean harming the vulnerable, as our opponents would have you believe. It can be done without impacting front-line services. It's the logical place to begin.

An obvious step would be scrapping half of the AHS managers, consultants, travel, advertising, and conference budgets. Everyone knows that there is too much management bloat at AHS, money that could be best utilized flowing in to front-line staff. The majority of this could be achieved through job attrition. This would save \$300 million, roughly the same amount as the damaging business tax hike being proposed.

Another possible saving measure could be a wage freeze on government of Alberta upper managers and political staffers. Reducing those managers by a third and reinstating a three-year salary freeze on remaining managers could save an amount close to the business tax hike revenues as well.

Why should the burden always fall on taxpayers when so much could be achieved by simply running a more efficient government? Why not start with basic efficient policies and see where that gets you before you start raising taxes and punishing the people and businesses that have embraced the Alberta advantage? If you are struggling to pay household bills, you find ways to cut spending; you don't tax your neighbours.

Taxes are one of the least efficient ways to raise money. It hurts jobs and economic growth. This isn't about big, faceless corporations. It has a lot to do with regular businesses that employ plenty of Albertans. Despite assurances by the government that study after study shows that raising the minimum wage is good for Alberta, they can't produce more than just the one done by big labour, and that's because the studies in Canada show that it leads to job losses.

In fact, a recent piece in *Forbes* talking about the city of L.A.'s comparable raise in minimum wage contains that increasing minimum wage results in "reduced employment opportunities for the most vulnerable among our workforce." So where is the benefit to having jobs paying \$15 or more if there are fewer jobs available? That only helps the ones who get the raise instead of being laid off, and it certainly doesn't help small businesses. The government hasn't mentioned any research they've done on what the overall effect of a 20 per cent business tax hike, a 50 per cent income tax on high earners, a 50 per cent increase in minimum wage, a royalty

review, and a carbon levy will have on our economy when we are already hurting from low oil prices and job layoffs.

The Wildrose believes that in order to offset this increase in taxes, the government should work with us and help reduce the burden placed upon small businesses. The government talked about the \$600 million, plus or minus, increase in the budget. We suggested, through an amendment, a .1 per cent reduction in the small-business tax, \$16 million. When we look at \$600 million, plus or minus, we don't know if it's \$500 million, \$600 million, \$700 million. All we asked for was \$16 million, and that was too much, too much to help the small businesses in Alberta.

The Premier expressed support for tax decreases when she was in opposition. It is pretty embarrassing that she's allowing partisanship or ideology to defeat helpful amendments now that she's in government. We've tried to improve this bill, but to no avail. Please join me in defeating Bill 2.

Thank you.

The Deputy Speaker: Any questions or comments?

I will call next on the hon. Member for Drayton Valley-Devon.

Mr. Smith: Thank you, Madam Speaker. I really in some ways hate to say this, but when I first read the title of the bill, An Act to Restore Fairness to Public Revenue, I kind of liked it, when I first saw the title. When I opened the booklet to see how this government would envision their idea of fairness, I guess I was a little surprised. I think I have a very different idea of fairness than my esteemed colleagues across the aisle. Fairness sometimes is in the eye of the beholder. Sometimes it can be governed by self-interest. It can be very personal. I understand that.

So what is fairness in the context of the economic crisis that we are facing in Alberta? Fairness would be creating an economic climate that encourages investors to come to the province and to start businesses. Fairness would be encouraging the businesses that currently are here to grow and to prosper, fuelling the economy. This is fair to everyone. This encourages growth. In the name of fairness this government has decided to increase taxes on businesses. This is a tax on being entrepreneurial, on being innovative. Is it fair when increased taxes put small businesses under, causing lost jobs and lower revenues?

Bill 2 has also introduced changes to the personal income tax. This is the end of Alberta's famous 10 per cent flat-tax. This government believes that it is fair to take a higher percentage of taxes from people who earn more, but this also discourages people from taking risks and from being innovative. With this bill we are losing the title of the lowest province for business tax. We are losing our status as the only jurisdiction with a flat personal income tax.

These policies encouraged reinvestment and were a fundamental part of the Alberta advantage. At the very time that the government needs to be attracting investors, the government intends instead to scare them away by hiking business sales taxes. Under this bill Alberta, which currently has the lowest business tax rate in the country, will be in a tie with Manitoba, New Brunswick, Saskatchewan, and 0.1 per cent higher than Quebec.

In the course of Bill 3 we saw that this government's approach to increasing spending was to simply extrapolate the PC spending and add more spending on top of that, based on their campaign promises. This bill, close on its heels, brings in higher taxes but, again, without enough background. What is the rush, Madam Speaker?

They are not sure how much revenue will be gained and have not taken enough time to consider all of the implications of these quick tax increases. We wanted them to spend the summer consulting on this in committee, but they are in a rush for some reason. Earlier the

Member for Strathmore-Brooks tabled an amendment that would have reduced the tax on small businesses, but this was voted down by the government members.

Fairness. It is unfair that this government is not telling us where the money is going and how we will know if our hard-earned dollars are being used wisely. Madam Speaker, fairness is when you work together and you make decisions that are mutually beneficial. Fairness is about everyone participating and owning decisions. Albertans are being asked to chip in just a little bit more to see us through this period of low oil prices, yet when that little bit more comes from just two parts of the equation, families and businesses, the third part is getting a free ride. That third part is government.

This government has done nothing to shoulder their part of the responsibility. They have not reduced their spending. They have not begun to try to shrink the bloated bureaucracy. I can tell you that I have talked to many people that work in that bloated bureaucracy, and they have come to me and said: there are a lot of ways that you could shrink that bloated bureaucracy. Government is asking the productive side of the economy to do just a little bit more to help out yet has not even begun to address its own responsibility.

8:20

We've had some conversations about: what should a civil society look like? I would suggest that a civil society will only be fair when it recognizes the right of all Albertans to freely pursue wealth and to accumulate that wealth free from unreasonable government intervention. Albertans have a right to their own labour. The wealth that is generated by their labour does not belong to the state. It does not belong to my neighbour. It belongs to the person that generated that wealth from their labour. And unlike the ideology of socialism, at least what it seems to believe, labour and the wealth that is generated from that labour is not owned even by the poor. That is not to suggest that anyone in this House on this side or that side wants to have a poor underclass, but to suggest that we can deal with that by simply taking from the labour of hard-working Albertans in an unreasonable manner is not going to solve the problem.

As a citizen I freely choose to share that wealth, that labour that I generate, and I freely choose to pay taxes, but I have some problem supporting a bill or a government whose philosophy believes that it can take more of that labour simply because I have earned more money as a result of my labour. While we all acknowledge that there is very little anyone can do about the price of crude oil, government can and must develop sound fiscal policies to ensure that the economy stays competitive and strong in the long run and that earners and businesses take home wages that they work so hard for.

So, Madam Speaker, I do not support Bill 2, and I encourage my fellow MLAs to vote against it.

The Deputy Speaker: Any questions or comments under Standing Order 29(2)(a)?

Seeing none, we will go to the hon. Member for Barrhead-Morinville-Westlock.

Mr. van Dijken: Thank you, Madam Speaker. I rise to address Bill 2, an Act to Restore Fairness to Public Revenue. Six days from now the business tax will increase in this province. Six days. The business community will not have much time to react, but I guarantee you that over the summer businesses will start passing on those tax increases on the goods and services sold to you, to me, to all Albertans. The effects of this decision along with all the other policy changes causing business expenses to rise will be paid for by you and me.

Business taxes, minimum wages, royalty reviews, carbon levies. Some of us, and that includes those of us in this House, won't really notice when the coffee goes up 50 cents or the lunch goes up a dollar or the shoes go up \$5. But you know who will? People on fixed incomes, like seniors. Whether it's the minimum wage hike or this tax hike on businesses, it all contributes to inflation at a time when a lot of Albertans are expecting to make the same, less, or even get laid off. It's just not very well thought out. Retired folks know that they won't be benefiting from any minimum wage hike. They're on fixed incomes, so they are really going to feel the pinch of the inflation it will bring. Higher prices and less money to buy will mean fewer sales, and with fewer sales come layoffs. It is a perilous scenario that is already playing out, and Bill 2 is not helping.

The Premier and I have received a letter from the owner of a small health food store in Morinville. The owner already has three employees making minimum wage. As the business owner she is making less than minimum wage in a desperate attempt to keep the business afloat. If the minimum wage rises to \$15 an hour, she will have to lay off one or two of her staff, people who can ill afford to lose their jobs. After a period of time, trying to do even more herself, this business will likely fail. This is the impact of the minimum wage hike.

Then we have the pending royalty review, Madam Speaker. The royalty review is spooking investment in the oil and gas sector. Last night you heard the testimony from my hon. colleague from Innisfail-Sylvan Lake. The trucks and the drilling rigs are parked in the yards. The workers are being laid off. There is no work.

Then we have the rumoured increase to the carbon levy. The hon. Member for Calgary-Fish Creek put into evidence capital flight being under way. Hundreds of millions of dollars to be invested are already leaving the province to more business-friendly environments. You may want to try and blame this on geopolitical events like OPEC, Saudi Arabia, Russia, and the like, and while the price of oil has played a part, this NDP government is also playing a part, a voluntary part, by introducing a whole suite of policies that are antibusiness. Capital is globally mobile, Madam Speaker, and it picks up and leaves for places where there is a strong, stable investment climate.

Tax increases, minimum wage increase, royalty review, carbon levy: this NDP government is moving too fast. Madam Speaker, Albertans I talk to, even those who admit they voted NDP, are in shock as to the implications of their decision on May 5, and they're absolutely aghast to watch the last of the Alberta advantage be wiped away. The Alberta advantage, or, rather, I would tend to call it the Alberta incentive – low taxes, small government, and fiscal responsibility – was an incentive to develop your business, hire employees, and contribute to the lifeblood of this province, knowing that the government would not get in your way. Nowhere in all these pieces of legislation is there any move to cut spending.

Madam Speaker, Alberta is home to some of the toughest, smartest, most enterprising, self-reliant individuals the world has ever seen. Settlers came here and turned the wilderness into productive farmland. Sawmills and pulp mills were set up to make good use of our abundant forests. The oilmen developed the province as a world-class leader in the production of petroleum.

An Hon. Member: And women.

Mr. van Dijken: I'll give you that.

Along with these industries every supporting business you can imagine set up shop here and made Alberta an economic powerhouse. The important thing to note is that all of this was done by far-sighted individuals, individuals who saw opportunity. I believe sound public policy is critical to the success and

sustainability of these Alberta industries. Government does not create wealth. Government does not create jobs. People do. Government consumes wealth. Money in the hands of individuals is always spent more wisely than by bureaucrats. Government by its very nature is a destructive force and if allowed to grow too big will impede individuals . . . [interjections]

The Deputy Speaker: Hon. members, please.

Continue, hon. member

An Hon. Member: Say it again. It sounded so good last time.

Mr. van Dijken: Madam Speaker, I will say it again because I do believe it. I do believe that government can get in the way of building a business in this province and in this country, and sound public policy is critical.

8:30

Ms Notley: I assume you're against fire trucks.

Mr. van Dijken: If you're overspending to run that fire truck, I am against the overspending. I am not against the fire truck.

Government by its very nature is a destructive force and if allowed to grow too big will impede individuals, suppress and eventually destroy wealth generation by ever-increasing regulation and taxation. The government that governs least governs best.

This NDP government is prepared to risk it all while they experiment with Alberta and put Alberta families at risk. This NDP cabinet is taking us on an experiment, and they are doing it with great speed with their socialist tax-and-spend policies. If they are allowed to continue, the Alberta incentive will be over. Taxation will be crippling, and we will be forever stunted by insurmountable debt.

I have received no assurance that this government has any intention to address the bloated bureaucratic spending that has been allowed to run out of control. Rather, they are asking even more from Albertans and are prepared to saddle future generations with their failure to address the real problem, wasteful spending. I would ask this government to focus some of their efforts to improve the efficiency of bureaucratic expenditures. We can and we must do better, Madam Speaker.

Thank you.

The Deputy Speaker: There are five minutes of comments or questions. Anyone wish to take advantage?

Any other hon. members wish to speak to Bill 2? The hon. Member for Olds-Didsbury-Three Hills.

Mr. Cooper: Well, thank you so much, Madam Speaker. It's a pleasure to rise today and have a better understanding about just exactly what makes the NDP government a little excited. Clearly, there are some significant divides when it comes to the opinions on government, and they take the "Hi, I'm from the government; we're here to help" position quite to heart and that clearly government knows best and that government knows better than the people, because that's what we're seeing all throughout this session.

All throughout the debate we're seeing example after example of policy that says: we know better than Albertans. If we look at things from large tax increases to the lack of accountability and openness when it comes to, as some would say, the minibudget – others would say interim supply – we see this continued narrative throughout the government and this cabinet that they know better.

You know, we just have to look back through Alberta's history to see that the greatest successes of our province were when the government was doing its best job to get out of the way of

Albertans. We saw that with the introduction of the flat tax a significant number of years ago. At the time media reports all throughout the country, both provincially and nationally, were talking about the incredible new era that would be ushered in in Alberta because of a tax rate that was fair for everyone. What we saw through that time was a period of time in Alberta's history not because of what the government of the day did, although they may have set somewhat of a stage, but because they cleared a path for Albertans to succeed. They cleared a path for the entrepreneurial spirit of Alberta to flourish.

When we look at what's happening today – and even the government of the past had forgotten that success and were moving to a tax structure that this government has embraced with open arms that doesn't spur on that spirit. It doesn't say to Albertans that the more labour you put in, the more opportunity there is. In fact, it has the ability to create a disincentive. Madam Speaker, from my perspective, it's un-Albertan because the foundations of this province were built upon men and women who worked hard, who put their families first and fundamentally believed and continue to believe that they know better than government and that they can spend money better than government and that they can make the best decisions for their children.

It brings me great concern that we may be entering into a period of time where we're going to see just the exact opposite, a time where we're turning our back on the fairest taxation method in all of this great land. In fact, you know, we've heard some great comments on fairness this evening, and in this province we've done a great job of balancing a number of different things. We look at things like having the highest tax-free threshold in the province, and you put on top of that a flat tax, where the people that make the most money give the most money. A flat tax creates an environment in which we are equal, where all Alberta families can be treated equally when it comes to the tax system of Alberta, a system that inspires growth and an expanding economy. This government seems so committed to destabilizing that.

We look at a number of their government-knows-best policies when it comes to increasing the minimum wage, when it comes to increasing taxes on hard-working Albertan families, when we talk about royalty reviews. There are just a number of different avenues where this government is rushing to destabilize our economy, to not encourage growth, to not encourage head offices to stay here. I'm not suggesting that they go in the opposite direction and incentivize that. What the Wildrose believes in and what I believe in and what the vast majority of the good people, the hard-working people of Olds-Didsbury-Three Hills believe in is that the government can always do what's best to get out of the way.

You know what else Albertans do when they're faced with a challenge? Albertans take personal responsibility for the predicament that they find themselves in. Today I heard the Premier get excited about: of course the lack of oil revenue is a massive contributor to our challenges. But what an Albertan does when they find themselves in a bad spot is that they look around and find ways that they can solve the problems for themselves. That's exactly what this government should be doing, looking at what they can do themselves, not turning to hard-working families, not turning to businesses that drive our economy.

8:40

But some would say: look in the mirror and see just what the government can do to pull its own bootstraps up. When it comes to pulling its own bootstraps up, that means looking at the massive amounts of waste that we can find inside the government. In the last election the Wildrose laid out a very clear plan of ways that we can cut corporate wealth.

The Premier might think it's funny. She might think that driving business out of the province is funny. She might think that raising taxes on Albertans is funny. What she ought to be doing, Madam Speaker, is looking at areas that she now has direct control over and turning the taps of government to a cool stream, not a full-blast, all-out, \$600 million, or in that area, in new spending, looking at the spending streams that they have control of, pulling up the bootstraps of government, just like Albertans do when they come upon a challenge.

Madam Speaker, I challenge all of us to do that because we are spending and the government is spending billions and billions and billions of dollars. It's easy to lose track of just what a billion dollars is. Earlier this week the government passed an appropriations act that had \$18 billion.

An Hon. Member: How much?

Mr. Cooper: Eighteen billion. If billions were seconds, a billion seconds ago I was barely alive.

It's important to know, Madam Speaker, that we don't lose track, that our eyes don't glaze over when we get fast and loose with \$600 million or in that area, when we get fast and loose at the possibility of a tax cut for business. We get fast and loose like it doesn't matter that it was \$16 million that earlier this government said no to because of what that could have communicated to our businesses: that we value business in this province, that we value the hard work that they do, that we value the fact that they drive our economy, that they employ our people.

I want to be sure that I, as what I hope to be, a responsible legislator, look honestly, openly, transparently on each dollar and ensure that the dollars that we're spending on behalf of the hard-working families in this province are done in a way that reflect the Alberta spirit. I'm firmly in the camp that raising taxes on those individuals and those businesses that drive our economy is just not that. It's not the Albertan way, and that's exactly why we won't be supporting this.

The Deputy Speaker: Any questions or comments for the hon. member?

Any other speakers to the bill? The hon. Member for Vermilion-Lloydminster.

Dr. Starke: Well, thank you very much, Madam Speaker. It is interesting to rise on third reading of this bill, and it's interesting to be listening to the discussion that we've had here. I think what we're starting to hear this evening are some of the different ideas and some of the different ideologies that perhaps we can agree on and certainly some of the ideologies that we don't necessarily agree on. That has certainly been an interesting discussion.

As has been discussed in earlier readings of this bill, this bill, primarily setting out to change the taxation structure, both on the corporate side and the personal income tax side, has some profound effects. As we've said and as they have asserted throughout the process, the government has the power to make those decisions and to bring in those changes, which they feel they have a mandate to move forward on. Through various different amendments that were proposed, the opposition parties have proposed various ways to soften what we feel is a negative blow to our economy. Those were all summarily rejected by the government, which is a pattern of behaviour with which I'm somewhat familiar, and I will tell you that there are times when I sat over there, Madam Speaker, where I questioned whether that was truly the best thing to do.

I will tell you now that, sitting here, I question it even more because one of the things that I said in my maiden speech in this Chamber three years ago is that no one party has a monopoly on all

the good ideas. It really shouldn't matter if it's a Liberal or an Alberta Party idea or a Wildrose idea or a Progressive Conservative idea or an NDP idea. What really should matter is if it's a good idea. I stand by those words, quite frankly, Madam Speaker, and over the course of the last Legislature I listened to what was at that time a much smaller caucus from the NDP members – the hon. Premier, the Member for Edmonton-Highlands-Norwood, the Member for Edmonton-Beverly-Clareview, and the Member for Edmonton-Calder – and they brought forth points that were rooted in their firmly held beliefs in terms of how a socially just society should run. You know, quite frankly, some of those points resonate with me because that's the beauty of having different points of view being brought forward in a situation like this.

But now, with the changes in government, this Legislature and this government is in the hands of a different party, and clearly this party has a different set of ideas as to what is best for the province. The truth of the matter is that all of us can probably go out and quote from a think tank or go find a source or go find an academic that happens to have the same leaning that we do and demonstrate definitively that our course of action is the right course of action. The truth of the matter is that in many of these situations the only proof is time, and time will tell.

From my standpoint, I am very concerned about the changes that are being made in this. I am concerned about the rate and the degree to which they are being made. The attempts to soften that blow and to have that blow be less pronounced and profound were rejected by this government, and that is fine, but I do have to agree with my honourable friend the Member for Calgary-Elbow in saying that these changes could have been made more gradually and could have been made less profound and have less of an effect. But the truth of the matter is that we will only know the effects as we go forward.

Quite frankly, there has been a lot of talk in the course of this debate about the Alberta advantage, and that's, of course, I think, what we're learning this evening, that that is a term that means something a little different to everybody, that some people have one view of the Alberta advantage and others have others. I tend to take a somewhat objective view in terms of trying to measure the Alberta advantage in terms of how we're doing economically, and there is absolutely no question, Madam Speaker, that Alberta has been for some time the economic powerhouse of Canada.

The numbers bear me out on this. If we even were to look at the period of time from 2010 to 2013, so a three-year period, according to statistics from Statistics Canada, over that period of time the per capita GDP for the province of Alberta went from a figure of \$71,988 to a figure of \$84,000, an increase over three years of 17.2 per cent. The \$84,000 figure is by far the highest level of any province in Canada.

8:50

The next highest is our friends, our neighbours, to the east, the province of Saskatchewan, who had a per capita GDP in 2013 of \$73,948, but in the last five years they're gaining on us. The province of Saskatchewan's GDP has in fact increased by 22.6 per cent in those past five years.

When we look at some of the other provinces that we have in our dominion, the province of British Columbia, to the west of us, has a per capita GDP of \$50,121, a nearly \$34,000 lower GDP for every man, woman and child. That is economic strength, and that is economic power, and that is indeed what affords us the opportunity to enjoy the standard of living, the quality of services, the quality of infrastructure, and the things that we've been able to enjoy here in our province. Contrary to what has been expressed by another member of the House, the Member for Calgary-Bow, that Alberta

advantage does not accrue to 7 per cent; that Alberta advantage indeed accrues to all Albertans.

Madam Speaker, if we were to look at another measurement, and that is one of fiscal capacity – fiscal capacity is the measurement of the ability of a jurisdiction to generate revenue within itself, a combination of various forms of taxation, consumption taxes, business taxes, that sort of thing, but it is very much a measurement of economic strength. In fact, it is the measurement that is used by the federal government to determine whether or not provinces receive equalization payments. The fiscal capacity of the province of Alberta is 180 per cent of the national average. Let me say that again. Our fiscal capacity is 80 per cent higher than the national average and 37 per cent higher than the next highest province, the province of Saskatchewan.

Madam Speaker, I read all these numbers into the record, and perhaps some people think that numbers are crazy or that numbers, you know, don't tell the whole story, or that, you know, there's lots that can be hidden in numbers. Of course, I'm expecting somebody to trot out that old quote that statistics are like a bikini: what they reveal is interesting; what they conceal is vital. Nonetheless, what is important in talking about this and why I bring these numbers forward is that they are an objective measurement of the Alberta advantage and the economic power that we currently have. Since we're now going to embark on this experiment that is being brought forward by the NDP government, this experiment that they've been waiting so long to be able to open up the laboratory door, to put on their white lab coats and their safety goggles and start manipulating the levers of power, we will see as we get on this ride of the province of Alberta where these numbers will end up in four years' time.

I am concerned, Madam Speaker, that our economic performance over the next four years' time, because of decisions made by this government, will not nearly be as good as what it has been for the past 44 years. But I am prepared to be wrong, and if I am wrong, then I will say: "Hats off to this government. The changes that they have made have been good ones." I am not clairvoyant, and I am not gifted with the power of prophecy, so I don't suggest that I will know one way or another. I would respectfully suggest that there is probably nobody else in this Chamber that can tell us exactly what the future holds. But I will be watching. The members of my caucus will be watching. But most importantly, Albertans will be watching. We will be watching to see what effects these changes have, the ones in Bill 2, with the increases in taxation, the ones in other pieces of legislation and initiatives that are yet to be brought forward by this government but that I similarly suggest could be highly damaging to our robust economy. We will see, indeed, what happens.

Madam Speaker, I am interested to see how this all turns out. It's a little like going to a movie when you haven't read the book that the movie's based on and you really don't know how things are going to end. I certainly hope that over the next four years this province prospers and thrives because I don't wish any ill, certainly not on the province, and quite frankly I don't wish any ill on my colleagues across the way in the government. But I am concerned. We will watch to see how these numbers change, and we will watch to see how the Alberta advantage defines itself and changes over the next four years.

Thank you.

The Deputy Speaker: Standing Order 29(2)(a) allows for five minutes of questions and comments. Did you want to speak under 29(2)(a)?

Mr. Jean: Yes, I did.

The Deputy Speaker: Go ahead, hon. leader.

Mr. Jean: Thank you, Madam Speaker. I listened intently to the member, and I wanted to have an opportunity to speak, but I've been quite busy lately. I know the members opposite have been wondering what my position on taxes is, but I can assure them, if they haven't heard, that my position is that I wouldn't raise them.

I do want to ask the member in particular that just spoke a question relating to a particular sector of our society that I think will be greatly negatively affected by these changes that the ideological NDP have brought in, and that's, particularly, seniors. I know that most seniors don't work and can't work. Frankly, they shouldn't have to work. The \$15-an-hour wage is not going to help them at all. In fact, we know quite clearly it's going to hurt them, especially because it's going to raise prices on things through inflation and otherwise. I see in particular that the first bill that they brought forward was an attempt at a change in democracy, and the second one was a taxation increase to hurt seniors, in my opinion.

I'm just wondering. We haven't seen anything as far as increased housing benefits or more housing being built for seniors. We haven't seen any seniors' benefits at all go up, just taxation go up. I'm wondering if the member has thought about any other particular issues that are going to affect seniors that I haven't brought up today, how these particular measures by the NDP are going to hurt those people on fixed incomes, the 450,000 seniors in Alberta and the million or so that are going to be here by 2030. I was wondering if you could comment on that because that is a huge part of our society and those that are the most vulnerable, in my opinion, in our society.

Dr. Starke: Madam Speaker, I thank the hon. Leader of the Opposition for the question and for the discussion point. Certainly, seniors are a population sector within our society that have perhaps one of the least abilities to be able to respond to the negative changes within the economy. As the member correctly pointed out, many are on fixed incomes. Many have limited capacity to increase that income, and that is a characteristic that is not only common to seniors but is also common to other sectors within our society that I have similar concerns for.

Quite frankly, I believe that some of the changes that are being discussed, the increase in corporate taxes, the increase in the minimum wage, will result in increases in the cost of living in our province and the cost of living of goods and services that are purchased by those groups because they have to; they have no choice. They purchase groceries. They have to buy housing, or they have to supply themselves with housing. In the case of seniors, many of them have health issues. In many of these situations the costs that they will face will go up. It's a little bit like the farmers I used to do work for, where they said: you know, we live in a business where we can't set our selling price but our input costs we have no control over. They would remind me of that when I tried to raise the price of the caesarean section by \$5.

Madam Speaker, it is indeed true, as the hon. member has stated, that our seniors population is also growing. We know that that is the case. Demographics don't lie. In ten years I will reach that threshold myself. It is certainly a concern of all Albertans, I would suggest, that these changes don't adversely affect the most vulnerable in our society. But the concern that I have is that the social engineers on the other side will then devise other programs to fix the problems that they've now created by the initial set. Unintended consequences. Certainly, the social engineers are always interested in bringing about another program and another program and another program to fix the problem when, indeed, they caused the problem in the first place by monkeying with the economy.

Madam Speaker, while I may not agree with all the members in the caucus to the right of me as far as the role of government or what role government should play, I will say that government does have a role to play in some of these areas, but sometimes more harm can be done. One of the principles of medicine, that even veterinarians learned, is to first do no harm. That can be applied to government as well.

9:00

The Deputy Speaker: Any further speakers to the bill? The hon. Member for Calgary-Mountain View.

Dr. Swann: Well, thank you, Madam Speaker. At the risk of being a little bit redundant – and I know this Legislature detests redundancy – I have to rise after 11 years in here and ask my colleagues to the right: having had 44 years to find the right balance between the contributions of citizens and corporations and the support services and infrastructure that is needed for a successful province, I guess I would have expected a little more humility from this side, having had 44 years at in some cases \$100-per-barrel oil, in some cases much lower, but now in a position of deficit, debt, untold social deficits in our young people, in our First Nations, in our seniors' care, and, in all fairness, in our infrastructure and maintenance. I think it's fair to say that you didn't have the balance right between the money coming in and the needs of a society.

To quote again from *Follow the Money*, our leader did a careful analysis in 2012 of the changes in our public returns on investment. Corporations in Alberta pulled in profits three times the rate per capita of any other province during the period leading up to 2012. The big jump in corporate profits began in the '90s but accelerated in the mid-2000s. In 1989 corporate profits in Alberta were about \$4,400 per person. By 2004 to 2008 the profits ran at \$16,000 per person, three times the average of \$5,000 per person in the nine other provinces. Balance?

In the 2005 and 2007 reports of Toronto-Dominion Economics Taft reported that corporate profits in Alberta as a share of GDP were 23 per cent compared to 12 per cent for the rest of Canada. So our GDP indeed was growing significantly, and the corporations were taking more and more while we were moving less and less towards serving the people and the infrastructure needs of this province.

I have to say that this is all about finding the balance. Albertans decided that this past government did not have the balance. Whether these folks will have the balance remains to be seen, but they are moving in the direction that Albertans are saying is more fair, more likely to produce resources for the other essentials that we need besides business. We need business, but we also need to start redressing the imbalance between infrastructure and social supports and an environment that is actually properly monitored and where standards are enforced so that the world can trust what we're producing. All of those things have been progressively neglected.

You have to accept some humility, I think, for the state that we're in today and the fact that many Albertans, let alone many other countries, have lost confidence in this province's ability to deliver on its commitment to sustainability, to environmental responsibility, to social supports, and to government that finds the balance between revenue generation and supports for the people and the infrastructure of this province.

Thank you, Madam Speaker.

The Deputy Speaker: Would anyone like to take advantage of 29(2)(a), five minutes of questions or comments?

Seeing none, I will recognize the hon. Member for Calgary-Greenway.

Mr. Bhullar: Thank you very much, Madam Speaker. You know, much of what I can only try to say but not as eloquently as my hon. colleague has obviously been said. But I think I've learned from some of the most effective third parties around; namely, the Premier and the Government House Leader when they sat on this side of the room. For that reason I feel I must speak. The members opposite are probably wondering: "We got the votes. Why do these guys care to speak? Why do they care to say their piece when they know they're going to lose a vote?"

Mr. Mason: It never stopped us.

Mr. Bhullar: Exactly. That's exactly it.

There is something great about the people of Alberta, Madam Speaker, and that is that the ill-conceived, ideological, I'm going to say ridiculous piece of legislation we are about to pass will not stop the spirit of the entrepreneurial people of Alberta, because all of those people know that although they may have to suffer for the next couple of years, there are proud, proud people in Alberta with strong conservative values and an entrepreneurial spirit that will ensure that these wrongs are corrected. They will ensure that these wrongs are corrected.

I would love to hear from the Premier herself as to why she feels the decision about the location of the Calgary cancer centre, such an important part of the NDP's policy around the Calgary region, is a decision that can be delayed because it requires further investigation and further research, yet this, something that will affect virtually every single Alberta family, is something they are not willing to consult on. I don't understand that. I just cannot understand it. One piece of infrastructure – it's a very important piece of infrastructure; don't get me wrong – that they used to get votes with they're willing to delay, they're willing to rethink and examine. But the fundamental backbone of Alberta's business climate they're willing to mess with in a second? Come on. Seriously? Honestly?

I actually believed these individuals when they sat across the way and said: "We would do things differently. We would do this, that, and the other thing." Now here they are doing exactly what they said they would not do. That's exactly the way they said they would never behave. They said: "We would never, you know, just come into the Legislature and push things through. We would give our members free votes." I remember all the times we used to be – I won't say heckled. Actually, I will say heckled. The Government House Leader is acknowledging this, I think with a certain degree of pride. We were heckled repeatedly.

Mr. Rodney: We still are.

Mr. Bhullar: We still are. Exactly.

Madam Speaker, I would say that I'm incredibly disappointed, not just in the policy positions of this government – they believe in this stuff. Cool. I am disappointed in their lack of attention to the pragmatic reality that the people of Alberta face today. I just cannot imagine, when so many people are concerned about the economic well-being of their families, their loved ones in our province collectively, that this is what they're concerned about.

9:10

I mean, there's news from economists around the world about Canada, even today, about our housing, about Alberta's housing situation. There are reports out of the U.S. that there are many individuals, many big funds that are actually betting short on the Canadian housing market. They're doing that because they predict a crash. We have challenges with our oil and gas sector. We have incredible challenges because of the low price of oil. You have

some very large investment firms that are starting to predict that there can be a Canadian housing crisis. And they're jamming through a bill to raise taxes on top of that. Even the charitable sector is saying, "Hold on a second here" about their minimum wage increase. Even the charitable sector, the nonprofit sector. I'd love to see how they're going to acknowledge all that. I'd love to see how they plan on dealing with that.

I posed questions to the ministers last week. I still haven't seen the written answers, but they were committed to them. I hope I get them. How are you going to deal with this? How are you going to deal with more layoffs? Where are the dollars for more layoffs? Where are the dollars to make sure that people are looked after? You know, a simple example: your rental accommodation rates. With the increase in minimum wage do you not think rental accommodation rates for apartments are going to go up? You're at a place right now where in Calgary and Edmonton vacancy rates are incredibly low. Incredibly low. So you jack up minimum wage. Do you not think the costs of landscaping and snow removal and maintenance are going to go up in those buildings? Where are they going to make that up? Where are they going to make that up, Madam Speaker? They're going to jack up rents.

Then what? How are you going to deal with that? Do you have plans to deal with that? What's coming next? Do you have social programs, then, that will deal with that? Where's the money for it? I don't remember voting on that in interim supply in the budget of something in the area of roughly, approximately, figuratively, give or take the \$600 million range. I just don't get it. I don't get it.

You know, this is a very significant situation. This is a very significant economic situation. To be quite honest with you, I hope we're wrong. I hope this is just a little blip in our economy. I would rather put my head down in front of you all than to see my friends and neighbours lose their jobs and maybe lose their homes. I hope to God I'm wrong. I hope to God all of us are wrong on this side of the House. I really do.

But if we're not, you folks better be prepared. You better be prepared to ensure Albertans aren't losing their homes. You better be prepared to ensure Albertans are not losing their homes. You best be prepared to make sure people have income and that strong, dignified people that are used to working for themselves, to making a go of their own entrepreneurial pursuits, are not left to rely on the charity of others. You know, we have a saying, Madam Speaker. Forgive me, but I'm going to say a line in Punjabi if you would allow. Thank you. We say [Remarks in Punjabi]. What that means is: with the strength of my own chest. We always say, you know, that people succeed on the strength of their own shoulders. I hope to God those strong and courageous people are not left to be charity cases in this province because of these economic policies. You know what? If their businesses suffer, they'll rebuild, but if their spirit suffers, that spirit with which they have created everything they have today, that will do this province more damage than anything.

So I hope that the members opposite take the time – I know they want to get out of the House as soon as they can – to go and visit with at least a couple of business owners in their constituencies. I can tell that many of you are fine people. I've enjoyed getting to know you so far, but I'm talking to a lot of your constituents as well, many of them business folks, some of whom actually voted for you. Now, though, they're saying: "Why is nobody talking to us? Why is no one talking to us? We thought we were voting for something different. Why are they not talking to us?"

An Hon. Member: They don't care.

Mr. Bhullar: Exactly. Something to laugh about, nice to see. Something to laugh about.

Madam Speaker, I guess that's just it. Regardless of what happens – I said this yesterday; I'll say it again – once people get new seats, all bets are off. I hope that I'm wrong. I don't think I am, though.

Mr. Eggen: Yes, you are.

Mr. Bhullar: Standing Order 29(2)(a), hon. member, is about to come up. You know, you could just wait. I thought we were talking about decorum in this House. You could just wait and ask questions then. But, Madam Speaker, no; they choose to heckle. I do see that as your responsibility. I am a member. I as a member of this Assembly have my rights to speak in this Assembly interfered with when people are heckling me. How was that for change? Exactly.

Thank you.

The Deputy Speaker: Hon. members, would anybody like to take advantage of 29(2)(a)? The hon. Member for Calgary-Bow.

Ms Drever: Thank you, Madam Speaker. I would like to make a comment on the definition of the Alberta advantage that various members were speaking on and perhaps discuss who hasn't seen the Alberta advantage. The single mother who has three children and is forced to work 70 hours a week to pay for rent in the city has not seen the Alberta advantage. Who hasn't seen the Alberta advantage? The people who are desperately trying to get into a shelter haven't seen the Alberta advantage. You know who didn't see the Alberta advantage? My family and myself when I was growing up here. The Alberta advantage is all well for the 7 per cent top earners. But what about the rest of Albertans? Where is the Alberta advantage for those families depending on food banks? There is no shame in paying your fair share to ensure that all Albertans have access to basic resources.

The Deputy Speaker: Hon. Leader of the Official Opposition, I apologize. I saw you begin to stand. Do you want to speak on 29(2)(a)?

Mr. Jean: No, thanks.

The Deputy Speaker: Go ahead, hon. member.

9:20

Mr. Bhullar: Thank you, Madam Speaker. To the hon. Member for Calgary-Bow: you know, there are a lot of people who came to Alberta because the economic structure of this province provides an advantage. I'll give you the story of my own parents. They didn't show up with any advantage in their pocket. You know, my grandfather didn't write a cheque for 20 million rupees and say: "Here you go, son. Go off to Canada; go off to Alberta. I've stuck a bunch of that Alberta advantage in your pocket. Now you can make something of yourself." He came here. Alberta was the advantage. Alberta was the advantage, and it's because of that advantage he had of being in Alberta that he made something of himself.

You've got nearly 100,000 people moving here every single year. Every single year. They're not in some top 7 per cent you speak of. They come here because of the Alberta advantage. They don't have, you know, some big corporate bank accounts or daddy's whatever accounts. They come here because this province gives them an advantage, and it's not always easy.

Madam Speaker, I can tell you that in my own family I remember the days when my mom used to come home from working in a plastic factory and tell us stories about her racist supervisor in the 1980s and how much we used to celebrate when she got, like, an 18 cents an hour raise. Eighteen cents an hour. We celebrated. Then

she went on to a window factory, and she worked hard. She worked very hard. They provided us with the ability to achieve a lot. There are millions of these stories out there. It's not government's job to write these stories. It's government's job to make sure that the conditions are there so that people can step up and write these stories.

When things get tough and you slip and you fall, somebody's there to help you up. Everybody slips, everybody falls, but when you slip and you fall and you need a little help getting up, you want to make sure those same conditions that allow for success are there. It's really that simple. That's the advantage. That's the advantage we cherish. That's the advantage we'll fight for every single day.

The Deputy Speaker: A couple of seconds left on the questions and comments.

Ms Drever: That's the advantage we have now.

Mr. Bhullar: Madam Speaker, I'd just like to remind all members of this House . . .

The Deputy Speaker: Sorry, hon. member, your time is up.

Mr. Bhullar: . . . that they can't speak unless you recognize them first. Thank you.

The Deputy Speaker: That's a good reminder. Thank you.

Any further speakers to the bill? The hon. Member for Calgary-Hays.

Mr. McIver: Thank you, Madam Speaker. I'm probably pragmatic to a fault, kind of a practical person, and what concerns me about this bill is that through reports done, through research done, we're pretty sure that with the increase of the corporate taxes, there are going to be about 20,000 fewer jobs in this province. We know that, and that is no small matter because, as my colleagues so eloquently said, people come here for opportunities.

What I hope the members on the other side – I think they made up their minds today. I hope I'm wrong, but I think they have. What I hope they take the time to notice later on is that people don't move as easily as money does. My dad, a welder – there were seven of us kids growing up – used to refer to himself as a working stiff. He said: "We're staying where we are, but if the people that own my company decide that they don't like it to be here, they'll push a button on their computer, they'll move their company somewhere else, and I'll be out of work." That is my concern not just for Alberta but for all of Canada.

Frankly, whether you like it or not, for most of the last 44 years Alberta has been the place where people could come to from the rest of Canada when they couldn't find work there to find it here. If you kill that and you think that you're going to get support from the rest of the country – there are precious few other provinces with the ability to do that. It's a real crime – it is a crime – when you reduce the ability of the province with probably, almost for sure in my mind, a hundred per cent for sure, the best ability to provide that support to the rest of the country and you turn it into a place that people can no longer move to. You've actually done more damage than will become apparent in the first year or two. That's why I won't be supporting this bill.

If you love Canada, if you love Alberta, you should actually think about how you vote here. I know you've got your orders. I know you'll never be in cabinet if you don't do everything you're told. I'm sure you've all been told. But I'm sure that when you went door-knocking and talked to people on their doorsteps, you said to them: I will represent your interests. I'm sure you never said: I will

represent your interests as long as it's good for me, and if it costs you your job, then so be it. I don't think anybody said that. I'm pretty sure nobody said that. All I will say is that if you care about this country, if you care about this province, please care about the people that you said you wanted to represent when you were door-knocking.

To the member talking about people that are at the food bank and need help: yes, they need help. The best way to give people help is through a job. The best way to give people help when they're unable to get a job through whatever conditions life has thrown at them is to be helped by the taxes and the generosity of other people that have a job. But when you take away the ability to have jobs in the first place, it all falls down. And that is why I will not be supporting this bill. I genuinely believe that this is taking part in killing the Alberta advantage, which is the ability for Albertans to have a job, to better their own lives, and to better the lives of their family, their friends, their neighbours, and even strangers.

The Deputy Speaker: Any questions or comments for the hon. member?

Any further speakers to the bill?
If not, then I'll call the question.

[The voice vote indicated that the motion for third reading carried]

[Several members rose calling for a division. The division bell was rung at 9:29 p.m.]

[Ten minutes having elapsed, the Assembly divided]

[The Deputy Speaker in the chair]

For the motion:

Anderson, S.	Hinkley	Notley
Babcock	Hoffman	Phillips
Bilous	Horne	Piquette
Carlier	Kazim	Rosendahl
Carson	Kleinsteuber	Sabir

Ceci	Larivee	Schmidt
Connolly	Littlewood	Schreiner
Coolahan	Loyola	Shepherd
Dach	Luff	Sigurdson
Drever	Malkinson	Sucha
Eggen	Mason	Swann
Feehan	McCuaig-Boyd	Sweet
Fitzpatrick	McKitrick	Turner
Ganley	McLean	Westhead
Goehring	McPherson	Woollard
Gray	Miller	

9:40

Against the motion:

Aheer	Fraser	Rodney
Anderson, W.	Gotfried	Schneider
Bhullar	Jean	Smith
Clark	Loewen	Starke
Cooper	MacIntyre	Strankman
Cyr	McIver	Taylor
Drysdale	Nixon	van Dijken
Fildebrandt	Pitt	Yao

Totals: For – 47 Against – 24

[Motion carried; Bill 2 read a third time]

The Deputy Speaker: The hon. Government House Leader.

Mr. Mason: Thank you, Madam Speaker. That, I think, was a good day's work, not nearly as painful as yesterday's but equally productive. I will move, then, that we now adjourn until 1:30 tomorrow afternoon.

[Motion carried; the Assembly adjourned at 9:43 p.m. to Thursday at 1:30 p.m.]

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