



Province of Alberta

The 29th Legislature
First Session

Alberta Hansard

Thursday morning, December 3, 2015

Day 28

The Honourable Robert E. Wanner, Speaker

Legislative Assembly of Alberta
The 29th Legislature

First Session

Wanner, Hon. Robert E., Medicine Hat (ND), Speaker
Jabbour, Deborah C., Peace River (ND), Deputy Speaker and Chair of Committees
Feehan, Richard, Edmonton-Rutherford (ND), Deputy Chair of Committees

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Barnes, Drew, Cypress-Medicine Hat (W)	McKitrick, Annie, Sherwood Park (ND)
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Ceci, Hon. Joe, Calgary-Fort (ND)	Nielsen, Christian E., Edmonton-Decore (ND)
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Ellis, Mike, Calgary-West (PC)	Sabir, Hon. Irfan, Calgary-McCall (ND)
Fildebrandt, Derek Gerhard, Strathmore-Brooks (W)	Schmidt, Marlin, Edmonton-Gold Bar (ND), Government Whip
Fitzpatrick, Maria M., Lethbridge-East (ND)	Schneider, David A., Little Bow (W)
Fraser, Rick, Calgary-South East (PC)	Schreiner, Kim, Red Deer-North (ND)
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Gotfried, Richard, Calgary-Fish Creek (PC)	Smith, Mark W., Drayton Valley-Devon (W)
Gray, Christina, Edmonton-Mill Woods (ND)	Starke, Dr. Richard, Vermilion-Lloydminster (PC), Progressive Conservative Opposition House Leader
Hanson, David B., Lac La Biche-St. Paul-Two Hills (W), Official Opposition Deputy House Leader	Stier, Pat, Livingstone-Macleod (W)
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Kleinstuber, Jamie, Calgary-Northern Hills (ND)	Westhead, Cameron, Banff-Cochrane (ND)
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Littlewood, Jessica, Fort Saskatchewan-Vegreville (ND)	Yao, Tany, Fort McMurray-Wood Buffalo (W)
Loewen, Todd, Grande Prairie-Smoky (W)	
Loyola, Rod, Edmonton-Ellerslie (ND)	
Luff, Robyn, Calgary-East (ND)	
MacIntyre, Donald, Innisfail-Sylvan Lake (W)	

Party standings:

New Democrat: 53 Wildrose: 22 Progressive Conservative: 9 Alberta Liberal: 1 Alberta Party: 1 Independent: 1

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Legislative Assembly of Alberta

9 a.m.

Thursday, December 3, 2015

[The Deputy Speaker in the chair]

Prayers

The Deputy Speaker: Good morning.

Let us reflect. As we come to the end of a busy week, let us remember that our role as public servants is to put aside our own self-interest and work to make life better for the people we serve. Today we mark the start of the holiday season, so may peace and goodwill towards others be our guide.

Please be seated.

Orders of the Day

Government Bills and Orders Committee of the Whole

[Ms Jabbour in the chair]

The Chair: Hon. members, I'd like to call the committee to order.

Bill 4

An Act to Implement Various Tax Measures and to Enact the Fiscal Planning and Transparency Act

[Debate adjourned December 2: Mrs. Aheer speaking]

The Chair: We are on amendment A6. Do we have any speakers to this amendment? The hon. Member for Strathmore-Brooks.

Mr. Fildebrandt: Thank you, Madam Chair. If I'm not mistaken, we are debating a subamendment right now regarding ministerial stipends.

The Chair: We're just on the amendment. It would have been your amendment, yes.

Mr. Fildebrandt: Yes. Thank you, Madam Chair. We'll continue debate on this.

I think it is an important and common-sense amendment to this bill. Bill 4 is not the budget itself, but Bill 4 is legislation that will enable the budget to be implemented. Interestingly enough, I'm not sure that this budget is able to be implemented until this bill is passed, which is interesting because the government seems to be moving forward with some of the measures in the budget before it is even enabled by this bill.

This amendment is a constructive point being put forward by the Official Opposition to ensure that if the government does not follow its own laws, there are some consequences. The government has put forward a significantly higher debt ceiling than has previously been in place. You know, after the tough budget measures of 1993 we came to a point where once the budget was balanced, the government outlawed deficits on both an operational and a consolidated basis.

As time has gone on, governments have subsequently loosened those rules, allowing for minor borrowing and then major borrowing. A debt ceiling had been put in place. When the Fiscal Responsibility Act and Government Accountability Act were repealed in the winter of 2013, we protested. We said that the debt ceiling being put forward was a soft ceiling. It's a ceiling that any government, any future government, can easily change as soon as they run into that debt limit. But we were assured at the time that it

would never go further, that that was an appropriate amount of debt to take on, and that we could just trust the politicians that it wouldn't go any further.

Well, I was skeptical then, and I'm skeptical now of the government's claim that they will never exceed the 15 per cent debt limit. In fact, I'm almost positive that they will. DBRS said just the other day that without a significant course correction the government of Alberta is likely to blow right through that 15 per cent debt limit.

Now, I know the hon. Minister of Finance has publicly stated that that will not be the case, that we will stay below our 15 per cent debt limit, but I don't think the numbers for that add up. We've seen the fiscal projections in the budget itself, which have oil projected to be significantly higher than virtually all other major credible indicators that aggregate oil prices. Compared to the Parliamentary Budget Officer's estimates, that will leave an \$8 billion hole in our budget over the next three years alone. That will have a significant impact on our debt-to-GDP growth as our revenues fall short. Also, the GDP projections in the PBO and other credible private-sector forecasters have GDP growth lower than the government is projecting here. So the lower GDP and the higher debt make it much easier for us to run into our new proposed cap of a 15 per cent debt-to-GDP ratio even before the next election.

Compounding this is that in years 4 and 5 of the budget there are no details. In fact, years 4 and 5 of the budget are little more than a brochure where the government promises to get back to balance but doesn't provide a shred of data about how they'll do that. They don't provide a line-by-line breakdown of revenues. In years 1, 2, and 3 of the budget you can see how much the government projects to bring in from personal income tax, corporate income tax, gasoline tax, insurance tax, tobacco tax, alcohol taxes, royalties from oil, royalties from gas. There is a long list that is at least somewhat defensible for years 1, 2, and 3 of the budget. But in years 4 and 5 they provide nothing. They say only how much money they expect to have in total revenues, and then they say how much they expect to spend in total expenditures.

They don't break down, as they do in years 1, 2, and 3, how much they'll spend on the Department of Finance or the Department of Health or the Department of Education, Human Services. That breakdown is provided for earlier years but is not provided for years 4 and 5 of the budget. All they show is that they'll have a reasonable level of an ability to curb the growth of expenditures but that revenues will somehow increase by a whopping 16 per cent, a 16 per cent increase in revenues without any justification whatsoever as to how they expect to get there. So an unreasonably high projected GDP growth, unreasonably high projected oil prices for years 1, 2, and 3, and for years 4 and 5 no explanation whatsoever of how they'll get a 15, 16 per cent increase in revenues. This all leaves me to believe that the 15 per cent debt-to-GDP ratio that they are proposing will be easily shattered.

Now, the Minister of Finance has assured us that that 15 per cent debt-to-GDP ratio will not need to be increased. Well, I suppose we have little choice but to take the Minister of Finance and Executive Council at their word. So we are proposing to amend Bill 4 with a subsection requiring that if the government exceeds its debt-to-GDP ratio of 15 per cent, a 15 per cent debt ceiling, ministerial stipends will be clawed back. That is requiring that the government put its money where its mouth is. That is requiring that if this government actually believes its own laws that it's proposing, they should have no problem passing this.

9:10

When ordinary Albertans break the law, there are consequences. If one of us drove home, to our Edmonton residence – you know,

just the other week I got a parking ticket. I parked where I shouldn't have.

Some Hon. Members: Shame.

Mr. Fildebrandt: It was shameful indeed. Shameful indeed.

I was quite upset to see that I had a parking ticket for \$40, but – you know what? – I deserved the parking ticket because I didn't obey the rules. The same thing should apply to the government. When the government does something against its own laws, they deserve a ticket. They shouldn't go to jail for it, but they should probably pay a fine. The same goes for any Albertan. If you get a speeding ticket, well, you don't get to just answer for it with a police officer in question period. If you get a parking ticket, you don't get to debate with the bylaw officer in question period and wiggle off the hook and not answer any questions about it. You've got to pay the ticket. The only person you can argue with is the judge. The government would certainly be free to argue its case in front of a judge if they'd broken their own laws. If you don't pay your credit card on time, you pay a penalty.

In life there are penalties for not following the rules, but for some reason there is no penalty when politicians break the rules. When the Minister of Finance broke the law and failed to table a second-quarter fiscal update in this House on or before November 30 of this year, he was in violation of the Fiscal Management Act. He has said that the government had put forward Bill 4, which gives him, essentially, a mulligan on that one. But we're debating Bill 4 right now. Bill 4 is not law; Bill 4 is merely a proposal. Assuming that this House will change the law doesn't mean you're allowed to break it before that law changes. In fact, if we do not have any kind of penalty for breaking the law and the government can bring forward legislation willy-nilly to allow it to break the law retroactively, we are setting a very dangerous precedent. We're allowing the government to break the law one day and then insist that it will change the law a week later to retroactively let it break the law.

Now, I haven't paid my parking ticket yet, and I'm considering doing the same thing with the city of Edmonton. Perhaps we should propose a bylaw to the city of Edmonton giving me a one-time exemption on my parking ticket. [interjection] I'm pleased to see members support this. We'll have to put it forward to Edmonton city council. We'll put forward a motion to the Edmonton city council saying, "Well, I really should have been parking there anyway. Why not? I'm a politician. Why not? We should be parking where we want. So let's retroactively pass a law to let me get away with that one. It's a gimme; it's a mulligan. It's a mulligan. Give us a mulligan, but going forward we'll obey the law." But if we run into that law again, well . . .

An Hon. Member: We'll do it again.

Mr. Fildebrandt: We can do it again. We can do it again.

That sounds familiar. Who does that sound like? Another elected body that constantly changes its own laws, a debt ceiling if you will. A debt ceiling. Who would that be? Who would it be? Bizarre to see the NDP follow the example of the United States Republicans. Bizarre that we would have to make a comparison of the Alberta NDP to the U.S. Republicans, constantly changing their debt limit.

Dr. Turner: A pretty successful government.

Mr. Fildebrandt: I think the Member for Edmonton-Whitemud just called the United States Republicans a very successful government. I'm shocked and interested.

An Hon. Member: They did stop the pipeline.

Mr. Fildebrandt: Yeah.

It is a dangerous precedent that we would be setting, Madam Chair. We have an obligation to the people of Alberta to follow our own laws. People are cynical enough about politicians. You know what? They have good reason. I think everybody in this House is here for the right reasons, fighting for what they believe in, but people still have reason to be cynical about politicians. We sit here all day passing laws, making laws, amending laws, but for some reason the laws that we make for ourselves don't have any consequences when we break them. That gives people reason to be cynical.

When the Minister of Finance is required to table a fourth-quarter fiscal update and he doesn't but he's required to by law, people say: well, what can we do? I know we posted the video of question period on that matter on our Facebook page, and I had constituents saying, "Well, shouldn't the police do something? They broke the law," because laws made for the regular people have consequences. We don't make laws for the people outside of this place that they're allowed to break without consequence. Can we think of any laws that we pass for everybody outside here who pays taxes that they're allowed to break and we don't do anything about? Are there any laws that we pass that we don't enforce, that we just pass because they sound nice? Laws shouldn't just be suggestions. Laws should be hard, they should be enforceable, and they should have consequences for breaking them. They shouldn't be mere suggestions for the people who make them.

So what this is doing is putting some teeth in the act. Cabinet needs to be accountable for its spending. If cabinet is not responsible with spending and goes over its limits, then there needs to be consequences for that. Right now there's no accountability. Laws are here to hold us accountable. They're not here to be mere guidelines.

I am not too concerned that the ministers across, if they were deprived of cabinet stipends if they break the law, would necessarily be starving and begging for change. They would still be entitled to their entire MLA pay, a pretty handsome salary, that we all receive. They'll still be entitled to their vehicle allowance. They'll still be entitled to their living allowance. They'll still be entitled to per diems. They'll be entitled to all of their expenses. They'll still be entitled to their offices and their staff and all of the perks that come with being a cabinet minister. All that would happen is that the extra bump in pay that you get for being a cabinet minister would be rolled back temporarily until they're back in compliance with the law. That's actually pretty soft.

Mr. Hanson: No one is going to jail.

Mr. Fildebrandt: No one is going to jail. In fact, you're not even paying a fine. You start earning the money back once you start complying with it. It's more like a parking ticket. Instead of having a \$50 fine, it's a dollar an hour. Then you stop paying it once you move your car. It's real soft, real easy. You get to keep your car there. This doesn't stop the government from going over the 15 per cent debt limit. It still allows the government to go over the limit, but there's a soft penalty, but they won't starve in the meantime. They'll still be making far more than the average Albertan. They'll just be making as much as most members of the Legislature, hardly starving.

This amendment still permits the 15 per cent debt ceiling, 15 per cent of the GDP, to be legally exceeded but just attaches penalties to Executive Council for it. This amendment to Bill 4 would have minor, minor consequences compared to the effect that it will have

on everyday Albertans. While some cabinet ministers will not earn a huge salary, they'll now just earn a really good salary.

9:20

Albertans, by contrast, will have to pay higher taxes because debt is just deferred taxes. Debt today is tomorrow's taxes. By year 3 of the budget the government is already proposing that we'll be spending \$1.3 billion a year on debt interest payments. That is the combined equivalent of six entire ministries. Think about that for a moment. The debt interest payments that the government is proposing just by year 3, not even year 5, could afford six entire ministries of the government. If the government exceeds the 15 per cent debt limit, our debt-servicing costs will easily surpass \$2 billion to \$3 billion a year. That will mean one of two things, either less services or higher taxes. Instead of paying for six ministries of the government at \$1.3 billion, perhaps it will be eight, nine, or 10 ministries in the government that could be paid for by debt interest costs.

Or, by contrast, the government can do what its instincts tell it to do and just raise taxes. At every turn when this government has run into any bump on the road, their knee-jerk reaction has just been to raise taxes, even taxes that they have no mandate from the people to implement, a \$3 billion carbon tax, a backdoor PST.

The Chair: The hon. Member for Lac La Biche-St. Paul-Two Hills.

Mr. Hanson: Thank you very much, Madam Chair. The Member for Strathmore-Brooks is absolutely, one hundred per cent correct again. Section 3 of this act – and an act is law. I've dealt with issues under the Water Act. Some people think that they can flout the act because it's just a guideline, but it is not. These are actually laws.

For a fiscal year Crown debt shall not exceed 15 per cent of GDP for Alberta. That's pretty simple, straightforward. It's fairly easy to ride within that law. It's no different than the argument that's used for photoradar or for speeding. If you don't want to get a fine, don't speed. It's as simple as that. So it's pretty easy for the government, and I see no reason why they wouldn't accept this amendment on those grounds. All it does is put some reason and some penalty that if you do break the law, you pay the consequences. I don't think it's unreasonable for anybody in this House to consider that a manageable amendment. The cabinet has to be accountable for government spending, and those responsible for spending beyond their means should face consequences for their actions. It's fairly simple, straightforward.

Another one of the amendments that was asking to reduce this limit was defeated. Now we're at 15 per cent, which is in the act. I think it's not unreasonable to put some consequences to that penalty. Therefore, I mean, I'm going to be voting in favour of this amendment, and I think that all members should consider that there should be some penalty. You know, it's easy. If there's absolutely no penalty for speeding, people aren't going to slow down. It's absolutely ludicrous to think so.

I would ask if somebody else would like to talk about their feelings on breaking the law. Is it a good idea? Should it be allowed? At what point, if we allow this to go through and the government breaks its own law with no penalty, is somebody going to use that as a defence in court when it comes to a charge under the Alberta criminal code? You know, there are laws in Alberta that they could say: "Hey, well, you know, the government broke the law, and they had no penalty, so I broke the law. Why should I have a penalty?"

Those are my thoughts on it. I'm going to be voting in support of this, and I look forward to any other comments.

The Chair: The hon. Member for Drayton Valley-Devon.

Mr. Smith: Thank you, Madam Chair. I rise to speak to this amendment. You know, when I think about 15 per cent and a debt ceiling that is going to cost this province as we accumulate more and more debt, we're just saying that we're going to only accumulate debt to a 15 per cent debt ceiling. That scares me a little bit. I know that I've talked with many members of this House, and some of the members of this House have come from jobs and backgrounds that have provided them with a very significant remuneration. I'm not trying to claim poverty or anything like that. I think that as a teacher I got a good salary, but as a single-income teacher with three kids, and three kids now in university, there are some realities in life, and one of them is that usually at the end of the month there was less paycheque than there were bills. That meant that sometimes we had to be very creative.

I wish I'd had the opportunity to have a debt ceiling in my life sometimes, to be able to know when to borrow and when not to borrow, to know how much I could borrow, and if I needed more than what I thought I needed originally, to be able to borrow more.

I know that I taught with many wonderful people over my career, and everybody approaches this differently. That's fair enough. Everybody's got to make their own choices in life, and everybody's got to make their own decisions about how best to take care of their families and how to spend the money that they make. I know that I can think of one colleague who always surprised me a little bit in that they always could find another reason to borrow money and to spend. You know, they needed the latest gadget, the latest iPhone, or they needed this car, or they needed that. And because we were a single-income family, we just never had those options.

So when I look at debt and when I look at a budget and when I look at a debt ceiling, I guess it's one of the reasons why I am a fiscal conservative. It's because of where I've come from and it's because of the life I've had to live. I look at debt very, very hesitantly. I know that in my life I could have a mortgage, or I could have a car payment, but I couldn't have both. When I started looking at debt and debt ceilings and whether I would increase the debt load that I would put on myself and my family, I had to be very, very careful. That's why, I guess, I would encourage this government to consider this amendment.

In this amendment it does try to put some consequences to a government that faces a lot of pressures, and I fully agree. I mean, I understand that sometimes it's not easy being a minister. You're smiling at me. That's good. I'm glad you're enjoying this. One of the realities and the differences between where you sit and I sit is that you actually have to make the decisions. You have the power to make those choices, and you have the responsibility when you make those choices. We all understand the nature of the game that we play here, of the roles that we play here in government, that in the Executive Council you have the responsibility for setting the direction of spending for the province of Alberta. We've heard many times in this House from various members of Executive Council that everybody's asking for money. There's always a good reason to ask for money. I actually understand that. There's some truth there. I mean, I'm going to be asking for money for Drayton Valley at times, and everybody's going to be asking for money for their constituencies. I understand. It's a tough place to be sometimes, and everybody in Alberta can give good reasons for why they need the money from the government that they need.

9:30

I'm not even going to argue that they aren't good reasons and that they aren't valid reasons. That's one of the tough things about being in government, isn't it? You've got to try to make those decisions about when to spend and when not to spend and whom to spend the money on and how to spend it. One of the problems that arises in a

democratic system is that we all recognize we need votes. If we don't get voted back into power, we can't have power, and we can't make those decisions. It's very hard on a government sometimes to stop spending because there's a lot of pressure from Albertans and from constituents and from other MLAs to do exactly that, spend.

What happens is that we then go: "Okay. Well, it's a good reason. Let's spend it. All right. This is a good cause. We'll spend here." Pretty soon that debt ceiling gets exceeded, and we've got a problem because you've set that. You've said to yourselves that this is a 15 per cent debt ceiling, that we're not going to increase our debt past that debt ceiling, yet there are all sorts of demands for that money and for that spending.

I think Albertans understand that. I think Albertans understand the pressures that the government is placed under and that the executive has to make these tough choices. I think Albertans would support this amendment because sometimes it actually makes it easier for you to govern. If there's a rule, if there's a law, if there's a ceiling and there are penalties, you can actually go back to the people and say: "You know what? I'm sorry. We have to stop spending. It's against the law for us to go above this 15 per cent debt ceiling."

Now, as a teacher we would try to help our kids understand that there is a thing called the rule of law and that it's one of the cornerstones of democracy, that no one is above the law. Everyone is expected to obey the law. If you break that law, it doesn't matter whether you're the hon. member who just spoke here, who got a parking ticket. It doesn't matter if you're the Premier. It doesn't matter if you're one of the MLAs. It doesn't matter who you are. The law applies equally to all of us. It's a part of our democratic system, and it's a very important part. I don't think there's anybody in here that's going to argue that.

One of the realities of our democratic system is that it's made up of a system of checks and balances that hold the Executive Council accountable for their choices and for their actions. This 15 per cent debt ceiling, if it has some teeth to it, will be another one of those checks and balances which ends up producing good government at the end of the day. My high school students understood that, and I know that every member in this House understands that idea. It's an okay thing to have teeth in the law sometimes because it does hold us accountable. When we're dealing with something like debt, it can amass so very quickly. I don't know if in your lives it's the truth – it has been in mine – that it's a lot easier to go into debt than it is to get out of debt. Trying to find that money to balance that monthly balance is hard. Finding that money to pay off that car loan or pay off that mortgage: that's hard.

When I look at this debt ceiling and I look at this amendment and I see that it actually tries to hold the people that we give an incredible amount of power to accountable for the decisions that they're making, I actually believe it not only makes your job easier, but it's better for the province, and it's better for the people of Alberta.

You see, one of the realities that the government faces is that they are accountable. As a teacher there were times when I had to hold my students accountable for their behaviour, for the work they were handing in. There were times when I would have to sometimes confront them. "Sorry. This just isn't good enough. Do you understand why this work isn't good enough? Can I sit down with you? Can I help you to understand why that decision that you've made or this argument that you've put into this essay or this decision for how you behaved in my class is not acceptable?" Normally you try to find an accommodation. I'm sure that every one of you in this room, in this Legislative Assembly, has probably had that conversation with a teacher or a parent of some sort where they're holding you accountable. It's a part of making us well-

rounded people. I always believed as a teacher that if I did not hold my students accountable for their decisions, they would not grow, they would not engage in their learning, and they would not get better. So I believe that this is actually helping our government get better.

When you hold yourselves accountable for the decisions that you make on how we spend money and you put some teeth into it – and this isn't really onerous. Saying that we're not going to give you those stipends because you've exceeded the 15 per cent debt limit, it's not – I mean, nobody loses their job. Nobody is losing their life. But it's that little reminder that says: "You know what? That 15 per cent debt ceiling actually has meaning." It's just another little layer of accountability. It's a part of what we call responsible government, the idea that you have power but not the power to do whatever you want, whenever you want, however you want, to whomever you want, that you actually do answer to other people. In my case I answer to my constituents. When you're on Executive Council, you answer not only to the people of Alberta, but, through their representatives in this House, you answer to the opposition.

This opportunity that we have to talk about debt ceilings and to come together as a Legislature and to listen to each other and to consider is a rare privilege. We must support this idea, not only of the rule of law but of responsible government, that the buck does stop with the minister. Who was it – President Truman? – that said, "The buck stops here"? You know, there is a man who understood the idea of democratic government, who understood that when you're the President of the United States and you have executive power, that power does stop with you. You are responsible for that power, and you are accountable to a Legislative Assembly and to a Supreme Court and to the people.

Dr. Turner: The president responsible for the Marshall Plan as well.

Mr. Smith: Yeah. Absolutely.

Dr. Turner: The U.S. government went into debt for that.

Mr. Smith: You haven't heard me talk about the fact that we should never have any debt, but we have to be very wise. We can have that conversation. But the point is this. Having a debt ceiling and this amendment is actually a very wise idea.

You know, I taught social 30-1 and 30-2 and all the levels of social that you could teach, and I realized that there were times, if you can believe it, when there were kids that would come into my class that weren't always enamoured with the concept of social studies. When they would come into my class, sometimes they were pretty cynical when we started talking about government. Part of my job was to try to break through that veneer, to try to help them to not be cynical when the topic became government. How could I help these students of mine to see that this was an incredibly important job done by people basically of goodwill who are trying to be able to pass laws and uphold the laws that actually help us to have community?

9:40

Cynicism is probably one of the worst things that we can have in a democracy. It actually kills democracy. I believe that one of the things that builds cynicism sometimes, not always but sometimes, in ourselves and within our citizens is when we say one thing and we do another, when we pass a law but then don't obey that law or live up to that law and we don't hold ourselves accountable to that law.

Now, we can all fall, we can all screw up, we can all say the wrong thing at the right time, we can all park in the wrong place at

the wrong time, and even cabinet ministers and governments can sometimes do the wrong thing. But when you have the ability to point to a law and to say clearly, “You’ve gone past this point, and there’s a penalty for it,” it helps to reduce the cynicism that the people see. If we obey that law, if we follow the rule of law, we actually do what we’ve said that we’re going to do. I don’t think any of us are unaware that sometimes people might think that politicians are sometimes just a little bit hypocritical. We play the game.

Well, I guess I would speak to this amendment and ask that we not play a game, that we actually look at the debt ceiling, see the value of having that debt ceiling – and I’m glad you’ve put it into this bill – but then that we actually make it enforceable, that we actually have penalty to it, not just so that we can control our spending, not just so that we can make it easier for the government to actually say no sometimes but so that we can actually help to improve our citizens’ understanding of how this system works and the accountability that is built within this system.

These are important concepts. They’re important when you’re raising a family, they’re important when you’re trying to make a budget for yourselves, and they’re important when you’re running a government. These ideas are important. It’s why you start with – basically, you should start, I believe, with a principle and then try to find out how that principle should be enacted in the real world. I think this actually speaks to my heart as a conservative who believes you need to control spending at times, that you need to be careful when you’re around debt, that you need to be wise stewards of the finances that we take from the people of this province, that we ensure that if we do go into debt, there’s a limit and that if we have that limit, we stay within that limit and that we try to make it easy for the government to see that they have to stay within that limit.

I think we all understand that the other side has a majority government. I would appeal to you that perhaps we start listening, as we did a little bit yesterday on Bill 5. We actually listened to some of these things. Maybe we’re not going to agree. That’s fine. Maybe you’ve got another agenda, and you need to go one way. That’s fine. We understand that. I don’t know how many of you heard this morning the CBC as I was coming in. They were talking about Bill 5 and the rare occurrence that, I guess, occurred yesterday and the amendments that were passed and how those amendments actually made the bill better and how this House was working together.

I would speak to this amendment because I think it’s a common-sense amendment. I think that it actually will make this government a better government, and it will make ourselves as legislators perhaps move in a direction that will allow the people of this province to re-establish a positive view of the people that are in here, the people that are working hard to try and serve the people of this great province.

You know, I once had an opportunity to talk to the grandson of Frederick Haultain. One of the things that Haultain always talked about was the fact that if he’d had his way with the . . . [Mr. Smith’s speaking time expired]

Thank you.

The Chair: The hon. Member for Lacombe-Ponoka.

Mr. Orr: Thank you, Madam Chair. I appreciate the opportunity to speak to this amendment and to encourage all members of the House to consider it and to support it. The current legislation, as it now exists and has existed for several years, is sometimes referred to as Alberta’s financial firewall to protect us from mistakes of government and the temptations of government to extend its reach.

In the IT world no one would consider operating an IT system without a very serious firewall. The point of a firewall, actually, is to protect the integrity of the system. That’s what the point of our financial firewall is: to protect our government, to protect our province.

The other point of it is to maintain the integrity of the system so that it is not broken down, so that it is not destroyed. I think we need to maintain the integrity of our financial firewall. If you have a firewall and you begin to poke holes in it or lower it down to the point where anybody can just pass over it, which would be the case if we move in the direction we’re moving, then the firewall really doesn’t have any merit or value to it anymore. It will be breached. That, I think, is the point of some of the arguments that have been made here.

The reality is that I don’t think the people of Alberta trust the track record of previous NDP governments, at least to not overspend. Reputation, I guess, often precedes us, and reputation in this case causes people to be questioning the reality of even keeping 15 per cent if that’s what it’s set at.

The contingency fund and its limitations are actually meant to deliberately constrain and to create self-restraint on the part of government. When a person owns the cookie jar and can take of it as they choose, there needs to be self-restraint of some sort. There needs to be some way to contain them. One of the great philosophical problems of politics has been the question that’s been asked already: what to do when politicians break their own laws or the will of the people. The answer, the only answer that’s ever there, is to create laws that restrain them or at least help to restrain them.

Blatantly stating, “I will not be constrained” or “I won’t be constrained” has, in fact, the effect of raising the debt limit, raising the debt ceiling, and granting the government authority to just continue to proceed along that way. So I am concerned. Exceeding the debt limit, which is a very likely possibility, would in fact be breaking the law, and I believe there should be consequences to it. The whole point of this is that governments should be accountable. In reality, maybe the focus here should be on cabinet because it is cabinet that has the authority to make these decisions. It is cabinet that can make the spending decisions, is responsible for spending, so they should face the consequences in some form or another. I don’t mean that as a punishment. I simply mean that as an aid or as an assistance to remain accountable. Often if consequences are too many years out, then it’s too easy to break them, so consequences should be immediate and be felt.

Now, the reality is that this amendment doesn’t suggest anything that is overly harsh. Cabinet ministers would still have their full salary, their expenses. In fact, this amendment still permits, if the government insists, the 15 per cent limit to be exceeded legally. But there is a consequence, a minor consequence. It needs to be a minor consequence of some type, and the consequence to cabinet ministers would be minor compared to what Albertans would experience. The reality is that government is not an autonomous body. It has the legal role of a trustee, and trustees are accountable all across our society, so then why should the government not also be accountable? Government that is democratic is accountable to the people.

9:50

I have to support this amendment. I have to suggest that it is the only – there has to be some sort of accountability in this. In a way, what we’re trying to do is to protect the government’s reputation on credit rating. I know that the Minister of Finance has quite rightly bragged a number of times that our credit rating is triple A, that we’re in good shape. The reality is, though, that for this government

that is an inherited rating. You actually didn't create it, and I am concerned that you are in fact undermining it.

I guess I would wonder if we're not – while I think we should support this amendment because if some sort of consequence isn't in place, then the reality is, as the Dominion Bond Rating Service has already warned, that our credit rating will go down. I wonder what the minister's response to us and comments would be if after his regime and his leadership the credit rating does in fact go down. We need to make sure that it doesn't. I think that it would be to the benefit of all Albertans and the credibility of the government to be willing to make themselves accountable in some sort of tangible means and to demonstrate to Albertans that they actually do want to be accountable and they're not just prepared to keep raising a debt ceiling without any personal consequences.

I think I will leave it at that. Those are my main points. Thank you.

The Chair: Innisfail-Sylvan Lake.

Mr. MacIntyre: Thank you, Madam Chair. I rise to speak in favour of this amendment. I just want to take a moment to speak about something that maybe hasn't been mentioned yet about the value of an amendment like this but specifically to this particular amendment. Trust in a relationship is a fragile commodity. It takes years of consistent care to build what psychologists call a high-trust culture. It was not that long ago when the world was shocked as major corporation after major corporation was caught cheating in the financial reporting on the health of those corporations. We were all shocked at the scope of that, WorldCom, Enron. My goodness. We no sooner had had a week full of Enron before there was another one and another one and another one. It just seemed like it wasn't going to stop. No sooner had that happened than it was followed by the entire global financial system beginning to collapse as revelations regarding the skullduggery and the backroom deals in the financial services industry started to come out in the press and through investigations by the SEC, in the States, and other such regulatory agencies around the world. Again, we were shocked. Trust had been broken.

Those revelations were also followed by some more revelations. You know, I've been in business and seen some of the just nasty stuff that goes on in board meetings and the decisions that boards take sometimes that are at least questionable. The part of that whole scandal that bothered me personally the most was that in the financial services industry there were analysts, traders, and CEOs that were still receiving bonuses of millions of dollars while these companies were going down. To me, that was the most evil part of it all. A junior analyst, a senior analyst: it didn't seem to matter. How can that person be receiving – I remember one that was a \$1.2 million bonus, and the company was going down. It just blew me away.

There was no accountability, and trust was broken on so many levels. So many levels. Even trust in the Securities and Exchange Commission was destroyed. They had a huge trust deficit following that. They recognized that, by the way, and did something about it.

In spite of the inept handling of billions of dollars of other people's money, these people were receiving bonuses anyway. These market analysts, these CEOs, these senior management people are essentially in the very same position that the ministers in this government are in. The ministers in this government control billions of dollars of other people's money. It's just like these people.

Now, there were charges laid. Some of those people are in jail. There were fines levied. You know, the litigations go on and on. They're still going on and on today. Trust had been destroyed in the

relationship between the shareholders and corporate executives and even between the consuming public and producers of consumer goods. Trust had been broken.

The issue that I see before this House right now is that – you know, I'm sure that everybody in this room during the election heard a similar story from the electorate: we don't trust politicians; we don't trust government anymore; we don't trust the democratic process anymore. I had people that – and I'm thinking of one particular couple right now, because I come from a floor-crosser riding – were in tears as they expressed to me the grief they had about the trust that had been broken with the former MLA when that individual crossed the floor. They were crying, an elderly couple crying, and it broke my heart to think that that trust had been broken there between them and an elected official that they put their trust in. Every single one of us have people back home in our ridings who have entrusted us to be here.

The people of Alberta have this democratic process, this Legislature, this Executive Council, and so on, these democratic institutions in which they are told repeatedly: "Trust. Trust us. Trust us." Over and over and over again. Well, as I said, trust is a very fragile relationship, and the trust between the people of Alberta and our democratic institutions right now isn't that good. These kinds of amendments that we have before us right now in fact this specific amendment that we have right now, if adopted, could go a long way in starting to rebuild a trust that has been broken. I think that's worth considering by every one of us in this room. We need to do those things that engender trust, and this one will do it.

You know, we have a Minister of Finance that has put forward a budget. That budget is based on estimates given to him by the various ministries and their staff. Of course, you are now asking the people of Alberta, who have lost trust in government – in fact, they've lost trust so much that they threw that previous government out. That was the reason. I remember speaking to one politician from Ontario. He said that Canadians never elect governments; they throw governments out. It's always over trust issues. If you really boil it on down, it's always over trust issues.

10:00

So we have now a budget that's before the people of Alberta. The Minister of Finance is saying: trust me. Every minister in the council is saying: "Trust me. Trust our estimates. Trust our revenue projections, and trust our expense projections. Just trust us, Alberta. It's going to be okay." But then this government changes a long-standing law that was a trust law. That law that prohibited a government from borrowing for operation: that was a trust law. The moment that this government removed that law, it was like an axe to the root of the trust tree. You just chopped it again. You removed an element of trust. Well, faith is like a tree, hon. minister. Do you get it? If you go to church, you'll understand what I'm talking about. The faith tree. Faith and trust: same thing.

Now, the minister has told the people of Alberta: trust my budget. All the ministers have said, I suppose, to the hon. Minister of Finance: trust my numbers, hon. minister, and add them up. Then the minister has to trust those ministers' projections and add them all up and come to the House and come to the people of Alberta and say: "Trust us. It's going to be okay. Oh, but, yeah, we want to remove this one law. Oh, trust us, but we also want to change the cap on borrowing. But trust us; 15 per cent will be okay. We'll never go above 15 per cent. Just trust us."

Then along comes an amendment that says: "All right. Put your money where your mouth is. Put your money, Mr. Minister, where your mouth is. If you really trust your projections and you really trust your revenue and expenses, go ahead and put your money where your mouth is. Go ahead and do it." This amendment makes

you put your money where your mouth is. That's all that this amendment is asking. It is an amendment that could start instilling trust again, so don't pass this one up. Refusing, in fact, to support this kind of an amendment that fosters accountability . . . [interjections] I'll repeat that again since the hon. members over there are – it looks like video games or something. Refusing to support an amendment that fosters accountability . . . [interjections]

The Chair: The hon. Member for Innisfail-Sylvan Lake has the floor.

Mr. MacIntyre: Thank you, Madam Chair. I was a teacher. I understand unruly classroom chatter. I get that. Those are the same ones that usually didn't get a passing grade when the tests came around.

An Hon. Member: They failed.

Mr. MacIntyre: They failed.

Refusing to support an amendment that fosters accountability really completely destroys any trust that this government was sincere in its claims during the election of providing a more trustworthy, more transparent, more accountable government than the previous government. Those were the claims that were made during the election, yet we have seen instance after instance after instance where this government is refusing to take advantage of measures that could in fact prove trustworthiness, accountability, and transparency.

Now, the good people of Alberta recently threw a government out over these very same issues. This amendment is offering this government an opportunity to take a concrete step toward building trust. But one thing that I have noticed in just the few months that we've been in this House is that this government never misses an opportunity to miss an opportunity. Here we are again. We have an amendment before this House that is an opportunity for you, given to you to build some trust in the hearts and minds of Albertans. Put your money, ministers, on the line because every law that you make puts the people of Alberta's money on the line. They're hurting right now. They're suffering right now. We've seen more taxes, more taxes, and more taxes. Everything this government has done is putting Albertans' money on the line with no cost to those who are doing it to them. There needs to be some trust built, and this is that opportunity for you to do it.

I support this amendment. It is a great amendment. Don't miss this opportunity. Don't miss this opportunity to start building trust with the people.

Thank you, Madam Chair.

The Chair: Just before I call on the next hon. member to comment, with the indulgence of the House I just want to acknowledge that we have a lovely group of young people, a school group, up there. I'm not sure which school they're from, but I would like to welcome them here. It's great to have them.

Do we have the next hon. member willing to speak to this amendment? The hon. Member for Battle River-Wainwright.

Mr. Taylor: Thank you, Madam Chair. I'm happy to rise and speak in favour of this amendment. I guess that's no surprise. What I'd like to start off with, though, is that the gross domestic product is one of the country's primary indicators used to gauge the health of the country's economy, the province's economy in this case. I'd like to know: what provisions do you have in place to punish a government if they exceed the 15 per cent debt-to-GDP ratio? This amendment addresses that. This amendment puts that disincentive,

I guess, if you want to look at it that way, in place to say: no, you shouldn't be going past the 15 per cent debt-to-GDP ratio.

In my Battle River-Wainwright riding, my constituency riding, I was given a budget. I was given a budget, and I was told that if I exceed that budget, that money is coming out of my pocket. I'm having to put my money where my mouth is. If I go and exceed this, there are going to be punishments in place which hit my pocketbook. What we've talked about with this one is that if you exceed this, there should be punishments in place for the ministers that exceed this.

Mr. MacIntyre: Consequences.

Mr. Taylor: Yeah. Consequences. That's a better word. I agree with that.

We certainly need consequences when they exceed it. We've got to ask: what protections have you decided to put in place for this so that our future generations are not going to be saddled with more debt?

This amendment stems from the bill. This bill is about enabling the government to implement higher taxes, more debt. More debt, Madam Chair. It refuses to reduce the bloated spending. You know, no government has ever borrowed its way to a balanced budget, and certainly no government will be able to borrow its way to a surplus budget. We need to somehow curtail the money that the NDP government is throwing around this province. We have to have a plan. Let's get straight with the deficit budgets that lead to higher debts, which eventually lead to an unstable economy, something that we've already seen because of this government's and the previous government's spending practices.

Madam Chair, does no one understand that the cost associated with paying off debt takes away money that could be used to build hospitals, schools, roads? The list goes on. If we continue down this road too long, it's going to impact how many people we will be able to feasibly employ in the future. It will start cutting into jobs and into employees that government is able to employ. So these unionized workers that the NDP are trying to protect right now are probably going to be the same people that they won't be able to afford to keep because there won't be enough money.

10:10

You can't keep running higher and higher debts. If we don't have penalties or consequences to stop people from exceeding the debt limits, then we will look at the problem of perhaps having to lay off people or not hire as many people. The same people, again, like I said, that are the union workers, the same front-line workers that now you're trying to protect: you're going to have to look at them and say: can't afford them. Do you want to be known as the party that kills jobs, kills front-line workers? If you continue down this path, I believe that's going to be the inevitable consequence.

Let's break down this bill and be clear about what it's showing will eventually happen. This bill is about enabling governments to inflict higher taxes on Albertans, to run operational deficits, which for decades have been, frankly, illegal. I don't believe we want to be going there. Other places have tried this. You know, the United States: another example. They've been widening this up. They keep raising their debt ceiling and raising their debt ceiling. Eventually they're going to have to pay the piper. How is it going to affect them in their job situation? It's absolutely going to affect them. Do we want to keep going there?

If we exceed the debt ceiling, you can be assured that it's going to hit Alberta taxpayers. It's going to hit them in the pocketbook through higher taxes. The credit rating for this province will get worse. Eventually, if we keep exceeding this, we'll be dropping our

credit rating. We have a triple-A credit rating. Absolutely fantastic. I don't want to see us go to a place where our credit rating will be hurt in the future. Would the Finance minister resign if we drop our credit rating? That's a question.

From worse credit rating to higher borrowing costs, higher taxes, not to mention that we have to pay it all back – eventually it's got to be paid back, so we can't just keep running this way. We need to put teeth into this act. I'm borrowing a quote from the Member for Strathmore-Brooks. He said it earlier, and I thought that it was an apropos thing to say: put teeth into the act to say that you cannot exceed this 15 per cent; otherwise, there are penalties. Then that's probably the best way to go because we now can have a means or a mechanism, consequences, if that gets exceeded.

When I ran my business – and I've run several businesses, and they've all been successful – I had to budget. I had to make sure to budget for myself. I had to make sure I budgeted for a profit. The government doesn't have to look for a profit. They have to look for a balanced budget; that's the goal. For myself, I had to budget for a profit. Whenever I was building a project or working with my different – well, let's go to my real estate company. I hired staff. I hired agents, and I had to make sure that they were looked after, that they were paid, but I had to make sure that, at the end of the day, there was enough money there to keep operating. We want the government to be able to operate that same way. We want the government, at the end of the day, to have balanced books. Otherwise, if we have \$2 billion or more in debt, then \$50 billion in debt, it's going to take \$2 billion just to pay it off, just for the deficit.

Mr. MacIntyre: That's the debt servicing?

Mr. Taylor: The debt servicing. Thank you.

So it's going to be \$2 billion in debt servicing. That \$2 billion: well, it affects the people in my riding. It affects them because we know that it's going to cost \$241 million to build a hospital. That's what we were told from the last estimate, \$241 million. We're looking at eight comparable hospitals that will now not be built every year that we're having to service that debt. We don't want to be going down that road. We don't want to be losing schools, hospitals, roads, and bridges that could be built just because we're servicing debt.

We need to run this more like you would a well-run household. You have a certain amount of money coming in, and that's what you can spend. In a household if you spend more than what you have, then eventually the bank is going to come knocking on your door and say: "I want your money. I want your keys. I want all of this. We're shutting you down. You're bankrupt." I don't want to see us in a situation where our credit rating gets lower and lower and we're paying higher and higher debts. Those are the inevitable consequences.

For these reasons I'm voting in favour of this amendment. Thank you.

The Chair: The hon. Member for Lacombe-Ponoka.

Mr. Orr: Thank you. A couple of things I would like to add, and I'd like, if I can, to begin with just a bit of a personal story. I grew up in a situation where we didn't always have money. I suppose one of my most powerful memories is the day – my father was away trying to get work; my mother was home – that a finance company came and repossessed the only car we had out of the driveway. I remember my mother trying to argue with him, beg him, but he took the keys, and he took the vehicle, and she was left in tears. Shortly after that, we lost our house, lived in somebody else's house through their generosity and goodness for about a year, until my

father was finally able to find work again. I think it's extremely important that we do manage our finances carefully. Some of my position is born out of that experience and reality of life, that if you get yourself in trouble with debt, there is a day of reckoning.

Canada, in fact, survived the recent financial and banking crisis, that spread around the world – it was actually initiated by the American policies – for one reason. Because Canada's banking rules and regulations themselves were more restrictive and better built than most other countries in the world, Canada as a result has had an extremely positive reputation in regard to our banking practices.

I'm reminded of Henry Ford, who said, "You can't build a reputation on what you are going to do." It's based on what we have done, and other people form their valuation of what our reputation is. You see, the whole point of branding in the financial industry is trust. How many financial institutions can you think of that use the name "trust" in them? A lot of them. Even the major banks, some of them, use it. Financial practices are about trust, and the reason that the marketing, the advertising, the branding of financial institutions is about trust is because trust is so often betrayed.

I fear that the people of this province are going to feel betrayed if our financial firewalls are broken down, holes poked through them, essentially destroyed, because government, if it is anything, is a financial institution. The financial systems that we create are some of the most important systems that we create. In fact, financial systems that this government creates will define it and define its reputation amongst the people of this province. GAAP, or generally accepted accounting practices, are all about procedure, about best practices. Every time you read an audit and sit down with an auditor, that's what comes up, best practices. An ever-changing debt ceiling, removing best practice financial systems, demolishing our financial firewall are in fact going to betray the trust of the people in our province.

10:20

I actually think that this bill is probably one of the biggest game changers that Alberta has seen in a very, very long time. I actually think that this bill, in the long run, will be more important than Bill 6 although Bill 6 gets more traction at the moment. This is an extremely important bill, and for us to allow it to change and not speak about it, not try to create motions – we're giving you endless opportunities to establish trust, to establish your credibility, to create best practices financially.

I have to vote for this motion. I encourage you all to vote for it and think about the fact that the people's view of their trust of your financial institution will be determined by whether or not you follow best practices or look for ways to adjust things to make it easier for yourself. That's what happens in far too many corporations and institutions. That's why we have to actually have audits of institutions, because people don't trust that the ones who write the numbers actually write them truly. So it's extremely important that we support this amendment and that we don't betray the trust of the people in this province.

Thank you.

The Chair: Any other member wishing to speak to this amendment?

If not, the hon. Member for Strathmore-Brooks.

Mr. Fildebrandt: Thank you, Madam Chair. I want to continue on with some of the points from my colleague from Lacombe-Ponoka. My colleague from Lacombe-Ponoka, I think, has made some very good points about trust, the need to re-establish trust in this institution and trust in the members of this institution, trust in the

laws that we have, and trust in the laws we pass because as it stands now, there are no consequences when the people passing the laws break those laws. That's what we are trying to achieve through this amendment.

You know, many of us were elected in constituencies where the trust of voters had been very, very badly broken: Strathmore-Brooks, Lacombe-Ponoka, Little Bow, Airdrie, many members in the House right now. We had been elected in constituencies where people's trust had been broken, and it is our job, parties on all sides, to restore that trust.

Now, we're facing a bill here, Bill 4, which seeks to give the government a blank cheque to run up \$50 billion plus in debt. They're calculating it as 15 per cent debt to GDP. The purpose of this amendment is to put teeth into those laws so that Albertans can trust that when we pass laws, we will abide by them. Right now Albertans have no reason to trust this government. They have no reason to trust that when this House passes laws, we're actually going to abide by them. That's the point made very well by the Member for Lacombe-Ponoka, that we have to put our money where our mouth is.

The Member for Battle River-Wainwright talked about the consequences of breaking these laws for regular Albertans. There are no consequences for the politicians who break them, but there are great consequences for the Albertans who will have to pay the bills. Now, the Minister of Health says that it's not true that there are no consequences for the politicians. Perhaps the only consequence would be at election time, when people throw them out for breaking them. But in the meantime it allows the politicians to waste the people's money, to break their trust. You know, this is not asking for a limit on the government's doing what they were elected to do; this is asking for consequences for the government's breaking a law that they had no mandate for to begin with.

Is there a single member on the government side who knocked on a door and said, "I will take on \$50 billion of debt"? Could one of you raise your hand? No. Not one. Is there a single member in the NDP caucus who knocked on a door or gave a speech and told people, "I will take our debt-to-GDP ratio to 15 per cent, and even then we're not sure if we'll go further"? Is there a single member over there who campaigned on taking on 15 per cent debt to GDP? One? Can you raise your hand? Not one of you campaigned on that, but you're doing it right now.

Is there a single member on that side who said that they would run operational deficits, that they would borrow for operational spending? You said that you'd borrow for spending for three years on a consolidated basis and then balance the budget. You're going to go for a lot longer than that on a consolidated level. But is there a single member over there who ran in the election for a mandate to borrow for the basic operations of the government? Is there one of you? It's pretty quiet. Is there anyone? I don't think there's one who ran on that. I don't think that there is a single member elected to this House who has a mandate to borrow for the basic operations of the government.

I don't believe there's a single member of this House in any party who has a mandate to take on \$50 billion of debt. I don't think that there's a single member of this House in any party that has a mandate to take our debt-to-GDP ratio to 15 per cent. Not one of you can say that you have a mandate to do any one of those things. Not one of you can say that you were elected to come here and do that. What we are saying is that if you're going to give yourself that mandate, if you're going to say, "We're going to do it anyway, and to hell with what we promised voters," then we should at least put some limits on that.

You've said that it's going to be 15 per cent, but judging by the fact that not one of you can get up and defend this bill, not one of

you will stand up and make a case for having a 15 per cent debt-to-GDP level without any consequence for breaking that in the future – is there a single member on the government side who has the guts to stand up and defend this bill? Is there a single member on the government side who's got the guts to stand up and say why they shouldn't pass this amendment? Is there going to be a single member from the NDP who is going to articulate, or are you just going to follow the orders of your whip? Is there a single member?

An Hon. Member: Let's vote on it and see what happens.

Mr. Fildebrandt: Before we vote on the bill, I'd like to see a single member of that caucus stand up on this amendment and tell us why we shouldn't be passing it. Were you sent here to debate and represent your constituents, or were you just sent here to vote as you're told, like Bill 6?

What are the rural MLAs here on that side of the House doing to consult their constituents right now? What are you doing with your constituents? Are you talking to them, asking them about how you should vote, or are you only asking your whip how you should vote? Are you consulting? Are you consulting with your constituents, or are you just going to do what you're told? I challenge members on the other side, who really don't seem like they want to be here right now, to stand up, to stand up and debate, debate this motion about why you think you deserve to give yourself a mandate, that you were not elected to, to take our debt-to-GDP ratio to 15 per cent, to take on \$50 billion of debt, to borrow for the basic operations of the government for the first time since 1992, and to speak to the amendment that would put a small consequence – a small consequence – on the government's cabinet ministers for breaking even that soft promise that you're making afterwards.

10:30

Is there a single member of the government caucus who could stand up and speak for your constituents? Have you gone back to your constituents and said: "You know what? I know you didn't elect me to take on \$50 billion of debt and raise our debt-to-GDP ratio to 15 per cent"? Has one of you gone back and talked to your constituents and said that that's the cost of this? Of course everybody wants to spend more money – it's nice; it's easy – but there are costs associated with that. Has one of you gone back and held a town hall about how you should be going forward with your budget?

Some Hon. Members: Yes.

Mr. Fildebrandt: Then one of you or a few of you should. Has a single member of the government asked their constituents at an open forum how much debt they should be taking on? Have you asked your constituents at what level it's enough? At what point is debt too much? You can't take it on forever.

I challenge the Member for Edmonton-Whitemud to have another one of our enlightening exchanges and defend the borrowing that he is proposing. I challenge the Member for Edmonton-Whitemud to speak to the amendment, about why he thinks that his government should be allowed to already break its promises and far exceed – far exceed – the debt that it said it would take on in the general election and have no consequences for the new level that it's proposing. I think he's being told right now that he's not allowed to talk.

Ms McLean: Tell him not to feed the trolls.

Mr. Fildebrandt: Nice to see the government caucus member call its own members trolls. [interjections] I'm debating, the government members are perhaps trolling, but it's all fair.

I challenge the Member for Edmonton-Whitemud to articulate his thoughts in the debate on this amendment. He's not in Executive Council, so it won't dock his pay. He may as well stand up and tell everybody in this House and tell Albertans why he should be allowed to take on \$50 billion of debt without any consequence whatsoever.

Well, it looks like he was just told – I'm not sure if that's a deputy whip or not – that he shouldn't be talking. I think that a lot of government members in the last few days have been told not to talk. That's why we were here till about – how late were we here last night? – 1:30 in the morning. I know the members want to hear me all night long, and we were here till 1:30 last night debating Bill 6. We were here till 1:30 in the morning last night debating Bill 6. You know how many members of the NDP stood up last night to defend Bill 6 for their constituents?

The Chair: Hon. member, could you confine your comments to the amendment, please.

Mr. Fildebrandt: Madam Chair, I am speaking to the point of having members of the government side represent their constituents in this debate. Unfortunately, it seems to be that only one side of this House is debating. Only one side of this House is getting up and speaking for their constituents right now. I know members over there want to. I know that some people over there want to stand up, speak for their constituents, but they're being told by their whips not to talk. They're being told to ram bills through this House without debate. That's why last night we were here until 1:30 in the morning and not one government NDP member had the guts to stand up and defend their own government's bills.

Last night we didn't have anyone outside of Standing Order 29(2)(a) for questions and comments. No one stood up and gave their own speech, not a single person. Now, on this amendment, that the government seems intent on not voting for, we can't get a single member of the government to even stand up and talk about it. We can't get a single member of the government to stand up and represent their constituents, their constituents who surely must not want any penalty for breaking the law. How many people have we heard stand up and talk to the amendment today?

Mr. Hanson: None.

Mr. Fildebrandt: Have we heard one stand up and give a speech?

Mr. Hanson: Just some beaking from the backbench.

Mr. Fildebrandt: Just some beaking from the backbench.

We've heard nothing from the government side on this amendment. How is it that they know how to vote? Is it just that their whip has told them to vote against anything that ever comes from the opposition today? Or is it that their whip has said: "Don't bother saying anything. We're trying to ram this through"? Madam Chair, if we can't get a single member of the government to stand up and represent their constituents, then I will move that we call the question and get them on the record.

The Chair: Any other speakers to amendment A6? The hon. Member for Airdrie.

Mrs. Pitt: Thank you, Madam Chair. I would like to speak to amendment A6. Deficit spending is poor economic policy that will erode services in the long run, contrary to what you believe at this point in time. There are real numbers, real people, and real dollars. The government does not have to look inward and cut the significant amounts of inefficiency and waste. The NDP is more

comfortable abusing taxpayer dollars than improving their operational efficiency in the manner that every private-sector company is doing right now.

Meeting or exceeding the debt limit has very real consequences. The reality here is that Albertans are forced to contribute billions of dollars to servicing debt. I know you don't like to pay credit card fees on your bills every month. The government and the people of Alberta certainly don't deserve to be paying those sorts of fees as well. These are Albertans' hard-earned dollars. This is money that will not be invested in Alberta industry, families, and local economies although it happens to be their money. This is extremely important to remember in every single decision that you make here in this House: nothing new will be produced from these funds allocated to debt servicing. They do not go to building anything more: infrastructure, roads, something everybody uses to get to work, to move product, to be industrious, thereby influencing the economy positively as the investment creates a means to work, to be paid.

Debt servicing disrupts important economic drivers. This disrespectful management of our funds, all taxpayer dollars, undermines the proper use of taxpayer dollars. Not only that, but we are talking about potentially exceeding the 15 per cent debt cap. What are the consequences to the government for that? What happens is that by increasing our debt servicing, we will lose our credit rating. This could happen even before reaching that limit if the world sees us as an unreliable borrower and an unrestrained spender. Let me tell you that I think we're very close, and I know I'm not alone. We are a resource-dependent economy. As you know, the ebbs and flows of this economy are unique to Alberta, and it requires finesse to handle the fluctuations and the cyclical nature of this province and to deal with the volatility of the product prices that we depend on for our revenue.

A 15 per cent debt-to-GDP ratio has typically been used as a benchmark figure which jurisdictions must stay below in order to qualify for a triple-A credit rating. Alberta, however, being a resource-dependent economy, has a higher risk classification, and therefore it is necessary for us to stay well below this absolute ceiling of 15 per cent. That 15 per cent debt-to-GDP figure applies to economies deemed less uncertain than our own resource economy here, which relies on a volatile commodity.

10:40

When we exceed the 15 per cent – and as I said, there's a very real chance that a downgrade could come at a threshold lower than that – we will see an increase in our debt-servicing costs. This will impact future generations – your children, my children, grandchildren – burdening them with this cost, something no generation will benefit from. Interest payments are not an investment that they can use towards empowering their ability to earn a living and have a good quality of life. Is that what this government wants? Is this what you want for your kids, to saddle our children and our grandchildren with unnecessary debt and debt-servicing costs? What a proud moment. What a legacy. Congratulations.

The government needs to create legislation to secure our financial future, not burden it with debt. Give your heads a shake. You are comparing our economy to other economic jurisdictions that have much more stable economies. There is a legitimate reason to cap it at 15 per cent, which is already too high. There are sufficient reasons to impose consequences on the government for exceeding this as that is detrimental to our province. If our children and grandchildren must face the consequences, then the government should be held accountable for their mistakes. I'm sure the children up there agree with me.

For years we have been fortunate to salvage a triple-A credit rating, even through years of rapidly escalating spending and perpetual deficits. Understand that the higher that credit rating is, the less you pay in debt servicing. It is absurd that a government would even consider ruining this rating. It should be a priority. We are so fortunate to have this rating, and it is something to be very proud of. To put it at risk is a danger. It means that our debt-to-GDP ratio is reasonable, that we are able to pay it back, and that the risk of default is minimal. Other rating agencies have already warned that we are at a higher risk to default. Please listen. The lack of confidence in our ability to repay is seeping in already, and this could bring disastrous effects on our budget and economy. Please support this amendment for the sake of the generations to come.

Thank you.

The Chair: Any other hon. members wishing to speak? The hon. Member for Calgary-South East.

Mr. Fraser: Thank you, Madam Chair. You know, I want to bring a little bit of, I guess, the voice of reason into this. Clearly, Albertans elected this government, like it or not. In my job as a paramedic I need to know when I go out there and with the decisions that I make that, no matter what, I can execute a decision. Sometimes it goes well, and sometimes it goes bad. I worked really hard when I was a paramedic – I'm still a registered paramedic – to be informed, to make sure that I understood the protocols, understood the physiology and everything that goes along with that job and how to treat it. But, like I said, sometimes it goes well, and sometimes it goes bad.

Now, let me speak to the government caucus and the cabinet. They should be very, very careful about the decisions and the things that they say here because it is a record. It is a foundation of what our future generations will stand on. It is completely – completely – irresponsible, in my opinion, that the hon. Finance minister didn't give a third-quarter update. That's his job, and he's made a mistake. He should recognize that regardless of how you want to dance around it. As a paramedic, if I make a mistake, it's time for me to move on, correct whatever that mistake is. To quote my hon. good friend the former Member for Calgary-Greenway: do more; be better. That's what this conversation is about.

Now, we have the privilege in this House to be able to speak because we are protected here to speak on behalf of our constituents without being held liable, to get down to the business at hand for Albertans. Again, to the members that I hear chirping across the way: my kids will inherit every decision that comes to conclusion in this House. It is not a game, and it is important. You're absolutely right that I'm not happy about the debt. In fact, I'm frustrated about the debt. It is something that we need to get control of because if we don't, it will spin out of control, and you will not be able to afford the payments. Who knows what is around the corner?

Now, granted that perhaps we are one of the governments that you can look to today. Former governments said: that will never happen. That is a phrase that nobody should ever use – never – because it happened to us. It happened to us on things like Bill 10, by not getting spending under control.

Like it or not, this is the cabinet that is in charge of this province. They need to be able to execute decisions responsibly. I will not be voting in favour of this because they need to know at the end of the day that they're not being penalized. I'd rather them make the tough decisions and execute those, but I also expect when you're in that position for you to be responsible, and when you make a mistake to own up to it.

I think we're seeing this. Albertans, clearly, after 44 years – yes, in many respects we were number one, but clearly we just couldn't rest on that laurel. We could have done more. We could have done better. This government has an opportunity to be able to do more and do better and follow what has historically been: do your job.

While I'm not voting for this motion because I do believe that you shouldn't be penalized or have something looming over your back, make the right decisions. I encourage the Finance minister to not make this mistake again. Do more. Be better.

The Chair: Any other hon. members wishing to speak?

If not, I will call the question on amendment A6.

[The voice vote indicated that the motion on amendment A6 lost]

[Several members rose calling for a division. The division bell was rung at 10:47 a.m.]

[Fifteen minutes having elapsed, the committee divided]

[Ms Jabbour in the chair]

For the motion:

Ellis	McIver	Smith
Fildebrandt	Nixon	Stier
Hanson	Orr	Taylor
MacIntyre	Schneider	

Against the motion:

Anderson, S.	Gray	Miranda
Bilous	Hinkley	Nielsen
Ceci	Hoffman	Payne
Connolly	Horne	Piquette
Coolahan	Jansen	Rosendahl
Cortes-Vargas	Kazim	Sabir
Dach	Kleinsteuber	Schmidt
Dang	Larivee	Schreiner
Drever	Loyola	Shepherd
Drysdale	Luff	Sucha
Eggen	Malkinson	Sweet
Feehan	McLean	Turner
Fraser	McPherson	Westhead
Goehring	Miller	Woollard

Totals: For – 11 Against – 42

[Motion on amendment A6 lost]

The Chair: We are back on Bill 4. Are there any further questions, comments, or amendments with respect to this bill? The hon. Member for Strathmore-Brooks.

Mr. Fildebrandt: Thank you, Madam Chair. Well, you can't win them all.

I'm pleased to continue debate on Bill 4. It's a bill of great importance to us. It's a bill of great importance to Albertans. It's a bill of great importance to taxpayers. Try as the government might to not listen to anybody in the province, we're listening, and we're going to do our best to make this bill, as I've said, less horrible. As such, I have an amendment to propose, and I'll wait for it to be distributed.

The Chair: It will be known as amendment A7.

Go ahead, hon. member.

Mr. Fildebrandt: Thank you, Madam Chair. The amendment is that Bill 4, An Act to Implement Various Tax Measures and to

Enact the Fiscal Planning and Transparency Act, be amended in schedule 1 in section 4 by adding the following after subsection (3):

(3.1) The consolidated fiscal plan must clearly state a projected consolidated cash balance for each fiscal year included in the plan.

Now, every time I get up to speak about the bill and read its name, it makes me scratch my head a bit. An Act to Implement Various Tax Measures – that is a terrifying phrase right there; I'm from the government and I'm here to help – and to Enact the Fiscal Planning and Transparency Act. Well, there isn't terribly much fiscal planning taking place in the bill. It is more or less drawing the bowstring, closing your eyes, spinning in a circle, and hoping you shoot towards a balanced budget in 2019.

The transparency part of the act. Well, that is one of the biggest problems with this act. It guts the requirement for any details in the budget for years 4 and 5, as I've discussed previously. It takes away some of the requirements for quarterly fiscal and economic reporting. But what we can do is improve some of the transparency around the act. The act says that it's for fiscal transparency, so this amendment seeks to add a little fiscal transparency to the act.

Albertans once upon a time used to be blessed with having the most accountable, straightforward, and open budget framework in Canada. I've spoken before about the Fiscal Responsibility Act and the Government Accountability Act of Jim Dinning. Jim Dinning said that any government that attacked those acts by repealing them or watering them down would have to look in the whites of Albertans' eyes and explain to them why they deserved subpar government.

Well, over the last decade our accounting system has undergone some significant changes, and I'm not going to belabour the point about why that was. But the fact is that today Albertans cannot open up a government budget and make any sense of it.

11:10

At the end of the day Albertans deserve a clear statement of the state of our finances. They deserve to have a single figure provided that says what the income statement is, effectively, of the government. How much money comes in, and how much money is going out? Well, that is a simple figure that Albertans should have. The government would be very well advised to accept this amendment to provide more transparency for Albertans when they open up a budget.

Now, mind you, not many of us get as much joy out of going to a government lock-up, sitting with bad coffee for a few hours, and reading through an embargoed budget, but I would chance to say that it is a very, very, very small fraction of Albertans who ever bother to open up a budget to begin with. One reason is because they can't understand it anymore. It's convoluted. There are three sets of books that often do not match each other, that are not reconciled, and there is no single cash-adjusted balance provided in the budget or in the annual report of the government nor quarterly reports.

There is no reason to hide facts from Albertans. We're not asking the government to change its accounting system. We're not asking the government in this amendment to change anything that it is doing. We're not asking the government to even change its own reporting structure. All we are asking for, simply, is that they provide one more piece of data in the budget: a simple calculation, effectively an income statement, a cash-adjusted balance.

The cash-adjusted balance reflects all spending decisions made by government; that is, operational and capital. That means spending on the nurses running the hospital but also the cost of the hospital. It includes the cost of the teachers serving in a school but also includes the cost of the school. This is, in my view, a superior

and important measure to the so-called consolidated balance sheet that the government currently provides, which leaves out between \$3 billion to \$6 billion a year in capital spending.

Now, as I said, this amendment does not require the government to change its accounting practices. This does not compel the government to move away from accrual accounting. This does not compel the government to do anything with regard to policy or its reporting except provide a single table in its budget and its annual reports and quarterly reports to give a little more data to Albertans.

Capital spending is one of the most important parts of our budget, but it still comes from our taxes and our debt. It reflects the real-life spending decisions of the government. It is problematic to take away any of the accountability that comes with a capital spending decision and leave only the ribbon cutting ceremony for the public to see. A cash balance statement would reflect the true borrowing or savings that we do every year. It would tell us what is the true cash on hand and how much cash needs to be borrowed. Importantly, if we ever got back to a position where we ran surpluses again, it would provide an important measure of what funds are available to move to the contingency account, what funds are available to move to the heritage fund, and what funds are available to move to debt repayment. Right now, even if the government's budget was under control and running a surplus, it would be difficult to follow the money in a clear and accountable and concise way.

Cash adjustments. This calculation is already done by Finance, so it would not be difficult to present the number in the budget itself. This is work already done by Department of Finance officials. Many capable individuals who have been with the department for a long time already do it. Department officials already know what the income statement is. They already know what the cash balance is. So this comes with no additional monetary or administrative cost to the government, minus a half-page of printing every time we release a budget. Although now that that's three times a year, that might be of some cost.

All of the math for this is on page 101 of the budget, where they do the cash adjustments to figure out how much they'd have to take or put into the contingency account every year. In the past they would actually put it in a line item called cash available for debt repayment or savings. We used to report this explicitly. It is now implicitly reported in the numbers, but it is not clear for Albertans who would pick up the budget to understand.

When the NDP took power, they were surprised by the status of our finances, but I was of the understanding that they wanted all Albertans to have a better understanding of what is truly happening and that they wanted to prevent future surprises. Let me reiterate that nothing in this amendment would prevent the government in any way, shape, or form from continuing to use its current accrual-based accounting. Nothing in this amendment would change the way the government does business. Nothing in this amendment would require the government to move to a cash accounting system. This asks very simply that Albertans be given one more piece of data, one more table in the budget from which to glean more information. This is a simple and virtually costless accountability measure that would go a long way in providing some clarity to Albertans, the 99.5 per cent of Albertans who don't pick up a budget every year.

It's a common-sense amendment that could be supported by small "c" conservatives and small "p" progressives on all sides of this House. It doesn't compel the government to spend more money; it doesn't compel the government to spend less money. All it does is it would compel the government to provide a statement of how much money is coming in and how much is going out in a simple, easily understandable way.

Thank you, Madam Chair.

The Chair: Any other hon. members wishing to speak to amendment A7?

Mr. MacIntyre: I support this amendment. At the risk of sounding a little repetitious, it comes back to the trust issue again. When we have a reporting method – I'm not talking about changing the accounting method. Those two things are very different. As the hon. Member for Strathmore-Brooks pointed out, this amendment is not an attempt to change the accounting method of how the government staff accounts and develops the books for the province. All that it does is add to the already in place reporting mechanism another little tidbit of information that is very useful.

11:20

Using a cash-adjusted balance in budgets and in the annual reports comes back to this trust issue again. This provides more transparency to the health of the organization. That's why these things are used in business. It allows the owners of a business, basically or essentially the shareholders, to take a look at the financial health of an organization, a corporation, from a little different vantage point than the other financial reporting instruments that are issued by corporations. It helps for shareholders – and in our case that's the people of Alberta – to understand a little bit better the health of the provincial books, just like it helps shareholders to understand the relative health of a corporation's financial position.

The cash balance reflects all the spending decisions because it includes capital. It is a superior measure to the so-called consolidated balance system employed, as it is currently employed by this government. As the hon. member pointed out, it hides from view anywhere from \$3 billion to \$6 billion. That should not be hidden from view. Albertans have a right to know where their financial position is at. I mean, no member in this House would like to go online to his or her bank account, hit the button that shows you your account balance and transactions, and discover that there are a few thousand dollars that are somehow hidden from your view. I suspect we'd be phoning the Royal Bank call centre, or whatever institution you deal with, and we'd probably come unglued on them. How dare you report that way. I want to know my financial position fully because I have decisions to make. Well, the people of Alberta ought to be entitled to that same freedom and right, I would say.

So a cash balance as a reporting item – and again I want to reiterate that we're not talking about changing the accounting method, the accrual method currently used in government. It's simply reporting information that the government already has but simply collated in a little bit different way for clarification. That's really all this amendment is about, clarification.

Again, I come back to this issue of building trust between the government, the stewards of our people's money, and the people. That trust relationship has been sorely hurt. Here again this government has an opportunity to help restore some trust, start working towards building trust. Don't miss this opportunity.

The cash adjustments, by the way – I'm not sure if the members opposite realize this – are already done by Finance, so it's not going to be difficult to collate and present that number. All that this amendment does is make that reported.

When the NDP took government, they were surprised. You expressed surprise by the status of Alberta's finances. Of course, there isn't anyone in this room that likes those kinds of surprises, that, oh my goodness, we're in worse financial shape than we thought we were. Why were we surprised? Because not all the facts had been made known. This kind of a reporting mechanism helps the good people of Alberta to understand their financial position

better. It's clearer. Again, coming back to the trust issue, it would go a long way – a long way, hon. members – in helping to restore some trust in this province.

I support this amendment. I encourage all of you to support this amendment because, after all, every single one of us in this room is here to act in the best interests of the good people of Alberta, and this amendment is in the best interest of the people of Alberta. I would question why any member of this Legislature would not support a measure that helps the people of Alberta have clarity. Are we not here to take care of the best interests of Albertans? I would be a concerned voter if I found that my MLA did not support a measure that made the financial health of our provincial books clearer. That would be problematic for me as a voter. I'm sure it will be for other Albertans, too.

So I support this amendment, and I would hope that every MLA would take this opportunity to be responsible and to help the good people of Alberta understand the health of their provincial finances in a much simpler, clearer way with a very simple – a very simple – line item to have this, our cash position, indicated. As I said earlier, it's not a change in the accounting method; it's an addition to the current reporting method, not new numbers, simply a reconfiguration of existing data that is held by the ministry.

Thank you very much.

The Chair: Any other hon. member wishing to speak? The hon. leader of the third party.

Mr. McIver: Thank you, Madam Chair. I'm going to rise briefly on this because I think it's worth talking about. We don't always agree with the Official Opposition, but I think this is actually a reasonable request. I would say to you and to them and to government members that I think this will actually help the discussion. For the ones on the government side: folks, our job here is to chew on you when you put a budget out and point out to the public where we think you could have done better and we would do better. I'll tell you that what's not productive – I know this from my past experience – is when you can't even agree on what the numbers are. Once you can agree on what the numbers are and have the bureaucrats that have all the data at their fingertips, then you can have an informed debate.

I'll tell you what's not productive and not good for government. Frankly, it's not good for opposition either. It's arguing over what the numbers are. We've done that in the past in this House, and frankly Albertans – I mean, there are people with a great deal of accounting expertise, and they get it, but not all Albertans are accountants. I know I'm not. When the argument is over what the numbers are, again, it's not in Albertans' best interests; it's not in the government's best interest.

Here's the thing about a consolidated cash balance sheet. It will be discussed whether you provide it or not. I just think it's going to be a more productive conversation if there's an agreement on what those numbers are. Then the government can trot out all the reasons why they think they did the right thing for the right reasons, and that's your job. If we agree, we probably won't say much, and if we disagree, we will trot out all the reasons why the government is wrong and you should have done something different. But at least that's a legitimate public debate that serves Albertans' purpose. Arguing what the numbers are doesn't make anybody look good. For that reason I think this is reasonable. I think it's actually in the government's interest, I think it's in the opposition's interest, and more importantly, because we all need to remember that we work for Albertans out there, I genuinely think this is in Albertans' interests.

For that reason, Madam Chair, I intend to support this. I don't think there's any risk to either the government or the opposition providing this. The one thing the last speaker said that I agree with is that the government's accountants have this information anyway. It's only a matter of consolidating numbers that they already have and printing a spreadsheet.

I would appeal to my hon. colleague the Finance minister to consider asking your government colleagues to support this. I think you're going to end up producing the numbers anyway. It's actually better for you if you can say, "I provided these numbers because we're running a transparent government" than having to provide them later, which you will, and having us say, "We dragged the guy to the altar. He had to provide these numbers." I think it actually makes you look better if you offer them up in the first place. I could see how you could say, "Well, I don't have to offer them up at all," but I think that if you actually look at the past history, if you don't offer them up in the first place, you'll probably end up offering them up anyway. So why not look good and be able to say, "We're transparent, and we offered up what the public wants?" For that reason I think it's reasonable to support this, and consequently that's just what I'll do.

11:30

The Chair: Any other hon. members wishing to speak to amendment A7? The hon. Member for Drayton Valley-Devon.

Mr. Smith: Thank you, Madam Chair. You know, I guess that when I get up to speak, I always think back on my family and my responsibilities as a husband and as a father. I know that when I looked at this amendment, it made sense to me. I would agree with the hon. member in the PC caucus that I'm not an expert when it comes to understanding how budgets necessarily flow and doing line items. I know that one of the things that this job has done is expand my horizons in that area.

But I know that when I've looked at my income and my cash balances and my family budget over the last 30 years, an income statement was always a pretty important thing. It was something that helped my family to get a truer understanding of what we had as a family. What was our cash balance on hand? How much were we spending? How much were we taking in? Those were pretty important to us. I think that those principles that have allowed me to balance my family's budget are important for this government as well. It's important for any government. It doesn't really matter your political stripe.

I would speak in favour of this amendment, that we've got to perhaps change the way we do some of our reporting. Maybe we have to add a budget line in there, but it doesn't sound like it should be too burdensome. It sounds like there's lots of opportunity for us to make this better. You know, governments do need to show the people of Alberta where we stand fiscally and provide a cash statement, I believe. They need to be able to show us how much money is being spent, how much money is being brought in: does the government have a positive or does it have a negative cash balance?

I know, again, that in my family, when we needed to take a look at our finances, if we started to have a negative cash balance, we needed to start slowing down our spending. We needed to figure out where we were going to find the money that would accompany that. I think that while governments are dealing – and we would all agree – in the billions of dollars rather than just maybe, as in my budget, in the hundreds of dollars, you know, that's still an important concept and still an important idea.

I think this amendment speaks to this issue, that having a cash-adjusted balance reflects all of the spending decisions that this

government makes. By doing that, you start to understand the patterns, and you start to understand where you are and whether you can afford to spend that money or you need to start cutting back on your spending. If you don't, it's pretty hard to decide. If you don't have that cash-adjusted balance, it's really hard to decide where the money should go and whether you have the ability to spend that money.

This amendment, I believe, provides some transparency. We've heard that said already, and I can understand that. I think it provides the people of Alberta and the Minister of Finance with some accountability. I believe that Albertans are very practical people, and I think that if we take a look at the history of our province and the kinds of governments that they've chosen and that they've supported, they support governments that are practical in how they view the services that they provide for their people. I believe they have always supported governments that were open and honest and transparent with the monies that we entrust them with. We have always as Albertans supported fiscally responsible governments.

Conversely, we've also seen that the people of Alberta have withdrawn their support of governments that over a period of time have shown that they're not transparent with the spending of their money, that they're not fiscally responsible with the tax dollars that we give them, whether you were the United Farmers of Alberta, whether you were the Social Credit, whether you were the Progressive Conservatives. I guess we'll see with the new government, the NDP government, if you can continue to be fiscally responsible, if you can show the people where they stand financially, whether you'll maintain Albertans' support. That's for the future.

I think most Albertans believe that there's no reason to hide behind numbers. They want clarity. As a matter of fact, they demand clarity. The current system, the so-called consolidated balance, can sometimes leave out money in capital spending, and that can sometimes grow to be very large amounts of money: \$3 billion, \$6 billion. Sometimes it's very difficult to know just what the real balance is.

We've talked about creating a contingency fund. Well, if we don't know what the cash-adjusted balance is, how do we know what to put into the contingency fund? We've got various monetary instruments that we can put money into: a contingency fund, the heritage savings trust fund. We can put money towards debt reduction. All those are very important things that, as we take a look at this province, we need to consider. Yes, we've done a very poor job, I think, of setting money aside in a contingency fund and saving for our future with the heritage trust fund. I think many Albertans, as we look back over the last 20 or 30 years, would say that we could have done a better job for our children. If we don't have a true understanding of the cash-adjusted balance, it becomes much more difficult to be able to figure out where we put that money.

We're going to have somewhere around a \$50 billion debt. How much of the income that we bring in, how much of the revenue that we bring in as a government should be going to paying off that debt? We need to know what our real bottom line is. This government needs to know it just as much as I need to know that when I deal with my family income. How many times have we heard from various political parties of all political stripes across this country and across this world that after they've gained power and after they've opened up the books, there are some pretty big surprises as to the real status of what the budget is and where the country or the province or the municipality stands.

11:40

I think we heard that from this government when you first gained power. I think we heard it from the Liberals after they'd taken over

from the Conservatives nationally. I know that this is not something that is partisan. It's not something that is particularly political. It's dealing with numbers and realities of economics, that sometimes when you take over the books, if we haven't had a cash-adjusted balance, if we haven't had clarity, there can be some pretty big surprises, and of course those surprises are not without consequence. They can mean the difference between being able to have a health care system that can meet the needs of its people or not. So we need clarity, and would a cash-adjusted balance not have helped the government and the people of Alberta to make wise economic choices? Well, I think it would.

I believe that there are times when being transparent is perhaps one of the most important things that a government can do, and I know that in Alberta understanding the debt and the savings balance is something that our people, our Albertans, expect out of us. You know, the more I stand here, the more I realize that sometimes you can put a suit on the person, but you can't always change the person that's inside the suit. [interjections] I'm seeing something happen here that I am completely amazed at. I'm wondering if maybe we need to have a story on this today. Well, I'm not going to go there because I know that there are times when what happens in Vegas has got to stay in Vegas.

You know, I guess that when I look at this, I believe at the core of it that the people of Alberta want this. While I said that you can put a suit on the person but you can't always change the person, I know I've spent my days in my classroom at times wondering if I was droning on to myself and wondering if anything that I was saying to the kids was actually connecting dots for them and wondering if I was really having an impact or making an effect on the lives of my students.

You know, I guess I'll start to close my remarks with this. I really do believe that the people of Alberta are well served when any government and any Finance minister are transparent, when they can show us what our bottom line is, when they can show us what revenues we have coming in, when they can show us what outlays of expenditures we have, and more for the people of Alberta than for any political party. I believe that when we do that, it not only provides for a good government, but it provides for good results for the people of Alberta.

I would speak to this amendment. I would encourage this House to support it. I would encourage the members on the government benches to consider this amendment, to give it serious consideration, to consider supporting it because I think that it actually makes the bill better and will help the people of Alberta and, I guess, at the end of the day, the people of Canada.

So I would ask for your consideration for this amendment. Thank you.

The Chair: The hon. Minister of Finance.

Mr. Ceci: Thank you. I'm suspicious. I know the opposition presents this as an innocuous addition, a small consideration for our budget. We have presented the budget. We presented the budget on October 27. The budget is presented on the basis of nationally accepted standards for accounting that our Auditor General has supported.

[Mr. Feehan in the chair]

In the past – and I wasn't here – former Finance minister Horner presented a budget in three parts. He presented the operational part of the budget, the capital part of the budget, and the SUCH sector, the schools and hospitals and colleges, and that ran afoul with the Auditor General. The Auditor General did not like that and argued vociferously that it should be a consolidated approach.

Former Finance minister Robin Campbell last March presented a consolidated budget. This government has continued what former Finance minister Campbell did, and we presented our budget on the same basis as his budget. I'm suspicious because the last speaker talked about how we were leaving capital spending out. Nothing could be further from the truth, which makes me think that this seemingly innocuous, small amendment really is just hiding behind something else that the Wildrose wants to push, that no other government in Canada does, which is cash-based accounting. We will not do that here. We're going to follow what all governments, both subsovereign and the federal government, do with regard to accounting. We're going to use nationally accepted standards for accounting and not something that is presented as – you know, it will make things clear. It is clear already.

Last week I was in Toronto talking to economists, and they were complementing the government of Alberta and the people in the room, and it wasn't my work. They were complementing the people in administration of the government of Alberta, and they were saying: "This budget is clear. We know what you're doing. We understand your approach, and you should be very proud." The only person not happy with our approach, it would seem, is across the aisle, and that person has been pushing for a cash-based accounting system since we started here in May. We will not do that. We will follow what's nationally accepted, what our Auditor General requests of us, and what Robin Campbell before me provided. That's what we'll do. We've done it. It's clear. It's going forward like that.

I will not support the amendment.

The Deputy Chair: Strathmore-Brooks.

Mr. Fildebrandt: Thank you, Mr. Chair, and I thank the Minister of Finance, if I'm not mistaken, the first member of the government's side to participate in debate this morning. Members on this side of the House have been here to work. I will not call the member out by name, but I did see someone snoozing over there pretty recently, but I'm very happy to be here to debate Bill 4 and the amendment.

Point of Order Decorum

Mr. Mason: Point of order, Mr. Chairman. It is completely unacceptable for the hon. member to make statements like that unattributed. I mean, you just don't do that in this place.

The Deputy Chair: Government House Leader, do you have a citation for your point of order?

Mr. Mason: Standing Order 23(h), (i), and (j).

The Deputy Chair: Thank you.

Mr. Fildebrandt: Mr. Chair, if the Government House Leader would like me to cite the member who was snoozing or very visibly appearing to be snoozing laying back in their chair, I can do so, but I feel better not to call that one out. The Government House Leader himself in the media has misleadingly said that members on this side didn't want to come to work, effectively the same accusation – the same accusation – and he felt that that was reasonable to do to the media. They have said so in the House, misleading people.

11:50

We were here until 1:30 in the morning representing our own constituents, working hard, while none of those members were standing up, working hard. We were here at 9. We've been debating since 9. Finally, a member of the government has stood up to

debate. I think it was a fair comment, and the Government House Leader is not prepared to take as good as he gives. He has been accusing members on this side of the House of the exact same thing, except we actually found someone snoozing in the House. I don't think that the Government House Leader has any argument. This is not a point of order. We are saying a much toned-down version of the same that he has been saying.

The Deputy Chair: Thank you. I'd just like to take a moment to use this opportunity to remind everyone in the House, on both sides, that decorum in the House is quite important to the proceedings and that everyone should stick to the topics of the debate and refrain from making comments about individual members' behaviour or looks or presence in the House.

I'd like to leave the point of order at that point and proceed on with the debate.

Debate Continued

Mr. Fildebrandt: Thank you, Mr. Chair. I was thanking the Minister of Finance for the first part of the government's contribution to the debate since we began, at 9 a.m. I think that it is good to have members of the government finally participating in the debate that has been taking place for the last three hours. We are nearing the end of our morning session here. I had been led to believe that morning sessions would lead to the end of night sessions, but we all have some bags under our eyes because we were here till 1:30 a.m., debating. But that is another point.

The Minister of Finance's comments are not addressing the issue. The Minister of Finance is arguing that this amendment is somehow going to change the entire accounting structure of the government. Nothing could be further from the truth. The Minister of Finance went on at some length about accrual accounting and the Auditor General and that they wanted to stay with their current accounting practices, practices adopted by the former government. The minister is most likely greatly confused when he talks about this amendment changing the accounting of the government.

Now, let me read the amendment for the members opposite, for their clarity. We would amend schedule 1 in section 4 by adding the following after subsection (3): "The consolidated fiscal plan must clearly state a projected consolidated cash balance for each fiscal year included in the plan." The wording is clear. The consolidated balance must clearly state a projected cash balance. This amendment does not say, imply, or in any way construe that the government must change the accounting practices of the government. This amendment requires the minister to ask his department's officials twice a year, once in the budget and once in the government's annual report, to provide a table that . . .

The Deputy Chair: Hon. member, I am sorry. I must interrupt. It is now 11:55. It is time for us to have a report from the Committee of the Whole. We will ask the Member for Banff-Cochrane to report on that.

[Mr. Feehan in the chair]

The Acting Speaker: The Member for Banff-Cochrane.

Mr. Westhead: Mr. Speaker, the Committee of the Whole has had under consideration certain bills. The committee reports progress on the following bill: Bill 4. I wish to table copies of all amendments considered by Committee of the Whole on this date for the official records of the Assembly.

The Acting Speaker: The Member for Banff-Cochrane has read the report. It's not debatable. I ask for a vote. Does the Assembly concur with the report? If so, say aye.

Hon. Members: Aye.

The Acting Speaker: Those opposed? So ordered.

Mr. Mason: Mr. Speaker, I would move that we adjourn until 1:30.

[The Assembly adjourned at 11:56 a.m. to 1:30 p.m.]

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