



Province of Alberta

The 29th Legislature
Second Session

Alberta Hansard

Thursday morning, May 19, 2016

Day 31

The Honourable Robert E. Wanner, Speaker

Legislative Assembly of Alberta
The 29th Legislature
Second Session

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

Aheer, Leela Sharon, Chestermere-Rocky View (W)
Anderson, Shaye, Leduc-Beaumont (ND)
Anderson, Wayne, Highwood (W)
Babcock, Erin D., Stony Plain (ND)
Barnes, Drew, Cypress-Medicine Hat (W)
Bilous, Hon. Deron, Edmonton-Beverly-Clareview (ND),
Deputy Government House Leader
Carlier, Hon. Oneil, Whitecourt-St. Anne (ND),
Deputy Government House Leader
Carson, Jonathon, Edmonton-Meadowlark (ND)
Ceci, Hon. Joe, Calgary-Fort (ND)
Clark, Greg, Calgary-Elbow (AP)
Connolly, Michael R.D., Calgary-Hawkwood (ND)
Coolahan, Craig, Calgary-Klein (ND)
Cooper, Nathan, Olds-Didsbury-Three Hills (W),
Official Opposition House Leader
Cortes-Vargas, Estefania, Strathcona-Sherwood Park (ND),
Government Whip
Cyr, Scott J., Bonnyville-Cold Lake (W),
Official Opposition Deputy Whip
Dach, Lorne, Edmonton-McClung (ND)
Dang, Thomas, Edmonton-South West (ND)
Drever, Deborah, Calgary-Bow (ND)
Drysdale, Wayne, Grande Prairie-Wapiti (PC),
Progressive Conservative Opposition Whip
Eggen, Hon. David, Edmonton-Calder (ND)
Ellis, Mike, Calgary-West (PC)
Feehan, Hon. Richard, Edmonton-Rutherford (ND)
Fildebrandt, Derek Gerhard, Strathmore-Brooks (W)
Fitzpatrick, Maria M., Lethbridge-East (ND)
Fraser, Rick, Calgary-South East (PC)
Ganley, Hon. Kathleen T., Calgary-Buffalo (ND)
Gill, Prab, Calgary-Greenway (PC)
Goehring, Nicole, Edmonton-Castle Downs (ND)
Gotfried, Richard, Calgary-Fish Creek (PC)
Gray, Hon. Christina, Edmonton-Mill Woods (ND)
Hanson, David B., Lac La Biche-St. Paul-Two Hills (W),
Official Opposition Deputy House Leader
Hinkley, Bruce, Wetaskiwin-Camrose (ND)
Hoffman, Hon. Sarah, Edmonton-Glenora (ND)
Horne, Trevor A.R., Spruce Grove-St. Albert (ND)
Hunter, Grant R., Cardston-Taber-Warner (W)
Jansen, Sandra, Calgary-North West (PC)
Jean, Brian Michael, QC, Fort McMurray-Conklin (W),
Leader of the Official Opposition
Kazim, Anam, Calgary-Glenmore (ND)
Kleinsteuber, Jamie, Calgary-Northern Hills (ND)
Larivee, Hon. Danielle, Lesser Slave Lake (ND)
Littlewood, Jessica, Fort Saskatchewan-Vegreville (ND)
Loewen, Todd, Grande Prairie-Smoky (W)
Loyola, Rod, Edmonton-Ellerslie (ND)
Luff, Robyn, Calgary-East (ND)
MacIntyre, Donald, Innisfail-Sylvan Lake (W)
Malkinson, Brian, Calgary-Currie (ND)
Mason, Hon. Brian, Edmonton-Highlands-Norwood (ND),
Government House Leader
McCuaig-Boyd, Hon. Margaret,
Dunvegan-Central Peace-Notley (ND)
McIver, Ric, Calgary-Hays (PC),
Leader of the Progressive Conservative Opposition
McKittrick, Annie, Sherwood Park (ND)
McLean, Hon. Stephanie V., Calgary-Varsity (ND)
McPherson, Karen M., Calgary-Mackay-Nose Hill (ND)
Miller, Barb, Red Deer-South (ND)
Miranda, Hon. Ricardo, Calgary-Cross (ND)
Nielsen, Christian E., Edmonton-Decore (ND)
Nixon, Jason, Rimbey-Rocky Mountain House-Sundre (W),
Official Opposition Whip
Notley, Hon. Rachel, Edmonton-Strathcona (ND),
Premier
Orr, Ronald, Lacombe-Ponoka (W)
Panda, Prasad, Calgary-Foothills (W)
Payne, Hon. Brandy, Calgary-Acadia (ND)
Phillips, Hon. Shannon, Lethbridge-West (ND)
Piquette, Colin, Athabasca-Sturgeon-Redwater (ND)
Pitt, Angela D., Airdrie (W)
Renaud, Marie F., St. Albert (ND)
Rodney, Dave, Calgary-Lougheed (PC)
Rosendahl, Eric, West Yellowhead (ND)
Sabir, Hon. Irfan, Calgary-McCall (ND)
Schmidt, Hon. Marlin, Edmonton-Gold Bar (ND)
Schneider, David A., Little Bow (W)
Schreiner, Kim, Red Deer-North (ND)
Shepherd, David, Edmonton-Centre (ND)
Sigurdson, Hon. Lori, Edmonton-Riverview (ND)
Smith, Mark W., Drayton Valley-Devon (W)
Starke, Dr. Richard, Vermilion-Lloydminster (PC),
Progressive Conservative Opposition House Leader
Stier, Pat, Livingstone-Macleod (W)
Strankman, Rick, Drumheller-Stettler (W)
Sucha, Graham, Calgary-Shaw (ND)
Swann, Dr. David, Calgary-Mountain View (AL)
Taylor, Wes, Battle River-Wainwright (W)
Turner, Dr. A. Robert, Edmonton-Whitemud (ND)
van Dijken, Glenn, Barrhead-Morinville-Westlock (W)
Westhead, Cameron, Banff-Cochrane (ND),
Deputy Government Whip
Woollard, Denise, Edmonton-Mill Creek (ND)
Yao, Tany, Fort McMurray-Wood Buffalo (W)

Party standings:

New Democrat: 54 Wildrose: 22 Progressive Conservative: 9 Alberta Liberal: 1 Alberta Party: 1

Officers and Officials of the Legislative Assembly

Robert H. Reynolds, QC, Clerk	Stephanie LeBlanc, Parliamentary Counsel and Legal Research Officer	Brian G. Hodgson, Sergeant-at-Arms
Shannon Dean, Law Clerk and Director of House Services	Philip Massolin, Manager of Research and Committee Services	Chris Caughell, Assistant Sergeant-at-Arms
Trafton Koenig, Parliamentary Counsel	Nancy Robert, Research Officer	Gordon H. Munk, Assistant Sergeant-at-Arms
		Janet Schwegel, Managing Editor of <i>Alberta Hansard</i>

Executive Council

Rachel Notley	Premier, President of Executive Council
Sarah Hoffman	Deputy Premier, Minister of Health
Deron Bilous	Minister of Economic Development and Trade
Oneil Carlier	Minister of Agriculture and Forestry
Joe Ceci	President of Treasury Board and Minister of Finance
David Eggen	Minister of Education
Richard Feehan	Minister of Indigenous Relations
Kathleen T. Ganley	Minister of Justice and Solicitor General
Christina Gray	Minister of Labour, Minister Responsible for Democratic Renewal
Danielle Larivee	Minister of Municipal Affairs
Brian Mason	Minister of Infrastructure, Minister of Transportation
Margaret McCuaig-Boyd	Minister of Energy
Stephanie V. McLean	Minister of Service Alberta, Minister of Status of Women
Ricardo Miranda	Minister of Culture and Tourism
Brandy Payne	Associate Minister of Health
Shannon Phillips	Minister of Environment and Parks, Minister Responsible for the Climate Change Office
Irfan Sabir	Minister of Human Services
Marlin Schmidt	Minister of Advanced Education
Lori Sigurdson	Minister of Seniors and Housing

STANDING AND SPECIAL COMMITTEES OF THE LEGISLATIVE ASSEMBLY OF ALBERTA

Standing Committee on the Alberta Heritage Savings Trust Fund

Chair: Ms Miller
Deputy Chair: Mrs. Schreiner

Cyr	McKitrick
Dang	Taylor
Ellis	Turner
Horne	

Standing Committee on Alberta's Economic Future

Chair: Mr. Sucha
Deputy Chair: Mr. Schneider

Anderson, S.	Hunter
Carson	Jansen
Connolly	Panda
Coolahan	Piquette
Dach	Schreiner
Fitzpatrick	Taylor
Gotfried	

Select Special Ethics and Accountability Committee

Chair: Mrs. Littlewood
Deputy Chair: Ms Miller

Anderson, W.	Nielsen
Clark	Nixon
Connolly	Renaud
Cortes-Vargas	Starke
Cyr	Sucha
Drever	Swann
Jansen	van Dijken
Loyola	

Standing Committee on Families and Communities

Chair: Ms Goehring
Deputy Chair: Mr. Smith

Drever	Pitt
Hinkley	Rodney
Horne	Shepherd
Jansen	Swann
Luff	Westhead
McPherson	Yao
Orr	

Standing Committee on Legislative Offices

Chair: Mr. Shepherd
Deputy Chair: Mr. Malkinson

Cooper	Littlewood
Ellis	Nixon
Horne	van Dijken
Jabbour	Woollard
Kleinsteuber	

Special Standing Committee on Members' Services

Chair: Mr. Wanner
Deputy Chair: Cortes-Vargas

Cooper	McIver
Dang	Nixon
Fildebrandt	Piquette
Jabbour	Schreiner
Luff	

Standing Committee on Private Bills

Chair: Ms McPherson
Deputy Chair: Mr. Connolly

Anderson, W.	Kleinsteuber
Babcock	McKitrick
Drever	Rosendahl
Drysdale	Stier
Fraser	Strankman
Hinkley	Sucha
Kazim	

Standing Committee on Privileges and Elections, Standing Orders and Printing

Chair: Ms Fitzpatrick
Deputy Chair: Ms Babcock

Carson	Loyola
Coolahan	McPherson
Cooper	Nielsen
Ellis	Schneider
Goehring	Starke
Hanson	van Dijken
Kazim	

Standing Committee on Public Accounts

Chair: Mr. Fildebrandt
Deputy Chair: Mr. S. Anderson

Barnes	Luff
Cyr	Malkinson
Dach	Miller
Fraser	Renaud
Goehring	Turner
Gotfried	Westhead
Hunter	

Standing Committee on Resource Stewardship

Chair: Loyola
Deputy Chair: Mr. Loewen

Aheer	Kleinsteuber
Babcock	MacIntyre
Clark	Malkinson
Dang	Nielsen
Drysdale	Rosendahl
Hanson	Woollard
Kazim	

Legislative Assembly of Alberta

9 a.m.

Thursday, May 19, 2016

[The Deputy Speaker in the chair]

Prayers

The Deputy Speaker: Let us reflect. As we conclude our time in the Assembly for this week and prepare to return to our constituencies and homes, let us continue to find ways to work collaboratively in our efforts to help our fellow Albertans as they overcome the many challenges that we face and will continue to face in the days ahead. Thank you.

Please be seated.

Orders of the Day

Government Bills and Orders Committee of the Whole

[Ms Jabbour in the chair]

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

Bill 17 Appropriation Act, 2016

The Chair: Are there any questions, comments, or amendments with respect to this bill? The hon. Member for Lacombe-Ponoka.

Mr. Orr: Thank you, Madam Chair. I appreciate the opportunity to speak to the bill. I guess the main thing that I want to say is that the reality is that this budget is not making things better for the province of Alberta; it's making things worse. It's punishing families, it's punishing business with risky ideological policies that in reality are going to make our province a weaker place. It's going to make it much harder for us to survive as a province.

The carbon tax, for instance, is going to punish everyday families and businesses and will make life significantly more expensive in Alberta. Everything from heating your house to buying your groceries to driving your kids to hockey practice will be more expensive thanks to the NDP carbon tax, and a lot more things could be added to that list. Any good that would have been done with the small-business tax reduction that was called for in the Wildrose jobs action plan is negated by the \$3 billion carbon tax. The typical family will see a thousand dollars a year in additional expenses thanks to the carbon tax. On top of the pricey and ill-advised carbon tax the typical family will now be paying probably up to \$2,000 a year more just to pay the interest on the NDP government's ballooning debt payments. That's like taking out a credit card in every Alberta family's name and expecting them to pay it off.

Let's break down the budget just a little bit with regard to the impact on families. The cost of living in Alberta, as I have said, is going to climb thanks to the policies of the NDP government. Everything from driving your car to buying groceries will be more expensive, and 40 per cent of Albertans will see no sort of offset to these damaging policies. The NDP government campaigned on asking the top 1 per cent to pay a little bit more. Instead, we've seen a reliance on personal taxes climb while the amount of revenue from corporate taxes actually shrinks. The reality is that the policies being put forward have created that scenario, created that reality.

The impact on businesses. The NDP cancelled their ill-advised jobs subsidy plan, with a price tag of \$178 million for two years.

Now, instead, they're forging ahead with an even more costly \$250 million for a two-year scheme, with no actual plan, no economic analysis or any idea of the number of jobs that will actually be created. It's good that they took our proposal to drop the small-business tax rate by 1 per cent, but any benefit is clearly going to be completely negated by the NDP's ideological \$3 billion carbon tax and their other policies that make our economy generally much worse and much weaker.

A couple of key facts. Seventeen thousand people are leaving the province this year in a net outflow of interprovincial migrants. Alberta's unemployment rate will be 8 per cent in 2016 and 7 and a half per cent in 2017 above the national average. Despite the struggles in every other sector and our exploding debt, government spending will go up 13 per cent by the next election. Everybody else in the province is having to tighten their belt, reduce their expenses, cut back on their income, but government just gets to keep expanding their little world endlessly. Well, it's not so little, actually.

What about the impact on communities? Alberta is seeing oil and gas investment at a point lower than during the major recession of 2008, which is hurting communities all across our province. Alberta is seeing approximately \$700 million less collected in corporate taxes, showing how badly this economic downturn is hitting businesses in every corner of our province. While the NDP wants to blame the price of oil as the entire and only cause for this, the reality is that everywhere else in the world is experiencing the same low oil prices but not the same massive economic collapse that we're experiencing.

In exchange for killing entire communities with an accelerated phase-out of coal, the NDP government has deemed it appropriate to allocate just a part of \$195 million for, and I quote, coal community transition. Apparently it costs less than the cost of an average overpass to kill a community. This fund will not even cover the average cost of an annual wage of the workers in those communities.

Then there's the impact of the carbon tax directly. The typical Alberta family will face an extra \$1,000 a year in taxes and other costs thanks to the NDP carbon tax. Families will see a 50 per cent increase in Alberta taxes on gasoline thanks to the carbon tax. Albertans can expect Vancouver-level gas prices thanks to the NDP government. At least in B.C. they were smart enough to get rid of that.

The credits being offered by the government to 60 per cent of Albertans don't take into consideration power bills, the increased costs of consumer goods, or the realities of busy families in the suburbs. The NDP government is punishing hard-working, everyday Alberta families, who work hard to make a decent income. There's even a marriage penalty in the rebates, with a married couple not receiving the same credit as two roommates living together.

A couple of other key facts. An individual family making \$51,000 a year net won't receive any sort of rebate. Families making over \$100,000 a year won't receive any sort of rebate.

The impact of ballooning debt and deficit. The NDP have taken less than half a year to break their own law that states there should be a 15 per cent cap on the debt-to-GDP ratio. This out-of-control spending is just plain irresponsible and puts Alberta on a path away from fiscal sustainability.

An Hon. Member: How long did they go?

Mr. Orr: Not very long. Less than half a year.

Wildrose came out with a solid, realistic plan to reduce the deficit by \$2 billion. Instead, the NDP plunged ahead with spending increases for a more than \$10.4 billion deficit. Alberta debt will be \$58 billion by the next election, a situation that is passing down irresponsible governance and poor decision-making to future generations of Albertans.

Then on the lack of a hiring freeze or restraint by the NDP government. While over 100,000 Albertans have lost their jobs, the NDP government has deemed it important to hire 250 new non front-line bureaucrats, people who don't actually serve on the front lines at all.

On infrastructure we will have to take a wait-and-see approach with this infrastructure spending until June to see what has lapsed. We are pleased to see that some form of an infrastructure sunshine list has finally been introduced. Sunshine is a good disinfectant. Some of it needs to be disinfected. Some key facts as well with regard to the infrastructure list. The Grande Prairie hospital is still at least four years out on that list. The new prioritized projects for this year – Peace River Bridge; Gaetz Avenue, Red Deer; Grande Prairie bypass – are good projects. And \$2.2 billion has been allocated for green infrastructure, but it's unclear what that will actually mean, whether it will result in any return to Albertans or whether it will just be, really, a taxpayer hit.

9:10

I'd like to speak a little bit to the specifics of some of the Culture and Tourism aspects of the budget. The biggest source of new revenue, supposedly, in the Culture and Tourism area – and Culture and Tourism is an area that is often said to be actually doing well in this recession, although I am cautious about that because the truth is that the data is two years old. We don't have any current data on it, and there are indications from the hospitality sector and others that, in fact, there are steep declines there as well. The only real source of new revenue that can be identified besides Albertans spending money on themselves would come from the adoption of new flight arrangements from Alberta directly to China.

The reason this is actually going to be successful is because private businesses, the airlines specifically and the airport hubs, saw an opportunity and knew that they could actually make some money on it. This wasn't even a government decision. It's not even part of the budget although they want to claim it. Private industry actually is the only money-making source we have in this province. All government industry is basically taxing individuals. It's private industry that creates wealth in any society. Private industry should be making some of these financial decisions and being listened to, not just government forging ahead with their spending as they want to. This is a good example of what the government should be doing, which means staying out of the way and doing as little as possible to interrupt the ability of the industry to create wealth and vitality in our province.

The carbon tax is going to affect the tourism industry negatively, and I fear that this is going to be a huge drain on our tourism value. It's going to affect the price of gas for travelling. Everything in this province is spread out. I had Japanese friends who came from Japan a few years ago. They landed in Calgary, and as we were driving them home, they were just in utter awe. They were stunned to realize – the comment was: everything is so big. Well, that's true. Everything in Alberta is big, and it's spread out, and people can't travel far without their cars and their vehicles. The price of gasoline to get to any of these tourist attractions is going to increase, which is going to decrease the appeal of Alberta tourism. It's going to affect the price of airline tickets, aviation fuel, the costs of airport hubs to be able to operate. Ticket prices are going to increase, and pretty soon we put ourselves in an international market where we're no longer competitive and foreign tourists choose to go elsewhere.

The entire cost of the hospitality industry is going to go up because of the carbon tax, hospitality in the sense of accommodation and of food. The carbon tax will affect the suppliers of restaurants. It will affect the cost of hotels and lodges. Producers have to pay for fuel to produce food. That's going to push

the price up. Food may grow on trees, but it doesn't transport itself to your table, and neither is it served in buildings that aren't taxed by carbon.

The minimum wage is going to affect the price of tourism. Many tourist destinations are actually not-for-profit organizations. Museums and many others are not all greedy, grubbing capitalists trying to take money out of people's pockets. They're actually attempting to provide cultural and historical benefit to our tourists. They're on tight budgets. They have no room to give raises, yet they're going to be forced to the point of increasing their wages. It will cost more, quite frankly, to operate these tourist sites because the wages are higher, because the fuel to heat the buildings is higher, and many of them will find their attraction being much less attractive because of the increased costs. Same thing with the hospitality issues for that: less service.

In estimates the Minister of Culture and Tourism essentially said that if he had more money, he would spend more money. When asked about tax credits for film instead of grants, the answer was that it would cost us a whole lot more money, which, depending on how you allocate, may or may not be true. He said, "I would hope that one day, when we have that kind of money in the budget, we could seriously consider that." Well, the challenge there is that with that sort of way of looking at it, there's no hope that we'll ever save. There is no hope the government will ever stop spending. There is no hope that we will ever see a balanced budget by a government with socialist ideologies driving them and behind them.

The reality is that they always talk about social licence. Here's a challenge on social licence. You want to spend money now, according to your budget documents and statements here in the House, because the economy is down and you're going to supposedly stimulate the economy, and Keynesian economics says that you're supposed to do that. The fact is that that has never worked in history. When, finally, if we get a return to economy, the budgets go up, then tell me what kind of social licence you're going to have to not spend money. Tell me what kind of social licence you're going to have when everybody knows you've got money coming in, but now you're not going to spend it on them. You're going to tell them: oh, now we have to pay off the debt. There isn't a possibility in all the world that you'll have the ability – emotionally, psychologically, or socially – to actually restrain spending when money starts to come in.

The truth is that we will never ever save under this government. We will never ever stop spending. We will never ever see a balanced budget because it's not within the realm of possibility for a socialist mindset. I'm sorry, but that's the reality.

Madam Chair, I am entirely opposed to this budget, and I will vote against it. Thank you.

The Chair: Any other members wishing to speak? I will recognize the hon. Member for Strathmore-Brooks.

Mr. Fildebrandt: Madam Chair, I was enjoying the Member for Lacombe-Ponoka's speech about the absolute inability of a socialist to ever grasp the concept of balanced budgets. I was hoping that he would care to elaborate on why that is.

Mr. Orr: Well, I think we really do have to think about the aspect of social licence. Governments respond to the will of the people, and in reality in a day and an age when we don't have money, the argument is: well, we'll spend money to supposedly stimulate the economy. But later, when there's supposedly an increase of taxes coming in, there are going to be all kinds of people standing in line – partners and friends of a socialist mindset, unions – who will be asking for more money, who will say: well, we took our no raise

period already; now you owe us; now you have to give us more money. So they'll be standing in line, demanding it of their friends, and there will not be the ability to actually restrain spending either if there's money coming in or if there's not money coming in. The reality is that we still have that situation where there's no hope we will ever save, there is no hope we will ever stop spending, and there is no hope we will ever see a balanced budget.

Thank you.

The Chair: I will recognize the hon. Member for Little Bow next.

Mr. Schneider: Thank you, Madam Chair. [interjection] No, not 29(2)(a).

The Chair: We don't have 29(2)(a) in committee.

Mr. Schneider: Of course. That's a good point. You'd think the whip would know that, wouldn't you?

I appreciate the opportunity to speak to Bill 17. The minister and his government have attempted to present a budget as a jobs plan that will help families in tough economic times, a clever marketing exercise, to be sure. But for all of the current government's grandstanding and boasting about this being a jobs budget, I would have to say that it is not. This is no credible jobs plan. Most of the plans laid out in the proposed budget don't start till next year. The labelling of this budget as a jobs plan just distracts from the massive debt that we see starting to pile up, a debt that endangers our province, to be sure.

As my colleague from Strathmore-Brooks pointed out yesterday, this is Alberta's ninth consecutive consolidated deficit, deficits every single year since 2008. This is deeply consequential for Alberta's future. It will make things worse. It can't help but make things worse. The carbon tax in this budget will hurt businesses, it will hurt jobs. Once again, the carbon tax introduced in the budget is accompanied by no economic impact assessment. The absence of that is now a common trait, it seems, as this government moves forward.

9:20

There are consequences to debt. Today's massive overspending is just an invitation for tax hikes or service cuts in the future. This government likes to espouse a Keynesian view of the debt, but they've somehow managed to contort even that economic theory. The flip side to that economic theory is that you curb spending when you're not in a recession; you don't just keep spending. This government seems to have missed that part of the equation. It's a problem that began in the twilight years of the previous government, to be honest, but the current government here today seems to have pushed their heel into that pedal a little more.

Debt is not an isolated matter. When debt grows, so do interest payments. That's why the cost of servicing the debt grows over time, and this is particularly consequential as time passes. It can't help but increase because there are only so many taxpayers, and with interest payments on multibillion-dollar spending, spiralling debt will continue to rise. This means that an increasing share of government expenditures over time will not go to services but more to servicing the debt that is acquired. Of course, that means there is less money to spend, less money for schools or teachers, less money for front-line staff. That's a problem.

Albertans pay taxes in exchange for government services. Taxes are compulsory contributions to the state – these are facts; they're not ideological statements – but Albertans pay taxes to all three levels of government expecting that there will be a certain quality to their services. Sure, they make a compulsory contribution deducted from income, but in exchange there are hospitals and

roads and law enforcement and so on. When debt is racked up, those payments get fewer results because an increasing number of tax dollars are used to service debt. Worse yet, this government has taken barely six months to break their own debt ceiling law, which stated that there should be a 15 per cent cap on debt-to-GDP ratio. Not only is this escalating spending entirely irresponsible; it directs our province away from fiscal sustainability.

Now, as my colleague from Lacombe-Ponoka stated in his speech, our caucus came out with a solid, realistic plan to reduce annual spending by \$2 billion. There are ways to achieve it. That's only 2 cents per dollar. There are realistic ways to achieve modest spending reductions, Madam Chair. But the sad reality is that Alberta's debt, a debt that will haunt future generations at this rate, will be \$58 billion by the time we get to the next election. This government is simply passing down its governance and poor decision-making to future generations of Albertans.

This budget, we're told, is a jobs plan – the Minister of Finance's speech here yesterday emphasized their focus on jobs – but it's entirely difficult to believe that this government will actually deliver on the jobs plan. Just yesterday we gathered here to speak to Bill 1, which is the flagship bill to implement the government's jobs agenda, but hardly anyone from the government side actually stood up to speak to it. Only the minister responsible stood up from time to time to explain why his government would be defeating amendments to a piece of legislation that nobody seems to want to defend.

To this day the current government has failed to properly and fully account for the alleged 100,000 jobs that will be created by this budget. We've all seen the Member for Calgary-Foothills go on and on. Also, in estimates he did ask several ministers the same question. The last budget was to allegedly create over 20,000 jobs at a cost of \$178 million to taxpayers for two years. To this day we don't know how they arrived at that figure, but they claimed it was an accomplishment and stood their ground until they conceded that they needed to rethink it. Now we are told that this budget, as the result of this appropriation bill we are considering today, will create 100,000 jobs.

Just over two weeks ago in the main estimates consideration for the Labour budget the minister was asked to give an accounting for the 100,000 jobs created. She chose instead to refer to the Minister of Infrastructure. I thought it was somewhat peculiar, but when we did the Infrastructure estimates, I did question the minister, the following week, in the consideration of those estimates, and he indicated that they expected infrastructure investments to create approximately 10,000 jobs. Beyond that, he referred us to the Minister of Finance. It seems like it's quite a circle, Madam Chair, and it reveals a certain uncertainty about this government's projected job numbers.

Writing in the *Financial Post* about a month ago, Trevor Tombe, an assistant professor in economics at the University of Calgary, wrote:

The budget forecasts employment growth of 112,000 jobs between now and 2019. That's a sensible estimate, but due more to a normal and gradual economic recovery than any specific budget measure. Mere population growth accounts for roughly one-quarter of that increase.

If the jobs that are to be created by this jobs plan are the result of normal and gradual economic recovery, then why on earth is this government embarking on such a devastating road to long-term debt? It's just not clear, but it does make life more expensive.

There are further hidden costs. Many of my colleagues have spoken about the impact of the carbon tax, an ill-advised excursion that will make life more expensive for all Albertans, but it will also adversely affect other areas of life as well. The proposed carbon tax

in this budget is just another massive overhead fee for actual job creators. With increased overhead fees, the amount they will be able to set aside for labour will become less and less.

Now, this government prides itself on infrastructure investments. But as we've seen in the preceding two weeks, the government has made no final assessment of how much the carbon tax will impact the construction industry, and thus, by extension, how much they're going to diminish the results that can be achieved with this much infrastructure spending. When you get down to it, it becomes clear that you get a lot less out of this budget than you are paying for.

I remember asking the minister what the increase would be in relation to the carbon tax and the building of infrastructure. I'm not arguing that we're going to do some infrastructure building and that it may be a good idea. We certainly are going to see some one way or the other. The carbon tax will increase the price of fuel, certainly, and the people that have to build the infrastructure for Alberta will have more costs, so increasing those costs will now mean that it costs more for infrastructure itself. I think the question that I asked was actually a transportation question, and the minister's response was that, well, gas right now is 98 cents a litre, and several months ago it was \$1.28. So what's the difference? Nobody will know the difference as the increase goes on.

Madam Chair, the facts speak for themselves. This budget proposes a significant uptake in debt for Alberta. Debts and deficits like those proposed here will result in incredibly difficult decisions in the future. For all the problems that will be caused by this head-first dive into debt, perhaps one of the most significant problems is that the government will actually have little to show for it when it comes to results.

With that, I thank you, Madam Chair.

The Chair: Any other speakers, questions, comments, amendments? I will recognize the hon. Member for Livingstone-Macleod. Oh, sorry. Battle River-Wainwright. I was looking at my list and not at who was standing. My apologies.

Mr. Taylor: I was willing to sit down, you know, in case the Livingstone-Macleod gentleman was up there before me, but thank you, Madam Chair.

Today I rise to speak on Bill 17, the Appropriation Act, 2016. In short, I'll be speaking on the budget because that's really what it is. That's what the average person understands. If you say "appropriation act" out on the street, they look at you with a blank stare and say: what are you talking about? But if you say that we're talking about the budget, they understand that. So, in short, that's what I'll be speaking on, how we'll be making things worse and punishing families, hurting job creators in my riding with their irresponsible actions, and also portfolios like mine, Advanced Education. Those are the things that I'd like to touch on.

This government's budget, Madam Chair, is raising taxes on everything and making everything more expensive in the end. I know you've heard it before, and we'll continue to let the members opposite know that that's what's going to happen. Unfortunately, when I look at this budget, there seems to be no plan, just money being thrown, like a dartboard. You know, you take a dartboard and you put a blindfold on and see what's going on, hoping to hit the right spot. But this budget does not seem to hit the right spots of the target that Albertans need.

9:30

This government wants to raise money for its risky, ideological agenda, and that's why, in part, we don't have a balanced budget. Too much money seems to be going into too many places that at this present time make absolutely no sense, that it shouldn't be

going to. Let's take, for example, one of the means to raise taxes on every Albertan. That's where you're getting some of your sources for the budget from, the carbon tax. The carbon tax, you know, will punish families, businesses, charities, postsecondary institutions, schools, K to 12, and the list goes on. Life will be more expensive for everyone. It's going to be even more expensive for my neighbour here who had to run with the ambulance services. It's going to cost more to run those ambulances up and down the road here. You know, these things are all going up in price because the carbon tax is making it more expensive.

Take your own home, for example. The cost of heat will go up. The cost of power will go up. Driving to and from work will go up. If you want to take your kids to some kind of sporting event – whether it be hockey, ballet, whatever it is – it's going to cost more just because the cost for those things is going up. The cost of groceries is going to be going up. The groceries don't just magically appear here in this province. They have to be driven into this province, and when the trucks fill up their tanks with fuel, they have to pay the carbon tax, so the cost of food is going up.

Compare this to institutions that Alberta depends on day in and day out, like our hospitals and postsecondary institutions. These buildings literally – and I mean literally – have millions of square feet of space that they need to heat and light, and they need to be able to run the computers. Well, that takes electricity. They have labs that they have to have in their buildings, so they have to have those things and have the right conditions. They also provide food, and the cost of food that's in there will go up. Everything is going up that they supply. Everything goes up as a result of the carbon tax, as will the cost of maintenance, so when they run their trucks back and forth. The cost of transportation: whether it is to get the students to the schools or whether it is transportation for having the students going from the campus to the field to do their work at the universities, they have to get there, so students frequently go from the Edmonton university, the U of A, and they'll go somewhere out in the field to discover whatever that project is. At the U of C and the U of A they have people that work with paleontology, I believe, but they have to go over to the Brooks or Drumheller area to dig the bones. There are fuel costs. Everything goes up.

The typical family will see a thousand-dollar increase per year, every year, due to this carbon tax. Unbelievable.

Mr. Yao: How much?

Mr. Taylor: A thousand dollars per year, every year, as a result of this carbon tax. It's a shame. It truly is a shame. For the reasons I just mentioned as well as others, there is virtually nothing that is not increased by this tax. I would really love it if the government would table it and show us the things that won't be increased by this tax because I believe everything has an impact on this tax.

The increased cost to postsecondary institutions will literally be in the millions of dollars as a result of this carbon tax. Our poor students. These costs, of course, will be passed on to students in one form or another. It is simply going to cost more to get training or education past grade 12. Obviously, this will make those options less attractive to the potential students, and we will probably see a decrease in enrolment as a result of the tax hikes once they're truly felt. Is that what this government wants to see, the costs go up in postsecondary institutions and the enrolment go down? I think that should be the opposite of what their objective is, but there is a potential unintended consequence of that happening.

You know, an interesting note – I think it's a very interesting note – on the timing of the implementation of the carbon tax is that it coincides quite closely with the lifting of the tuition freeze. At least, that's when the government says that they're going to extend them

to. That's 2017. The carbon tax will be implemented in 2017, and that's when they're going to start to hurt Albertans. Coincidentally, 2017 is also the time that the tuition freeze on what universities can charge students will be lifted. That seems like a funny coincidence there. Perhaps that was part of the plan. I don't know. I believe tuition fees have been artificially held down, and with the implementation of carbon taxes postsecondary institutions will become more expensive and perhaps a whole lot more expensive.

If you look at simply the support for adult learning expenses in the current budget for Advanced Education, we see that \$2.3 billion will be spent just to keep the institutions running. That's \$2.3 billion to keep the institutions running, but this number does not include the cost of the carbon tax.

Next year we'll see the next budget. We will see not only the 2.9 per cent increase, but the government will also have to include increases to that amount to cover the cost of the carbon tax. Alternatively, the universities will have to impose a huge increase in tuition fees to cover those costs. Either way, increasing costs will put the cost of postsecondary institutions beyond the reach of many Albertans. That's what I fear, and that's what the numbers are starting to look like.

Things are getting worse by the minute, literally. Every minute. If you look at the debt clock – and the Member for Strathmore-Brooks went around the province with a debt clock, and he was showing how fast that debt was rising. That is where we met, in Wainwright, and we were looking at the debt clock. Every minute we go into debt more, and it's spiralling faster and faster and faster into a larger number as a result of this government's budget. That debt, like I say, keeps going up, and we have to pay it back, and we'll have to pay interest on this. The more we have to pay, the more we'll see credit downgrades. That's another one of those unintended consequences but inevitable facts about what's going to happen. In fact, Albertans will shortly be paying interest on the NDP's debt to the tune of \$2 billion per year.

Mr. Yao: How much?

Mr. Taylor: Two billion dollars per year.

An Hon. Member: How much?

Mr. Taylor: I said \$2 billion a year. Can I have an amen?

That's \$2,000 per family for every year. That's what it's going to cost them, \$2,000 a year to pay for that debt. That's irresponsible. That's, frankly, very expensive. This will take \$2,000 out of the pockets of families that want to send their children to postsecondary schools – institutions, schools, whatever – making it that much harder to do so. You combine that with the carbon tax, and that's another thousand dollars that comes out of every family. So \$2,000 to pay for the debt, a thousand bucks to pay for the carbon tax, and once the tuition freeze is lifted, there's going to be an additional cost associated with that. We're looking at quite a bit of money that's going to be going to pay for this for the students. It's going to have to come out of their pockets.

Albertans didn't want this. They want and expect a responsible, predictable, sustainable budget, not one that keeps going up wildly by the minute. Wildrose has a plan for Alberta, not one that focuses on risky, ideological social experiments that this NDP government is giving us. Albertans can't afford this.

9:40

Why should Albertans care about how much money this government is spending? Albertans have to pay not only for it now but in the future, when they're old and grey if they're not there now,

or their children, their grandchildren will be paying for these risky economic policies. Money will be taken from these young children now. It's irresponsible because they don't have a chance. They don't have a vote. They don't have a say in what's going to happen with it for the rest of their lives. Right now we're spending money from children that are just being born and ones that are eight, 10, 12 years old. We're spending their money, and that's just irresponsible, saying that we know better for them. Well, when they have their chance to have it, I think they would want to have a balanced budget, one that's predictable and sustainable, and not one they have to pay high taxes on. For the sake of Albertans and for the sake of our children, fellow members, budgets need to be balanced and responsible.

We can't afford the price of everything going up. What's going to happen with this budget? It looks like in the future here they're looking at getting rid of coal-fired plants. That's going to kill towns like Forestburg and Hanna. It's also going to affect the people that are in the towns right close to it. We've got Donalda, we have Killam, and we've got Bashaw. These ones are right next to them. It's hurting these towns.

The debt is not a laughing matter. It's something we need to be serious about. We have to be serious about the debt. We need to balance budgets. We need to be able to look at these budgets and be able to predict how much we can spend as how much we have coming in here. We need to have a responsible budget, not one that's going to be taking us up more and more into debt.

With those points, Madam Chair, I cannot support this budget. I truly hope that the members opposite will agree with me and not support this budget.

Thank you.

The Chair: Any other questions, comments, or amendments with respect to this bill? The hon. Member for Lacombe-Ponoka.

Mr. Orr: Thank you, Madam Chair. I'd actually like to just add a few comments to my previous comments. This is a budget that is truly going to destroy Alberta. I have young couples, young families in my riding who have literally chosen to make an appointment at my office, and the one thing they want to say is: "I don't want to live with a lifetime of debt. Why are we doing this?" Young families do not want to live with a lifetime of debt, and that's what this government is creating.

I am troubled by a Minister of Finance who will stand up in the House and brag that we have a perfectly healthy debt-to-GDP ratio, who will brag about the fact that our credit rating is healthy. "The ship of state is safe. What are you worried about?" It's a bit premature to claim that all is well while you're selling the family farm. To say that the ship of Alberta is safe all the while drilling holes in the hull is, I think, a bit hypocritical. It's like a healthy person standing up and saying: "I can feed my addiction. I'm healthy. What's the problem? I feed my addiction all I want." It is financial hypocrisy to claim strength and all the while to be destroying the foundations of financial strength in our province.

Now, I know that if I say that the government of Newfoundland is making the right choices – they have the same loss of oil revenue – that all the lefties will stand up and cry, "Oh, there's such suffering about it," and they try to rein the government in on this, all those with their hands out for more money. But why does Newfoundland make this choice, the opposite of what Alberta does? Let me give you a little bit of history. Why did Newfoundland even come into Canadian Confederation? Why? Because they were bankrupt, and the federal government bailed them out of their bankruptcy and paid off their debt for them. Is that the next step for this NDP government, to ask the federal government to bail you out

of your bankrupt state? That's why Newfoundland is wise enough to make the choices that they're making today.

I call this – if I might use a bit of an illustration from our friend the vet – a dog chasing its own tail budget. That's what this budget is. Let me explain what I mean. The government wants to hand out candy in the form of benefits to everyone, but candy costs money, and where do they get their money to give to all the children of Alberta? They get it by stealing from the kids' piggy banks. That's where they get it from. They steal it from the kids so they can give it back to the kids, which is a dog chasing its own tail.

We talk about infrastructure spending as if it's investment in our province, and in some ways it benefits us socially, but this investment, let's remember, requires money to be made, and where do they get the money from? They get it through the extortion of taxes. Raise the taxes endlessly: personal taxes, income taxes, not just the big, evil corporations. They raise it from their own people.

Maybe a sports illustration would be helpful. Every coach in the country challenges his players, every coach in the country challenges his team to be the best and to do the best. No coach that I can imagine would be encouraging his team to become like the Edmonton Oilers, the very bottom of the rankings, the very worst in the league, yet we're constantly told: oh, well, Ontario does it. The very worst player in the provincial league, and we want to compare ourselves to them? We brag about the fact that Alberta is the best place to live, but it's a self-delusion. We're financing it with a reverse mortgage on this province. Reverse mortgages actually bleed seniors of their assets. They leave seniors with nothing, and I have no desire to be part of a government that's going to leave the people of this province with nothing, and neither should all of you.

This is not a budget to be approved. This is a budget that everybody in this province should oppose entirely. The spending profligacy of the last government got them thrown out, and so it will do to any future government that continues to spend without restraint and without regard. If you can't pay for it, you can't have it is how I live my life. I believe in living with true simplicity. Smaller is actually better in many cases.

I cannot and I will not vote for this budget at any time. Thank you.

The Chair: Any other members wishing to speak to the bill? Go ahead, hon. member.

Mr. Taylor: Okay. Thank you. I just want to make a few more points that came up as a result of our last member's passionate speech. You know, I've been on the phone daily, it seems like, either that or e-mail. People are leaving this province. They're telling me that they have to leave this province because they can't afford what's happening here. They're leaving in droves. They're either going to Saskatchewan or British Columbia. That's where they're looking at as the best options. Businesses, large businesses in my riding have left as a result of this. Many are ready to close their doors as a result of this. They told me that they can't afford it, so they're going to go. They said that they can't afford not only the next three years – that's when this government is here for, another three years – but they said that they can't afford this socialist government. That's what they said, that they can't afford this socialist government.

They're saying that the problem, too, is not just the next three years. They said that it's going to take years and years. Once we get ourselves into \$40 billion, \$60 billion in debt – we're not sure – it's going to take how many years to get us back to having ourselves paid in full?

I would just challenge this government to answer that question. You're spending like this right now. How quickly do you think you

can have this paid in full? That's what I would love to see tabled, an answer to that question, because that's a question that I get handed. It seems like every time I go back to my constituency office, I'm having people come to my office and ask me those questions. That's one of the very first ones that comes out of their mouths. They cannot believe what's going on, and it's just a sad thing.

We had the Alberta advantage – the Alberta advantage – where it was paid in full. Ralph Klein held up the sign in 2004: paid in full.

9:50

An Hon. Member: We have a socialist disadvantage.

Mr. Taylor: Now we have, yeah, the socialist disadvantage.

I don't know how they want to spin this one, but that's what's happening. It's going downhill. We're paying more. We're paying so much in debt. Just to pay the deficit is killing this province. Once the oil recovers, we won't see a full recovery because we will have that much more that we will be having to pay. I can't see any places in Canada that these social experiments, where they tried to spend themselves into prosperity, have worked. Again, please try to give me an example of where they spent themselves to success, to a balanced budget, or to excess in a budget. It has not happened.

For those reasons, Madam Chair, I cannot support this budget. Thank you.

The Chair: The hon. Member for Strathmore-Brooks.

Mr. Fildebrandt: Madam Chair, thank you for the opportunity to rise today and speak to Bill 17. You know, I'm very interested in the way debate is proceeding in this House. Members of the Official Opposition during debate have pointed out that the socialist members opposite get very upset when they get called socialists. When they call me a conservative, I don't wince. When they say, "Derek, you're a limited-government conservative," I don't say, "Ah, don't call a conservative a conservative." But when you call a socialist a socialist, oh, they squirm in their seats almighty, don't they? They get pretty squirmy.

You know, I really wish we would have more participation in this debate from the members opposite. It's their bill. They should stand up and defend it. Unless I'm mistaken, I haven't heard a single member from the government opposite stand up and defend their own budget yet today. That's shameful, Madam Chair. We're talking about the big ideas of this budget, the big ideas that are informed by our values, in this case the socialist values of the members opposite, and it does seem to be heavily informed by that set of values.

You know, we've got clear, self-avowed socialists on the government side like the Member for Edmonton-Ellerslie, who vigorously defends the hard-line Marxist regime in Venezuela, a country that has run out of medical supplies, that has almost run out of food, a country that produces oil but doesn't even have gasoline anymore, a country that can't even produce toilet paper for its citizens. There's an apt metaphor about cleaning up socialism in there somewhere, Madam Chair. We've got the Member for Calgary-East, who protested against pipelines, who protested against the very viability of our energy industry in this province, who has now been shamed into slightly more common-sense policies by the Official Opposition.

You know, we have these members opposite here that positively hated the Member for Grande Prairie-Smoky's motion about ending the tanker ban on the west coast. They absolutely hated it, but they were shamed into voting for it only when the Official Opposition called for a recorded vote. Madam Chair, it looked like a child squirming as you fed him some pretty bad medicine, but it was good

medicine that was very good for this government. Now we've asked that the Minister of Energy go out there and carry out the wishes passed by this House to the federal government to advocate for an end to the proposed tanker ban on the west coast, something very critical to our economy. What does the Minister of Energy have to say? Shrugs her shoulders because they actually disagree with the motion that they voted for. They only voted for it because Albertans would have seen them for what they are.

This is very serious, Madam Chair. This goes to the very heart, the spirit behind this bill. This is a bill informed by a hard-line socialist ideology with members that have no idea of how a responsible government should act. That is why they are proposing to remove their own 15 per cent debt-to-GDP limit.

Now, let's remember. We have had a long, steady decline in the fiscal position of this province. You know, after the fiscally reckless years of the Getty government Ralph Klein balanced the budget. Ralph Klein paid off the debt. To ensure that that wouldn't happen again, the Klein government, which I was very proud to support, banned deficit spending in the future so that politicians like this couldn't come around and put their hands in the cookie jar again. And piece by piece successive governments have dismantled the laws that we put in place to protect taxpayers.

Piece by piece some reasonable measures were taken to allow for things like P3s and limited financing for capital projects under the Stelmach government. But it was the thin edge of the wedge. They did this with the best of intentions, I believe, but it was the thin edge of the wedge and eventually led to significant liabilities for P3s, led to growing liabilities for capital projects. It saw us draw down our \$17 billion sustainability fund in consecutive deficits.

Then under the Redford government we saw a total abolition of the remaining Klein legislation, the Fiscal Responsibility Act. The repeal of those bills led to a massive influx of debt financing in the province, that has left us in a very poor fiscal position, with virtually no savings left in the bank and a significant debt that will reach over \$60 billion in just a few short years.

But this government came in. Now, they got their math wrong during the election. They said that they would balance the budget by 2018. It turns out they forgot to carry a few numbers. Then they said that they would have to balance it by the end of 2019. Then within the first month of being in government, they said, "Well, that was wrong, too, so we're going to have to kick it back to 2020." But then they said: "You know what? Don't worry about this. We're going to get rid of even the remaining small restrictions that we have left on debt financing and deficit financing in this province." And they allowed now borrowing for the operations of the government. Absolutely disgraceful and irresponsible, Madam Chair. "But don't worry. We're going to put a cap of 15 per cent of debt-to-GDP on our financing. Don't worry. Anything beyond there would be reckless, and we won't be reckless." Just four and a half months later they come crawling into this Chamber and present us with a bill to repeal their own debt ceiling limit. It's shameful and embarrassing.

You know, I like to tell the Minister of Finance that it's my job to hold him accountable and to take his job in three years. If I have his job in three years, Madam Chair, and I pass a bill, I swear by the gods that I hope I never have to go through the disgrace of having to repeal my own legislation a few months after I pass it. I would be embarrassed. Either he didn't think it through then, or they had no intention of following through with it in the first place.

We warned the government repeatedly – repeatedly – that their revenue projections were ridiculous, and they called us fearmongers. They said: "Aw, you don't know what you're doing. Just trust us." Well, as Ronald Reagan used to say about the Soviet Union: trust but verify. We verified their numbers, and they turned

out to be bollocks. They turned out to be absolutely worthless, Madam Chair. They turned out to not be worth the paper they were written on. They have not even come close to hitting their revenue projections. First, during the campaign they moved their balanced budget date from 2018 to 2019. Within a month of getting elected, they moved it from 2019 to 2020. And then they moved it in the fall budget from 2020 to 2021. Now they're saying: best-case scenario, shot in the dark, maybe 2024. But that's not even a firm commitment.

Has anyone ever tried to drive a car on a dark road without headlights, Madam Chair? That's pretty much what this budget is akin to. They think vaguely they're heading west, but they're really just driving down a road with no headlights on. They have no idea where they're going. They have no idea where they're going.

An Hon. Member: They're leaping into the dark.

Mr. Fildebrandt: They are leaping into the dark, Madam Chair.

You know, it really is sad to see a government that is supposed to represent Alberta, to have the best interests of Albertans at stake be unable to formally and equivocally divorce themselves from their federal organization, which is vehemently anti-Alberta, that has passed a Leap Manifesto that would crush the economy and send us back into the pre-industrial ages. I tell you that if there was such a thing as a Wildrose Party of Canada, however oxymoronic that term would be, if there was a federal Wildrose Party that passed policies that would crush the Alberta economy, the Wildrose Party would divorce itself from it unequivocally, and it's shameful that the members over here refuse to do the same with the Leap Manifesto.

10:00

During the main estimates we had the pleasure of having the Minister of Finance in. I really like it because when we're having a debate about the budget, he actually has to be there and answer questions, unlike other forms of debate that may or may not be taking place in the Chamber. When we sat down for debate on the estimates, we went through the absolute inability of the government to meet its revenue targets and how that's going to mean perpetual deficits for the foreseeable future. I asked a question of the Minister of Finance. I said: do you have any intention of bringing forward a provincial sales tax or harmonized provincial sales tax if not during this term of the government then in the future? Because they have no plan whatsoever to even get close to a balanced budget, I said: do you have any intention of bringing forward a PST in the next term?

Mr. Nixon: What did he say?

Mr. Fildebrandt: Well, the chair of the committee that I was at, the Resource Stewardship Committee, the Member for Edmonton-Ellerslie, tried to block the question. He tried to protect the minister. He tried to protect the minister from even being asked the question. He said that that is not relevant to a budget debate. Madam Chair, the NDP tried to shut down questions during estimates, saying that it is not pertinent to the budget to ask the Minister of Finance if he has any intention of bringing forward a PST. That's like asking the Minister of Health if there's a plan to keep a hospital open.

They're afraid of Albertans knowing what they're up to. They're afraid that Albertans will see their hidden agenda for what it is. Now, we know the Member for Edmonton-Ellerslie is a hard-line socialist and a big fan of Hugo Chavez and had even said prayers to his name when Hugo Chavez passed away, but he abused his position as the chair of the committee to shut down questions about a provincial sales tax, arguing that a provincial sales tax had nothing

to do with the budget. How ridiculous is that? How ridiculous is that? That is because the NDP has no intention of having a legitimate budget debate. The Member for Calgary-Elbow and I had to put the chair back in his place – and he was pretty quiet after that – but he tried to shut down legitimate questions until we bit back, and he had to shut his mouth pretty quickly.

Madam Chair, the NDP want to shut down legitimate budget debate and not answer the questions. That is why I'm shocked to see that the Minister of Finance has not risen once in the House today to defend his own budget. We can't even get a single backbench member of the government to stand up and defend their budget.

Maybe the Member for Calgary-Currie will. I know we always have enjoyable interactions in the House. Perhaps the Member for Calgary-Currie will stand up and defend the budget, or perhaps my friends from Calgary-Northern Hills or Leduc-Beaumont, Edmonton-Beverly-Clareview, Banff-Cochrane. The people of Banff-Cochrane: I know a lot of folks in Banff-Cochrane who are very unhappy with the representation they're getting in this government right now. I'm working very hard with the Wildrose organizers on the ground, Madam Chair. They are quite upset with the way it's going. So perhaps the Member for Banff-Cochrane would like to stand up and defend his budget. I haven't seen him stand up for a very, very, very long time in this House. I'm not sure if it's because he doesn't actually agree with this budget or if his party whip isn't letting him stand up and defend it. Perhaps the party whip just isn't letting him stand up and defend it. Maybe the Member for Calgary Shaw. I have certainly met with a lot of his constituents, and they're very unhappy with the representation they're getting here. The Member for Calgary-Shaw should stand up and defend the budget.

Madam Chair, it is a basic principle, I believe, in this House that if you are going to vote for a budget, you should stand up and defend it for at least 30 seconds in this House. The Official Opposition is going to continue to press for answers from this government, and I would really hope that at least one member on that side of the House will stand up and answer questions to defend their budget before we vote on it.

Thank you.

The Chair: The hon. Member for Calgary-Elbow.

Mr. Clark: Thank you, Madam Chair. I would hope that in this House we have robust debate about ideas, about policies, about bills under consideration. I don't think it's tremendously helpful to call out individual members and put them on the spot. I think that we've heard a lot of name-calling. I've heard the word "socialist" more times in the last 20 minutes than I've heard since my time as an undergrad at the noteworthy left-wing University of Victoria.

You know, I want to say a few things about this budget, about Bill 17. Some debt is okay. Sometimes some debt is okay. I think there's a clear argument to be made. The member previous, from Strathmore-Brooks, referenced the Ralph Klein era. That massive cutback in the '90s led to a substantial underinvestment in infrastructure in this province. That's a platform we ran on, to borrow responsibly to rebuild infrastructure in this province for the benefits that we will reap from having that infrastructure. There's a real need to rebuild hospitals and rebuild schools and build new schools and build new health facilities.

You know, it's like a mortgage. I bet you that almost everyone in this House, if not themselves personally then their families, has taken a mortgage at some point, and that is responsible borrowing. It's backed by an asset. That's okay. I have a real worry that our friends in the Wildrose, should the day come – and I hope it doesn't

– where they actually form government, will never borrow another penny ever again. [interjection] We now have confirmation from Strathmore-Brooks that they would never borrow a penny ever again. That is a recipe for massive cutbacks to front-line services. There's no other way to do it in a real challenging economic time. I don't know what our friends in the Wildrose would do.

At the very least, we have a budget here, which we're going to debate. Now, lest my friends on the other side get too excited, I'm not a big fan of this budget, because there is a middle way, a better way of dealing with the financial crisis that our province faces right now. Responsible borrowing for capital? That's okay. Borrowing for operations? That's not okay. It is the difference between mortgage debt and credit card debt. Credit card debt racks up over time, and it gets to be out of control. We've already heard that \$2 billion a year, in a couple of years, will be our debt-service cost alone. That's a 159 per cent increase. The debt ceiling being eliminated, which is a bill before this House later this morning, is a huge concern. That lasted less than six months.

I ask the question again: what if the forecasts are wrong? What if there's a further crisis? What will the terrible forest fires in Fort McMurray and area do to Alberta's budget? We don't know yet. We're still in crisis mode, and I sincerely hope that we move very quickly into recovery mode. I sincerely hope that the good people of Fort McMurray can find their way back as soon as possible, but that's going to have a substantial impact on the bottom line of the budget of this government. There's virtually no way, I think, at this point that we can even expect to hit the deficit number that we're facing. One of the reasons that you want to have a strong balance sheet and one of the reasons that you want to make sure that you have some flexibility in your budget is for unforeseen things like the terrible, terrible situation in Fort McMurray.

Now, what's happened there to date is not the fault of this government in the slightest. In fact, I think this government deserves a lot of praise for the way that they have responded to the forest fires. It is remarkable. I said this in estimates, and I'll say it again here for the House. I think the emergency response that's happened from this government and from the tremendous people in the Alberta Emergency Management Agency and in Transportation, in Energy, in Health, in Human Services, in Education, in every single department of this government that has anything to do with Fort McMurray, is nothing short of remarkable. It is tremendous, what has happened, I think something that we should be proud of as Albertans. We should be very proud of that, but the challenge that we face when we have a \$10 billion deficit is that when unforeseen things like a forest fire happen, we have no fiscal flexibility to deal with that. That puts us even further behind, and that is a real, real concern.

10:10

Not only is there no plan to get to balance, but there's no plan to get to surplus, because once the money is borrowed, well, it has to be paid back. We have this vague idea that perhaps, maybe in eight years, the budget maybe will balance itself magically, but there's no plan then to get to surplus. There's no plan to actually pay back the money that's been borrowed, and that's a real concern. So there are choices. There are choices this government can make.

I'm going to talk about some of those choices. I'm going to talk specifically about what we in the Alberta Party would do to address Alberta's fiscal crisis, and I would challenge every other opposition party to put forward their plans. This is something that I think is very important on the opposition side. It's, frankly, very easy to poke holes in what the government does. The government has no choice but to put forward legislation, put forward policy. That's your job, and our job on the opposition side is two things. We

oppose; we poke holes and identify areas where you might want to improve or things that we don't like. But there's a second half to that job, which I think is more important, and that's proposing ideas of what we would do differently. That's our job, equally and maybe even more so than simply tearing down what the government does.

In fact, I think it's far more consistent with Alberta values because in this province we are builders. We are doers in this province. We talk about what we would do. The Alberta Party's shadow budget: what would we do? We would balance the budget in four years. How would we do that? We would accommodate for population growth, and we would freeze but not roll back public-sector salaries. I think that's a fair request at a time when the great public servants – and I've talked about the work that's gone on in Fort McMurray. I think that's a really good indication of the quality of people that we have in this province working in Alberta's public service. I have a tremendous respect for those people. But when your neighbours are losing their jobs, when your neighbours are being asked to take a four-day work week and therefore a 20 per cent pay cut, I think it's fair that we ask public-sector workers to get paid the same next year as they got paid last year. I think that's fair because they have a stable, steady job. That is how we're going to bring costs in line in this province and get Alberta's spending back to at least the national average.

I think that's fair. We do that. It doesn't result in massive public-sector layoffs, it doesn't result in big front-line cuts, but with that wage freeze I think it's a fair request of our public service. So that does gradually bring our per capita spending back in line with the national average.

Now, the other thing we can do is engage in a genuine way with our public servants and ask them how they think we should find cost savings. There is scarcity in Alberta's economy right now. There is massive job loss; we have high unemployment. For the first time in three decades our unemployment is higher than the national average. There's scarcity out there that's being created by these market forces that are imposing on Alberta. We need to engage people in the public service to find ways of doing more with less. That's what every other company, every household is doing around this province, finding ways of getting more out of what they already have.

The only area where I don't see that happening in any meaningful way is the Alberta government. There is a way to engage those great people in the public service and ask them to do more with less, to think of innovative ways of streamlining processes. It's not just about moving a piece of paper from point A to point B. It's about an outcome for Albertans; it's about good service for Albertans. There are great people in there. What we need is real leadership from our provincial government to make that happen.

We agree with the small-business tax cut of 2 per cent. We agree with the idea of an investor tax credit, but it needs to be a broad-based investor tax credit. I asked earlier this week exactly how that investor tax credit will be rolled out. I can tell you there's a lot of concern that the tax credit is going to be over narrow, that it will result in the government picking winners and losers. It's very important, and I really do encourage the Minister of Economic Development and Trade to consult widely and to listen to those business owners and to really allow that to be as broad a tax credit as possible. Don't make the mistake that others have made previously. Ensure that we don't borrow for operational spending. Make that our hard-and-fast limit. If you want to legislate something, legislate that.

The carbon tax. I'm in favour of a carbon tax. Done properly, I think a carbon tax can help Alberta not only reduce our emissions but create a frame where in this province we can innovate. Alberta companies, Alberta entrepreneurs will develop technologies that we

can sell to the rest of the world. That will not only reduce Alberta's carbon emissions and find that elusive social licence we talk so much about in this House, but the world will see that Alberta is, in fact, a very responsible energy producer already and that we're only getting better by reducing carbon per barrel. We'll create technologies the world wants. That will help diversify our economy by pivoting off what we already do very well in this province.

If the carbon tax is done right, then we will achieve that goal, but if we have massive rebates to almost two-thirds of the province, I'm not sure that, in fact, that's done properly. So that remains to be seen. I imagine we will be debating that carbon tax even further in this House, so we'll see exactly how it's done. The principle of a carbon tax I support. The implementation and the way it works is an open question.

This budget makes me worried for the future of our province, not worried for the future of our province in terms of the total viability. I'm pretty sure that the sun is going to come up tomorrow once this budget is passed. But it puts us on the wrong path, and we need to find a middle way, a better way, a better way than massive front-line service cuts and a better way than massive, unsustainable deficits. There is a middle ground. Unfortunately, I haven't heard, aside from this end of the House, any of that tone in this debate.

With that, Madam Chair, I thank you very much for the time.

The Chair: Any other members wishing to speak to this bill? The hon. Member for Fort McMurray-Wood Buffalo.

Mr. Yao: Thank you, Madam Chair. This comes from Wikipedia, the new, modern *Webster's* dictionary:

Financial literacy is the ability to understand how money works in the world: how someone manages to earn or make it, how that person manages it, how he/she invests it . . .

Investing, by the way, is how you turn that money into more money, a foreign concept to many across the way.

. . . and how that person donates it to help others. More specifically, it refers to the set of skills and knowledge that allows an individual to make informed and effective decisions with all of their financial resources.

Financial literacy is something that this NDP government just does not understand. They don't even pretend to. The \$2 billion in annual debt repayments that this government is going to impose on future generations is simply irresponsible. It truly is. It's easy for this government to boast about how much they're investing in the future, how you're investing in the children when you're spending someone else's money. It's a spend day every day. This government will spend, knowing full well that they won't be the ones who will have to deal with this debt. Now, ironically, it will be those very children that this government claims to be trying to help who will have to pay for this debt.

Now, if I might focus a little bit more on some specifics with the seniors budget. We found in the estimates process that this government has not prioritized elder abuse. The seniors minister stated that they spend less than \$1 million of a \$756 million budget protecting our seniors. This is a concern. The minister has also stated that the creation of an independent Seniors' Advocate would have cost \$10 million. Even though they have literally increased spending in every area of this government, protecting our seniors is not on their radar. It's too much money. It's about priorities. But I want the seniors out there to know that they do have an advocate. It is me, the Member for Fort McMurray-Wood Buffalo. I will be their voice.

You know, this comes at a time when our most vulnerable are at risk. They don't have an appropriate venue to truly express their concerns. We found out in question period that the Seniors' Advocate has been vacant for almost 18 months. That is shameful.

Now, we understand that you put it all under Health. I find that even more interesting. At the same time that you took the Seniors' Advocate and put them under Health, your Health minister recognized that there was too much work involved and separated Seniors and Housing away from Health. So it's good for one, but it's not good for the other, and that is disappointing.

You know, the government just has not addressed the real-life implications of this carbon tax on everything, including housing-management bodies, who provide that social housing. They don't explain how these costs will be passed on to the vulnerable Albertans who rely on social housing. Their gas is going to go up. Their power is going to go up. Any repairs on their houses are going to go up. These are people, seniors who rely on social housing, that are on fixed incomes. This government hasn't performed a market assessment of how the carbon tax will affect everything. There is no due diligence here.

10:20

This government has stated that they're going to create 2,000 long-term care spaces over the next four but have yet to provide any details. They bragged about these 2,000 beds in the fall. They bragged about these 2,000 beds in the spring. Each time I asked for a plan. They have yet to provide a plan. Once again in estimates last week they bragged about building 2,000 long-term care beds: still no plan. That's a shame.

The creation of the SHARP program: it doesn't adequately address aging-in-place mechanisms. Instead, it gets this government into providing high-risk loans and placing caveats on seniors' homes. The grant portion for vulnerable Albertans is significantly lower than the loans, which is a signal that this government is not focusing on the needs of the most vulnerable. This experimental program is untested in Canada, but most of its details will come through regulatory changes. We are eagerly watching to see what will happen in the coming months. I understand that you're not going to use the Alberta Treasury Branches, which is the financial arm of this government. Instead, you're going to manage it yourselves. You're going to do the work of a bank through your bureaucracy. I'd certainly like to see what the staffing concerns are with that in your ministries.

The obligations on contractors to inform and educate and even show these people how to fill out the forms are concerning. You're asking independent contractors to do your work for you. The total liability that's based on eligibility is exponentially higher. I mean, this is really an irresponsible program, which I truly question, and I hope that not too many seniors will consider this. They do have other venues, and, quite frankly, many of them are independent enough to have those supports.

In conclusion, Madam Chair, I ask that this government truly reconsider their entire budget and study financial literacy and recognize what \$2 billion in debt repayments annually are going to do for future generations.

Thank you.

The Chair: The hon. Member for Calgary-Mountain View.

Dr. Swann: Thank you very much, Madam Chair. Bill 17, the Appropriation Act. Like many who have spoken today, there's no question in my mind that Alberta is at a crossroads. It's at a crisis point. Economics and crises that are going on in our far north raise some serious questions about how we're going to maintain a stable, dependable set of government services, the supports that people need for both expanding or maintaining the infrastructure that they live and work in, how we're going to maintain the services that Albertans have come to expect and, in many cases, have lowered

their expectations around. I'm thinking more particularly about the health system today.

This budget attempts to maintain stability, maintain support for the foundations of a healthy society, and I respect that. I guess that like some others who have raised questions about the current debt load that we're taking on and the clear indication that we're not planning to live within any constraints around taking on debt, I have real concerns about that. Indeed, it builds, I would say, on 20 years of living beyond our means, of passing on to future generations financial liabilities and other liabilities that have not been in the best interests of our children and our grandchildren. We need to be paying more of the standard at which we're wanting to live.

I'm not as concerned about the level of the debt that we're taking on. I am concerned about the lack of planning around reducing expenses where we can in the public sector. I'm pleased that we're at least freezing salaries, that we are looking at agencies, boards, and commissions and reviewing very critically the amount that we're spending there. Looking at efficiencies has to be number one.

We need infrastructure. We need this time of investment and maintaining jobs and growth and the maintenance of our capital infrastructure. But I guess I'm one who needs to see more indication that we have a vision, that we know where we're going in terms of savings, in terms of new sources of energy, new sources of economy, finances, and that we have a sense that as a society we are going to pay more of our share as opposed to passing it down the line to future generations.

That is a trend that was of course started by the PC government in the last 20 to 25 years and has left us in a tremendous vulnerability at this stage, but I don't see the solution in the current budget. I don't see a recognition that salaries have to be reviewed, public services have to be reviewed, user fees have to be looked at, new forms of revenue generation. Quite apart from hoping and praying that the oil and gas prices will improve, we have to look at some new sources of revenue. Current generations, especially my generation, have to start paying more.

We've talked about, I guess, royalties: no shift there. It's hard to talk about those things at a time when the oil industry is on its knees, but we have not been getting our fair share for the last 30 years. It means that now we're laden with massive, massive debts to continue the services that most other Canadians expect and Albertans certainly expect.

The dreaded provincial sales tax, that we don't seem to be willing to talk about, would actually generate, even at 2 per cent, the same taxes we were paying for many years before the Harper Tories cut it back to 5 per cent. So 2 per cent in Alberta and 5 per cent federally would bring us back up to what we were paying before and would bring in an extra, perhaps, \$2 billion a year and start to get a handle on the tremendous and growing debt that we're going to be again passing on.

I have no problem with capital borrowing. This is an investment in our future. It's an investment in more stable infrastructure. But we do need to start paying our way, and we do need to have a clearer plan to pull down that debt before we leave office. I don't see that here, so it makes me nervous in terms of what we're leaving to future generations.

I know that there are tremendous savings to be found in Health, which is about 42 per cent of our budget. Much frustration at the front lines of health that we're not using common sense in terms of purchasing, in terms of efficient use of resources, in terms of streamlining patient flow and getting at some of the earlier stages in the community, where we could be dealing with problems in doctors' offices, using fully the skills of nurses and nurse practitioners, expanding the scope of some of our primary care networks, where they could be doing so much more in terms of

mental health and addictions issues, which are now ending up in emergencies and beds inappropriately being used in long-term care. We calculated that something like \$50 million was spent last year just keeping people in hospitals, people that really were not helped in hospitals, were not healthy being in hospitals, needed to be out where there's more connection with the community and more opportunity for the kind of quality-of-life activities that actually bring back health. So we know that in health care, for example, there are tremendous opportunities for savings.

I talked yesterday, of course, about the importance of research in diversifying the economy and getting clear about the fact that medical research in this province has been nothing short of stunning globally. We are a world leader in research, have been up until the last 10 years, when we've seen that funding and the confidence eroded and the loss of over a hundred top researchers in the last year because of the lack of clarity about our commitment to health and medical research. There's a win-win there, both in drawing other resources into this province from across the country and across the world and also the opportunity for innovation and new technologies and some real business opportunities, which are so much of what we need to get off this single-industry roller coaster that we've been on.

10:30

Also, the concern about removing the debt cap—I called it a death cap, but it's a debt cap—and the many concerns about why we wouldn't want to constrain ourselves within some kind of limit and have changed so dramatically since the last commitment by the government to limit it to 15 per cent of GDP. Without a debt cap, how can we have any confidence that we know where we're going and how we're going to manage our financial future? If low oil prices are the new norm, there's a huge gap, then, in funding that we can be expected to receive over the next few years.

Not only does the bill contain nothing in the way of a debt cap; it offers nothing in terms of a debt repayment program. I think all of us need to be more forthright, I guess, especially the government of the day, in how we intend to bring that down to a manageable level.

I'm also concerned about the proposed amendment to the Financial Administration Act that aims to exempt the government from having to table before the House any loan agreement which involves a loan to an individual of less than \$500,000. It's not clear to me what the rationale there would be. Although the government has talked a lot about increasing openness and transparency, particularly since the former PC administrations were so challenged in that respect, I'd be curious to know: what is the government thinking in not making loans up to \$500,000 public? That's inordinate as far as most of us are concerned.

Madam Chair, I can't support the overall budget without a stronger indication that these folks know where they're going, how they're going to get there, how we're going to leave our future in better financial shape, how we're going to pay more of our share in these years, currently, and how we're going to manage, I guess, what's become a much more affluent culture and the high expectations that have come out of that and the need to start reining in some of the expectations across the board in our public sector. That includes physicians, but it doesn't preclude all of the other high earners in our society. That should be reviewed as well. I think that in some ways the medical profession is being held up as a scapegoat in some of the spending.

I think we need to look at all aspects of our public spending and recognize that all of it needs to be reviewed. We need to get more real about paying our way, whether it's in the public sector or the private sector or in government services generally.

Thank you, Madam Chair.

The Chair: Are there any further comments with respect to the bill? The hon. Government House Leader.

Mr. Mason: Thank you very much, Madam Chair. I move that debate be adjourned on Bill 17 at this time and that when the committee next rises and reports, it reports progress.

[Motion to adjourn debate carried]

Bill 10

Fiscal Statutes Amendment Act, 2016

The Chair: Are there any questions, comments, or amendments with respect to this bill? The hon. Member for Lacombe-Ponoka.

Mr. Orr: Thank you, Madam Chair. This is a challenging bill. In many ways this is a more terrifying and dangerous bill than the budget itself. This is a bill that raises the debt ceiling.

During the summer I spent a lot of time visiting some amazing people in my riding. I was able to converse with families that live in the cities and in the towns and in the countryside. I talked with business owners and farmers and teachers and nurses, and the list goes on. Not a single one of them suggested to me that the government should take on unlimited debt. I can say with a hundred per cent certainty that no one said that I should suggest to the government to remove the debt cap. Nobody said that or mentioned it or even referred to that in a joke, so to speak. Madam Chair, it is not a joking matter.

Bill 10 came up after the budget, and not a single person was laughing, well, except the Finance minister and possibly the Premier, as they announced a budget with a \$58 billion debt for Albertans. They knew they needed to have some way to permit that. That picture of them laughing actually went viral.

Now constituents are talking about unlimited debt, except they aren't laughing yet. Some are laughing, thinking it's a prank, thinking that it's Facebook information that doesn't have the facts straight, but when I assure them that this government is truly going to eliminate any limit on debt, they stop laughing, and they ask: what can you do to stop this? I tell them: we'll try and talk sense into them, but they rarely listen and never listen on spending issues. There's no laughter from them after that. When we're done talking about the massive amounts of debt planned to be accumulated by this government, they give a sad look at their children, knowing that they are the ones that will have to pay this debt back.

Our generation and even our children's generation won't have to pay this debt back. It'll be their generation, the kids that are in grades 1, 2, and 3, our grandchildren, that will be paying back this debt. I've even had people say to me: "I don't want their stupid family benefit, but I have to pay taxes in order to create it. They've forced me. I have no choice but to pay taxes on it, and I get less back from it." People today will enjoy the benefits of a government who is willing to spend and spend and spend. People today will enjoy the millions of dollars being spent on this program and that program, but eventually the money runs out. Eventually our credit rating is so poor that we cannot borrow anymore. Of course, this government will be long gone and won't have to deal with it, but eventually we have to pay the money back, and our kids and our grandkids will have to pay the money that was spent on their parents.

You know, it's been said that there is a terrible bias in NDP policy. It's been called the grey bias. It's the bias that favours the baby boom generation. It's a bias against the younger generation. There is very little benefit in this budget, or in this allowance of spending money endlessly, for the younger generation. It's all aimed at the current baby boom generation.

Instead, we should talk about reductions in spending somehow. This government could just save pennies in each area, and it would make a difference. The Minister of Economic Development and Trade says that Bill 11 will save us \$2 million a year, pennies on the dollar, really. And Bill 11 didn't cut front-line workers. It is actually entirely possible to make small savings in many places and to make small efficiencies in many departments without cutting front-line workers. You can die from a million cuts, but it isn't necessary. I know this government knows it is possible to do so. We need to always be finding ways to reduce our spending, and we do not need to always be increasing spending.

I was reading the comments in a newspaper article not long ago that announced the removal of the debt limit. One person was arguing that they set a limit on how much they spend for their family and that it's completely reasonable that the government should set a limit. The rebuttal was quite entertaining. The rebuttal was that the government has so many more levers to pull to deal with their debt and that it doesn't matter how much debt we have. Really? Well, in a way they're right. Government does have lots of levers they can pull with regard to debt, yet every lever that the government can pull affects Albertans in one way or another. Take taxes out of this tap and taxes of that tap and taxes out of the next tap: taxes are all paid by Albertans. It's not some lever the government can pull at will. Taxes are people's hard-earned incomes and their lives, and the government needs to respect that income and their realities.

Government cannot just take that income for granted, thinking that money grows on trees, because one day the fire will come. We're very aware of that these days. Forests need the pruning of a regular fire. Experts in forestry know that. Without it, we end up with massive destructive firestorms that come through. It's the same in government spending. Without a bit of regular cutting back, we get stuck with out-of-control burns.

This government likes to blame Ralph Klein for cutting back excessively. Well, you know, the reality is that if that happens in the future, it will be this government's fault because they will not allow for any cuts or restraints. They will put us in a place where there is no option and no choice, and we'll have that kind of experience.

10:40

Governments can finance their debt differently than a household – it's another lever that can be pulled – but as we are seeing already, this process becomes more and more expensive as the debt increases. Our debt rating is already falling and will continue to fall as our debt increases. We will not get a better interest rate because we are a repeat customer. That's not how this works. Every time we borrow a few billion more, the interest rate increases. Those interest payments are completely wasted money. Those interest payments could be spent on front-line workers: more nurses or teachers or firefighters. Instead, we'll be paying the bank back for decades to come if this government continues on the course it has set.

Madam Chair, this is not a good idea, this bill. This is a slippery slope that does not lead to greener pastures. I do not know what has to be done to convince the members opposite that this needs to stop. I don't know how long it will take to pay back \$58 billion. I do know, though, that it will not be paid back in the same amount of time that it was racked up. It's easy to spend lots of money, but it's not easy to pay it back. This government is stuck with the revenue it has now. This government needs to make a serious effort to restrain spending and to get back on track towards balanced budgets.

There's a reason that most debt financing is financed by the largest money market in the world, the largest finance market in the world, which is the bond market. The reason they call it bonds is

because it immediately puts you into bonds. It restricts and it restrains.

I'd like to make a reference also to Bill 15, which this government has put forward, as an example, a bill to limit predatory lending, which we all agree is shameful. Predatory lending is shameful, and this government has introduced a bill to curb predatory lending. Yet this government needs to be protected from itself. It needs to be protected from its own dangerous, compulsive going to lenders and becoming a compulsive borrower. The predatory lending bill requires that financial literacy be taught to borrowers, yet this government in its own borrowing is not paying attention to financial literacy. The bill on predatory lending requires signs and declarations and a complete disclosure of all the terms and conditions and costs and interest rates, yet none of this has been declared to the people of this province as we enter into this experience as a province. The costs have not been fully declared. There's an inconsistency here, Madam Chair.

The bill on predatory lending prohibits rolling loans into new loans and refinancing them, yet that's what governments do over and over and over again continually. The bill on predatory lending seeks to stop the vicious payday loan cycle, yet here we are as a province plunging ourselves into a vicious loan cycle. I don't see how these two things can come from the same people.

A recent government survey with regard to predatory lending found that 3 out of 4 Albertans agree that Alberta should limit the amount of money that can be borrowed at a predatory loan office. So 3 out of 4 Albertans agree that predatory lending should be limited, yet here we are as a province removing the limits, completely opening the door to expose ourselves to every possible amount of predatory lending you can possibly imagine. It is completely contradictory, completely ludicrous for our province to be doing this.

I ask the members of this House to please vote against this bill. Keep your promise to stick to a debt limit, please. I ask you on behalf of common sense and on behalf of future generations to defeat this crazy bill.

The Chair: I'll recognize the hon. leader of the third party.

Mr. McIver: Thank you, Madam Chair. I'm happy to stand up and speak to Bill 10, the Fiscal Statutes Amendment Act, 2016, which, in my mind, I've been thinking about as the motherhood, apple pie, and monsters bill because there are a couple of things in there that are a little bit like motherhood and apple pie, that are hard to argue with. The bill co-ordinates some of the standards with the federal government. It seems like a nice, common-sense thing to do. It makes sense. The problem is that the bill includes the monster, and the monster is taking the cap off the debt ceiling.

Now, before this government was elected and came to what they call power and what I call the responsibility to look after Albertans – as much as I don't really care for the debt-to-GDP ratio, the previous government expressed it in different terms – the debt-to-GDP ratio was about 4 per cent, by far the lowest in the country. There was a buffer there in the financial position so that the province, faced with tough times, would be able to react accordingly. If people didn't think that that was a reasonable level then, I think many of them surely do now, faced with what we're faced with today.

Where we are now is that we've gone to a place where the government has gone from roughly a 4 per cent debt-to-GDP ratio and in the last budget raised it to 15 per cent, almost four times the amount of debt that the previous government had allowed itself. It was, like, four and a half months ago, five months ago tops, that the government said, "Fifteen per cent debt-to-GDP is responsible. We won't go above that. It's a place where we think it's better than most

provinces,” which might be true, but I’m not sure that the province of Alberta should be reaching for the bottom. I think we should be reaching for the top. So as much as the government has a point, that it’s better than some of the other provinces, the fact that it’s going completely the wrong way and reaching for the bottom should give all Albertans concern. You know, that step alone would see Alberta increase its debt to nearly \$60 billion in this budget.

Now, here’s the crazy thing. Here’s the monster. The fact is that the government wants to take the limit completely off, saying that it’s not enough that in 2019 every person coming to Alberta and every child born in Alberta will owe the provincial government \$13,000 on day one: welcome to Alberta; you now owe \$13,000 to your province. They’re saying that that’s not enough. I’m not sure, Madam Chair, what the government anticipates, whether they anticipate that they are going to borrow even more than their budget says that they’re going to borrow or whether they think that their policies are going to cause the province’s economy to shrink so much that that’s going to put them offside. Perhaps it’s both. In fact, I’m a little afraid that it’s both.

In order to get us past this, because this is clearly bad policy – this is clearly irresponsible; this is clearly a sign that things are out of control – I would like to, with your permission, Madam Chair, move an amendment that I think will improve the bill. I have the requisite number of copies prepared and signed off by the lawyers around here if that’s okay. Now, the amendment is a short one. Everybody is going to get a copy, with your permission.

The Chair: Just give me a moment till I see the amendment.

Mr. McIver: No. I understand. You’re the boss here as far as this stuff goes, so I’ll be happy to wait.

The Chair: Go ahead, hon. member.

Mr. McIver: Thank you. I move that Bill 10, the Fiscal Statutes Amendment Act, 2016, be amended by striking out section 5. Of course, section 5 is where the debt limit, the cap on the debt, is removed. The government shouldn’t be all that negative about this because what we’re saying is – and listen. I didn’t love or support the 15 per cent debt-to-GDP ratio that the government put on a mere five months ago, but I’m saying: let’s not make it higher than what the government told us ever so recently was okay. This amendment is designed to protect Albertans and keep in place the debt ceiling that was instituted by this government so recently.

10:50

You know, the government just over a year ago took control of a government with a \$7 billion fiscal sustainability fund. They were coming off a budget with a billion dollar surplus and a debt-to-GDP ratio of about 4 per cent max. Since that time, since this budget has come out, we know now that the \$7 billion fund will be gone. The billion dollar surplus will be replaced with a \$10.4 billion deficit, and the government is now, on top of that, wanting to increase the amount they can borrow above the 15 per cent debt-to-GDP ratio, that they told us ever so recently was all that they would need and was responsible and that they could stick to.

When you think about it, Madam Chair, this isn’t a big adjustment for government. This is just a chance for the government, if they support this, to say: “Yeah. You’re right. You’re right. The promise we made to Albertans ever so recently, less than half a year ago, is one that we’ve decided to keep to be responsible and put a limit on how much we borrow, as Albertans have to do.” Albertans have a limited amount of revenue that they can grab. Albertans know that after all the money is gone, you have to stop spending one way or another.

In fact, when you’re borrowing money, once you get to the end of your credit limit, you certainly have to stop borrowing because at some point they will make you stop borrowing. The government has received some pretty clear signs from some pretty responsible bodies that we’re getting near there. You know, three different credit-rating agencies have lowered Alberta’s triple-A credit rating. I would say that this is a chance for the government to say: “We are heeding the warning signs. We see the red lights flashing on the dash, and we’re going to pull over before the engine blows up because that’s the responsible thing to do.”

With that, Madam Chair, thank you. I would move that amendment and will listen to the debate, and I will hope for the support of the Legislative Assembly.

The Chair: The hon. Member for Strathmore-Brooks.

Mr. Fildebrandt: Thank you, Madam Chair. I’m pleased to stand in support of this amendment. I was eagerly awaiting a chance to put forward an identically worded amendment myself. I think, instead, we’ll move to support the amendment put forward by the hon. leader of the third party.

Bill 10 has been given a rather innocuous name. This government has a funny habit with bills. It gives bills with no substance, that do nothing at all, these big, interesting names. Bill 1, if I recall, is the economic diversification bill. It’s a big bill with a grand name about economic diversification and development, that does absolutely nothing. It gives the minister a job description. It does nothing, but it has a big name. On the contrary, Bill 10, the Fiscal Statutes Amendment Act, 2016, is about the most boring name I can think of for a bill, but it is very substantive. This bill seeks to completely remove any limits whatsoever on the ability of the government to borrow. It seeks to remove any restraint on government whatsoever and its ability to borrow from future generations.

We did not get here overnight. We’ve been running nine consecutive deficits in a row. We’ve been running deficits since 2008. Now, in 2008 it was reasonable for the province, perhaps, to go into a brief and temporary deficit. We had \$17 billion in the sustainability fund. That money was set aside for a rainy day, but unfortunately we never stopped using the sustainability fund.

I have to call out the member, the leader of the third party, when he says that this government inherited a surplus. It did not. According to page 110 of the fiscal plan – you can look at the change in net financial assets, which is effectively the way we used to record the deficit in this province until Alison Redford shamefully tore up the most accountable budgetary accounting system in this province when they divided the budget into three different pots to try to deceive Albertans about how big the deficit really was.

Our net financial assets are the financial value of the government in a year. Those net financial assets declined by \$9 billion last year. You cannot take a \$9 billion hit to your bottom line and claim that you’re running a surplus, Madam Chair. That is ridiculous. That is trying to deceive Albertans.

Mr. McIver: The Auditor General disagrees.

Mr. Fildebrandt: Now, I know that the leader of the third party has to try and defend an old record. I’m not interested in rehashing it, but I’m just going to point out, Madam Chair, that I’m not going to stand here and let people claim that this government inherited a good fiscal situation when they inherited eight consecutive deficits before them. This government has made a bad situation worse, but let’s not pretend that they inherited a good situation to begin with. They inherited eight years of fiscal irresponsibility: massive spending increases, massive debt, tearing up all of our fiscal

accountability laws. Bill 10 is in a long tradition of watering down our financial accountability legislation in this province.

When I was the Alberta director of the Canadian Taxpayers Federation, I got into pretty big fights with the then Minister of Finance as he repealed Jim Dinning's extremely effective financial accountability legislation, legislation that – Jim Dinning said that if any politicians after us try to repeal it, they would, quote, have to look Albertans in the whites of their eyes and ask them why they are willing to accept subpar government. That is a quote from Jim Dinning. There is only one party in this Legislature right now that represents the values of Jim Dinning and Ralph Klein in this House, and that is the Wildrose, Madam Chair.

Madam Chair, it is a bit rich to come in here and act like this government inherited a pristine fiscal situation and then squandered it. They inherited a big deficit and made it worse. In the last year of the former government our government ran a \$9 billion consolidated deficit. They can try and call it a surplus. Alison Redford tried it, too, and Albertans saw through it because it was bunk. This government has taken a \$9 billion deficit and turned it into a \$14 billion consolidated deficit. A \$14 billion consolidated deficit. Let me put it in terms that I think everybody can understand. If you are spending more than you are bringing in, you're running a deficit. I don't care what accounting tricks you've got to try to cover it up. Now, that's enough of correcting the record there.

Let's talk about the substance of this bill. I do not support legislation that gives government a free hand to do things without any accountability. I was elected to come here and stand up for taxpayers and stand up for accountability, accountability and limited government, restraint on the power of the state. When politicians vote themselves new power, when politicians vote to remove any restraint on their ability to act with other people's money, I will oppose it. The Wildrose will oppose it every time we see it, too, Madam Chair. What we're seeing here is an attempt by the government to remove the very last vestiges of restraint on the ability of the government to borrow.

It has already led to crippling multiple downgrades of our credit rating. We have seen every credit-rating agency in Canada downgrade this government's credit rating. Now, they like to pretend that it's the price of oil, but if it was the price of oil, would we have received a credit downgrading one day, less than 24 hours, after the budget was introduced? If this was about the price of oil, they would have just downgraded our credit rating when the price of oil went down, but the credit-rating agencies downgraded our credit rating when the budget came out. It is the budget that is responsible for our credit downgrading. It is the NDP that is responsible for the credit downgrading, not the price of oil in this province, Madam Chair.

11:00

The reason they are downgrading our credit rating constantly – and we face future downgrades beyond this, very likely, Madam Chair – is because this government does not have an ability to cut a penny out of the government. They fearmonger and say that cutting a single penny out of this government's operating expenses will result in mass layoffs of thousands of nurses, doctors, and teachers. They say that if you were to spend even close to the national average, if we were to spend per capita anywhere even close to British Columbia, we would have no nurses, doctors, or teachers. Well, British Columbia spends two and a half thousand dollars less per capita on operations in government. Two and half thousand dollars less per capita. They've still got roads, bridges, nurses, doctors, teachers. They've got, actually, a pretty big government and welfare state, Madam Chair, yet somehow they manage to do it at two and half thousand dollars less. But the members oppose

claim that getting even anywhere close to going in that direction will result in mass layoffs in the government and absolute government shutdown. It is fearmongering, and Albertans know better.

They don't have an ability to cut anything in the budget except for one thing, Madam Chair, and that's the emergency budget. The emergency budget. On average, this province spends half a billion dollars every single year on emergencies. We've done it for a decade. Every single year we spend between \$400 million and \$600 million on disasters and emergencies in the province. It is the oldest trick in the book. We've been doing it for a very long time in the province, and the new government is continuing on with it. That is that the government consistently will underbudget at the beginning of the fiscal year for emergencies to make their deficit look smaller, knowing absolutely that they will spend more on emergencies at the end of the day to make their deficit look smaller at the beginning of the year. So at the end of the year, if they have a deficit, which they most certainly will, they can say: "Oh, how did we know that there'd be an emergency somewhere in this province? How did we know that there'd be a fire or a flood or a tornado or a windstorm? We had no idea that these things would happen because none of us can predict the weather."

But we do know that there will be disasters every single year, and we should budget accordingly for it. Instead, we see these games with the budget, where they underbudget on emergencies to make the deficit look smaller at the beginning of the year, and then when they inevitably have a significant amount of disaster spending at the end of the year, they get to blame the deficit on it and shirk all responsibility. It is a proud and long tradition of budget manipulation in this province, and I'm very ashamed to see that the NDP have continued to do it. They have found one area where they are willing to cut out of the budget, and it was the one area where the Wildrose says that we need to increase spending, and that is emergency and disaster spending in this province, Madam Chair.

Now, there was a great video going around on YouTube a few weeks ago. It was: this guy goes into the banker's office, and he's requesting a higher debt limit. He's saying: "I want to go on vacation. Going down to Australia, leaving tomorrow. I need some more money." And his banker says to him: "You're not making enough money. You're spending far more. You've got a huge debt already. You don't have any ability to pay this off." And the guy says: "Well, I cut my expenses. I stopped going out for an expensive lunch once a week." And it was obviously a drop in the bucket. The banker says: "I'm sorry; that's just not going to cut it. I can't authorize to give you more credit. We can't raise your debt limit. We can't give you more credit." And just as he's about to give up hope on getting more money out of the bank, it occurs to him that he can sign his child up for a line of credit. He brings his kid in, and his kid signs on the dotted line, and he gets to enjoy the money and leave the bill for his kid. That is what Bill 10 is doing right now, Madam Chair. That's what Bill 10 is doing.

Right around the time that this budget was introduced, I had a new niece born, Lucy Graham. She was born just within a few days of this budget coming out. By the time the next election comes, she will have over \$5,000 of debt to her name. She'll be just about three years old with \$5,000 of debt to her name. By the time she can vote, by the time she can vote for politicians to undo the damage being done right now and done over the last decade, she will have more debt to her name, to her provincial government alone, than could put her through university. My niece Lucy will have as much debt to her name that would be able to put her through an undergraduate program at the University of Calgary as it will take to pay off the provincial debt alone. That is absolutely shameful, Madam Chair. It is unethical. This is not just a fiscal and budgetary issue now. This

is now an issue of the moral fitness of what we are doing. It is immoral to vote to put this kind of debt on future generations without them having any say over it whatsoever. It is taxation without representation.

The amendment put forward by the Member for Calgary-Hays is identical to the amendment that was going to be put forward by myself at this time. It is a prudent amendment to strike out the worst part of Bill 10, and I think all members of the House should be strongly encouraged to support it.

Thank you, Madam Chair.

The Chair: The hon. Member for Spruce Grove-St. Albert on amendment A1.

Mr. Horne: Thank you, Madam Chair. I rise on this amendment. It's a very interesting amendment. I'm sure it will come as a shock to the opposition members that I will not be supporting this amendment. When I was a child and in school in the years of Premier Klein, who hon. members across the aisle like to talk up a lot – I will be excited to see if the hon. member continues applauding for Premier Klein later – I recall that every single year on the first day of school we were told that there simply was not enough space in the school for students. We had to close down our peripheral spaces. We needed to pull in more portables, and that school still hasn't seen a renovation. In my constituency we have schools that were promised a renovation under Premier Getty, and they are just now seeing that renovation.

That infrastructure debt is not something to be proud of. That is something to be ashamed of. I am proud that this government is investing in infrastructure, investing in our families and communities, and I will strongly urge all members to vote down this amendment.

Thank you.

The Chair: Any other speakers to amendment A1? The hon. Member for Calgary-Fish Creek.

Mr. Gotfried: Thank you, Madam Chair. I'd like to rise to support this amendment. It's really, I think, a strong reflection of where we're at. We've had the likes of Moody's, Dominion Bond Rating Service, Standard & Poor's all take this province down a notch in terms of our credit reliability and our credit rating and our credit costs as we go forward. We're looking at \$57.6 billion accumulated debt by 2019, but that's with highly optimistic views on the price of oil. I think – we had some calculations in this House the other day – that we might be off by \$2 billion or \$3 billion if the energy prices do not rebound and do not reflect the projections that this government has put in place on those as well. We have a possibility of stranded capital compensation for shutting down coal by 2030, and those are estimated at between \$3 billion and \$16 billion on top of that. We have other possible costs and expenses, unbudgeted expenses, sadly, things like the Fort McMurray fire, which could cost us a half a billion dollars or more once compensated.

Madam Chair, that takes us up to close to \$70 billion by the end of 2019, and I've done some quick calculations. That works out to roughly \$16,000 per man, woman, and child. The average size of a household in Alberta is 2.6 people, so that works out to about \$41,600 per household in Alberta that this province is going to face because of this irresponsible borrowing and no plan to pay it back.

11:10

Madam Chair, this is the problem here. The last time I checked, households in Alberta, when they go out to borrow – again, fiscal responsibility is not about not borrowing. It's about borrowing responsibly. When a household goes out, number one, hopefully

they're looking at what they can truly afford, and modesty guidelines are something they take into account, whether it's a principal residence to borrow for so that they can provide appropriate and affordable housing for themselves, transportation, those sorts of things.

Madam Chair, when they do that, when do the payments start? They go to the bank, they take out a loan, they buy that dream home, and that dream home could be a starter home, it could be a mobile home, it could be a move-up home for them. But when do they start paying the interest on that? Right away. The next month, that payment comes out of their bank account, and they need to know that they can pay that yet still put food on the table, still put fuel in their cars. That's another issue because it's going to be more expensive for them as we go forward, thanks to this government. They've got to pay their heating, electrical bills. They want to save for their children's education. They want to save for their own retirement.

Madam Chair, this is responsibility. This is planning to invest in infrastructure, planning to invest in things, not operations. They're not going to go and buy their groceries on that debt. Hopefully, they're not going to take their mortgage and go and take on a second mortgage to pay for their groceries.

Madam Chair, this debt that we're looking at, \$41,600 per household, works out to \$243 a month. Now, I was looking at some numbers here, and I think that not only are we paying a huge amount of interest on that, increased because of our downgraded credit ratings, but on top of that take a look at the opportunity that is lost to Albertans: the ability to save for their children's educations, their retirement, to pay down their mortgages faster so that they can put more money in the bank for themselves in case of an emergency like a downturn in the economy, so that they have savings that they can draw upon in tough times. That \$243 a month could calculate into a hundred thousand or, if they're lucky with their investments, a few hundred thousand dollars towards their retirement or towards the reduction of other personal debt.

Madam Chair, that's where the irresponsibility of this borrowing is, and this amendment recognizes the fact that this is an irresponsible, ideologically driven move to continue down a path that Albertans cannot afford.

This is not government money. This is Albertans' money, and the sooner we all recognize that in this House, that there is no such thing as government money – there are taxpayers' hard-earned dollars, and those hard-earned dollars typically, when they have to spend it across their own threshold, are after-tax dollars already. They've paid their fair share, and what we're doing is that we're taking that money they give us and we're spending more and we're borrowing against that even further so that they will have somewhere between \$13,000 and \$16,000 per person debt – man, woman, child, and unborn baby – in 2019, and that is shameful for us here in this House, Madam Chair. We need to be more responsible with the taxpayers' hard-earned dollars. This is not government money. This is not ours to take lightly when we are but frugal and humble stewards of those dollars, but we are also here to be very cautious when we borrow on their behalf, and I do not see that in this bill.

Madam Chair, I could go on and on with this because – you know what? – it makes my blood boil when I look at what this does to future Albertans, to the next generation, to new immigrants we're trying to attract, to new workers we're trying to attract to this province so that we can welcome them with an invoice.

You know, Madam Chair, this irresponsibility is something that we – this is man, woman, and child. These are low-income men, women, and children. This is senior citizens, men and women. This is their children and their grandchildren. This is not some magical number. These are not people that we can reach into their wallets

deeper. This is every man, woman, and child in Alberta, unborn, on the day they're born in 2019. That, Madam Chair, is irresponsible, and that's why I will be supporting this amendment to remove that increased lending, which is irresponsible on the backs of Albertans.

Thank you.

The Chair: The hon. Government House Leader.

Mr. Mason: Thank you very much, Madam Chair. I just want to briefly respond to the hon. member and just pose some questions. When his party was the government, over the last 10 or 15 years the money flowed like honey, especially during the period in the early part of the 2000s, when the price of natural gas was sky-high, and the revenues poured in at that time. In fact, just natural gas royalty revenue alone in a couple of those years approached \$8 billion, a windfall that the government had. Now, despite that, people were warning the government that it was important to diversify the sources of income of the government as well as to diversify the economy.

In fact, in 2007 the Emerson report, appointed by then Premier Ed Stelmach, made that recommendation very clearly, one of its top recommendations in 2007, and warned about that, but the government didn't listen. The question I have is about all the billions of dollars from royalty resources that that government had. Where are they? Where did they go? And why didn't that government diversify the economy and diversify the sources of revenue of this province?

What they did instead, when they were floating on that sea of natural gas royalty money, was to cut taxes for their friends. So when they brought in the flat tax, Madam Chair, it actually increased the tax burden on middle-class Albertans, and it cut the taxes of the super wealthy by a massive amount. By a massive amount. That's what they did. They used the money to help their rich friends, to cut corporate taxes in this province from, well, it was at that time about 15 and a half per cent down to 10, and according to Steve West they were headed all the way to 8 per cent.

The Wildrose cheers and claps, but they have no way of substituting the revenue to prevent the cuts. They'd like to pretend that they're not going to cut massively in this economy, that they're not going to cut government expenditures. They like to pretend that they can cut billions of dollars from capital spending, billions of dollars from operational spending and not affect anything. Madam Chair, it strains credulity. Nobody believes that. Nobody believes that they're going to be able to cut billions of dollars from the expenditures of the government without seriously affecting people, laying off people.

Now, they get all mad when we say, "You're going to lay off teachers and nurses," but they try to pretend, Madam Chair, that they're doing this somehow by magic. By magic they're going to retain all of the front-line services in the province. They're not going to borrow a dime, and they're not going to increase taxes. In fact, they were applauding taking corporate taxes down another couple of per cent. They seem to think that they can square this circle, that they can make all of these things happen simultaneously. Well, when you're in government, you have certain choices, and the choices available to you in difficult economic circumstances are to cut spending, which is what they want to do, or to increase revenues or to borrow. Those are the only three tools that you have.

Madam Chair, one of the things that we've been through before – and I think this is why the public is so strongly in support of retaining the services that we have in this province. It's because they saw that movie before. They saw what Ralph Klein did when he was the Premier. He cut to the bone, you know, our health care

system, and it's never fully recovered. The people of Alberta know what that looks like. That's not what they want.

Now, you know, it's an important, I think, fact . . . [interjections] I'll just wait to see if they want to settle down on the other side, Madam Chairman. Probably not. Probably not.

11:20

The Chair: Hon. members, the hon. member has the floor, please.

Mr. Mason: Madam Chair, there's no difference – it's like night and day with the lack of manners on the part of the opposition side when government MLAs are speaking, as we see now. As we can see now, the government sits and listens to some of the twaddle from the other side . . . [interjections]

The Chair: Hon. members, please.

Mr. Mason: . . . with great forbearance and patience most of the time.

I just want to conclude by getting back to the PCs. I mean, obviously, the Wildrose would take us from the PC frying pan into the Wildrose fire. The PC government had every opportunity to diversify the sources of income of this province. They had billions upon billions of windfall royalty dollars to manage that process.

Instead, Madam Chairman, they squandered the money. There's no money left. They've left us in this vulnerable position and left us to try and clean up the mess that they made, and they stand there on their side and point the finger at this government for trying to do the right thing under very difficult circumstances, which are entirely of that former government's making. So we make no apology for the direction that we're going forward in. This is what the people of Alberta need, and we will fix the PCs' mess.

Thank you.

The Chair: We've just had a request to do an introduction.

Mr. Nixon: Yeah, Madam Chair. I think that if you seek it, we would be able to get unanimous consent to quickly revert to introductions for the school group that's here, if that's possible.

[Unanimous consent granted]

Introduction of Guests

The Chair: Go ahead, hon. member.

Mr. Schneider: Thank you, Madam Chair. I rise today to introduce to you and through you to all members of this Assembly members of the grades 5 and 6 class of a small town by the name of Champion in my riding. If I could ask a couple of well-respected people from the riding, Todd Thompson and Amanda Ellis, to please rise with the rest of the grades 5 and 6 class of the Champion school so they could receive the traditional warm welcome of this Assembly.

Bill 10

Fiscal Statutes Amendment Act, 2016

(continued)

The Chair: I'll recognize the hon. Member for Calgary-Elbow. Proceed, hon. member.

Mr. Clark: Thank you very much, Madam Chair. It's wonderful to see the students from Champion school here to see us as we debate important bits of legislation and to take part in the democratic process. So nice to see you here.

I always find it edifying and educational when I hear from the Government House Leader, with his many, many, many years of experience in this House. Just two? Not a third “many”? No. But I think you have something to teach us.

Back on Bill 10, let’s talk about exactly what this amendment does. I rise to speak in favour of this amendment because I think it’s important. One of the most important things government can do is to impose some constraints on public spending, some parameters. I think of it as sort of two telephone poles on the prairie. They’re not telling us exactly where to get to, just somewhere in there. Unfortunately, what section 5 of Bill 10 does is that it removes any possible constraint on government spending. In the private sector, in the market we have these natural forces of the market which will tell you what you can spend, what your expenditures can be, what your costs are, how much you can charge your customers.

That isn’t the case in government. We don’t have, necessarily, the same constraints in the same way, so it’s the job of government to put some parameters in, to put some guidelines in. That’s exactly what that 15 per cent debt-to-GDP cap did. You know, I think that it’s important for us to understand, when we talk about Alberta’s debt-to-GDP ratio, the importance that credit-rating agencies place on the debt-to-GDP ratio. It is not the only measure that they use to determine what Alberta’s credit rating will be, but it’s a very important measure. More important, though, than the specific number itself is that it sends a signal to the market that Alberta is a responsible fiscal operator, that it has a plan to constrain debt, that therefore any money that is lent to Alberta is in safe hands, and that those who are lending that money will have a reasonable expectation of getting paid back.

Now, let’s have a bit of a lesson here in how credit-rating agencies work. They look at risk: what is the risk of default on a particular loan? Now, as a result of Alberta’s relatively strong balance sheet and relatively low risk, to date we have very low interest rates. That’s a good thing.

The Member for Spruce Grove-St. Albert talked about a school facility that was old and constrained and that there was never enough classroom space. That is exactly the problem that we need to solve in this province, absolutely. It’s a very real problem, not just in Spruce Grove-St. Albert but all around this province. We do need to build more schools, we do need to update the schools that we have, and in doing that, we stimulate the economy and create jobs. Keynesian economics: it makes all the sense in the world when we’re borrowing for capital because there’s an asset behind it, and to do so in an economic downturn makes sense. We don’t want to do it all the time.

But borrowing for operations, which is what exceeding the 15 per cent debt-to-GDP cap allows this government to do, puts really no constraint on spending, and that’s a big problem. So that’s why I think it’s so important that we vote in favour of this amendment.

There’s just one final point I want to make. This government in their original plan in the election said that they were going to balance the budget by 2017. Clearly, there was a bit of a math error, and that turned into 2018. So that’s two plans. Then they got into government, and they said: well, actually, it’s going to have to be 2019. That’s three plans. And the fourth plan? What’s the fourth plan? The fourth plan is no plan at all. There’s absolutely no plan or interest in balancing the budget. That’s why it’s important to have some caps. You can work with the public service and you can work with Albertans and say: “Look. Here’s the level of service we’re able to provide. Here’s how much we’re able to spend on it because there’s a limit.”

What removing this cap does is that it makes that borrowing unlimited. It makes the easy choice the only choice. They’ve tried everything except actually constraining spending in any sort of

meaningful way, which is why I’m enthusiastically supportive of this amendment, and I would sincerely hope all members of the House would vote in favour.

Thank you.

The Chair: Any other members wishing to speak to amendment A1? Lac La Biche-St. Paul-Two Hills.

Mr. Hanson: Thank you, Madam Chair. I’ll be voting in favour of this amendment because I’ve worked very hard all my life to provide for my family and make sure that my kids were well equipped for the future so that they would have a better chance of succeeding. My wife and I worked very hard to make sure that we’ve provided an inheritance that will be passed down from one generation to another so that future generations in our family will have a better chance of succeeding as well. Families have been doing this for many, many generations throughout Canada, Europe, all over the world. It’s nothing really new.

The unfortunate part is that all of my and my wife’s hard work could be negated by legislation like Bill 10 and the budget that’s about to be passed. Passing on uncontrollable debt to our future generations in this province I find very, very distasteful, so anything that I can do as a member here to slow that process down, I will do to my utmost. If that makes me a conservative, I guess that’s a good thing. Madam Chair, I cannot and will not support this bill or any other legislation that puts my family’s or Albertans’ future in jeopardy, and I can’t understand how anyone in this Chamber can justify doing so. For those reasons, I’ll be supporting this amendment and voting against this bill.

Thank you.

The Chair: Any other speakers to amendment A1? The hon. leader of the third party.

Mr. McIver: Okay. Thanks, Madam Chair. I’m happy to stand and close on this, correct the record on a few things, and provide some information.

It was interesting. We heard about the economy not being diversified, but in fact I know that I tabled a document in this House a few months ago that I would recommend to the reading of the House leader of the government, a document that shows that the Alberta economy in 1984 was the size of about \$64 billion, and at that time 36 per cent of that economy was the oil and gas sector. The same document shows that the gross domestic product, the economy in Alberta, 30 years later, in 2014, was over \$600 billion. It grew by almost six times.

Even though there was that much growth, the oil and gas sector actually shrunk to 25 per cent. If that isn’t diversification – I hate to confuse the hon. Government House Leader with facts, but those are the facts, sir. So the economy has constantly been diversified in Alberta. There’s still more work to do, in fairness, but to say that it hasn’t been diversified is just flat out not true.

11:30

I’m also happy that the hon. Government House Leader as well as members of the other party asked about the heritage savings trust fund. Well, I would recommend to all of these people that – every year that the heritage trust fund has been in existence, there’s been an audited set of statements there, and I would recommend the reading. Having done some research, I’ll read some highlights of where some of the money went: southern Alberta children’s hospital; Alberta Health Services; Walter C. Mackenzie; southern Alberta cancer centre; the clinical research building; cancer research; heart disease research; irrigation rehabilitation and expansion; Alberta reforestry nursery; conventional oil enhanced

recovery program; maintaining our forests; Alberta Oil Sands Technology and Research Authority; Fish Creek park, one of the largest provincial parks in Canada; new rail hopper cars, helping to get our agricultural products to market; Kananaskis Country recreation development; municipal recreation/tourism; airport terminal buildings; Alberta heritage learning resources – there's so much, so many things that Albertans value to this day – helping the grain terminals in Prince Rupert, that have allowed Alberta farmers to get their grains to international markets. [interjections] Even the opposition is banging for this because they know that the heritage trust fund has done some great things.

You know what? Was it perfect? Of course not. But there was a lot of good. I'm not sure if I can get it done today, but if not, then next week I will table a report, because while I've got a lot of things here, they're not all attributed to the source. We'll do that extra work, and I'll table it in the House for the hon. members that want to know where the money went. It was all audited. It was all reported. It's all there for Albertans to enjoy in the hospitals that they go to and the seniors' homes that are available to them when they get older and the seventh floor at the Li Ka Shing centre at the University of Alberta, that they are very proud of, that's opening up soon, that'll have world-class cancer research, some of which will only be available here in Edmonton.

The heritage savings trust fund is working for Albertans as it ought to. There's some of the answer to your question, hon. Government House Leader. Ring roads, highway 63. Believe me, there's so much. The fact is that this happens because of a government with a strong fiscal position. And I know there are people here trying to say negative things, but the fact is that before this government, despite what all the political people say, the government had a triple-A credit rating. Oil prices were high. Oil prices were low. Since 2001 it has had a triple-A credit rating, until the current gang arrived and destroyed all of that. That's the fact.

We're saying to them now: "Now that you've driven the car into the ditch, there's still time to repair it and get it back on the road. Don't drive it right over the cliff. Put a limit on the borrowing. There is time to recover the strong financial position that Alberta had and to bring it back."

Madam Chair, I know another hon. member talked about whether we had a surplus two years ago. Well, I stand with the Auditor of Alberta, that says that in the last budget we had, or at the end of the time that our party was in government, there was a billion dollar surplus. Now, there are members in the House that don't stand with the Provincial Auditor, but I do because I think the Auditor has more credibility, frankly, than my esteemed colleague in the House because he's the Auditor for the province. That's just how it is. You know what? The Auditor sometimes says bad things about government and things that happen. You know what? That's the Auditor's job, and I stand with the Auditor because that's an important piece of accountability for our government.

I also take advice from the world-wide experts in finance that say that the government's triple-A credit rating is gone because of the unrestrained borrowing, because of the complete lack of cost control, because of zero plan to pay any of it back. To my government colleagues: this is a chance to put the car back on the road, to start the repair process. You've gone pretty far in the last year, but you could actually if not stop the damage, slow it down. It's pretty important. Our children and our grandchildren will depend upon it. They already depend upon it, which is why I'm proud to have moved the amendment to remove section 5, which would reinstate a debt cap.

I still think the debt cap is too high, so I'm not actually asking the government to – they can save face because all they would do if they supported this is to go to the debt cap that they themselves put

on six months ago. I would like to see the debt cap a lot lower, but I don't like the chances of the government accepting that. I think it's something where they can save face and say, "Yeah, you know, we were right six months ago, and we're going to stand by what we said six months ago," instead of saying: "The promise we made six months ago, we're going to completely ignore, throw it out the window, and plan on our debt becoming way bigger or plan on our government's policies making Alberta's economy way smaller." We're going to take a more optimistic view. We're going to show we care about Alberta's children and Alberta's grandchildren.

This is a chance, folks, to redeem yourselves. This is a chance to do the right thing. This is a chance to acknowledge that Albertans do not have an unlimited capacity to shovel money into this government. They'll leave. If they don't leave, the jobs will leave.

You know, the hon. Government House Leader talked about low tax rates. Low tax rates, actually, are what caused a lot of jobs to happen. Companies chose to come here instead of other places. Companies chose to invest here instead of other places. When they do that, they hire people, and those people pay taxes and fill the provincial government's coffers. I know this because when we were in government, when there was almost full employment here, the coffers were full all the time, which is what enabled a lot of those things to be purchased, the support for the cancer centres and the universities and the ring roads and made things like that happen.

Lower taxes, the right competitive tax regime, actually bring in more taxes because people and companies want to come here and pay taxes, because while they don't like paying taxes anywhere, they will often choose to pay taxes where they have a better tax rate. That used to be Alberta. It could be Alberta again. This government has it within their authority. They have it within their ability. I just hope they have it within their hearts to care for the Albertans who have lost their jobs, to limit the amount of debt that we take on, to say to them: "We actually are putting up a stop sign. This is enough. This is where we draw the line. This is where we're going to say that we're not going to borrow anymore. This is where enough is enough. This is where we're going to start caring about Albertans and making sure that we can still keep building that infrastructure five and 10 and 20 years from now because we can do that if the banks haven't said that, no, you can't borrow any more money."

That's, unfortunately, where this government is headed. They're headed for a place within a few years where the banks will say, "You can't afford to borrow anymore," or where the cost of borrowing will become so prohibitive that it will not be a competitive place to live and work and raise your family and have a great quality of life in Alberta, as Albertans up to a year ago used to take for granted, used to expect, used to have great confidence that when they raised their children here, they could educate them well and that their children could reach their full potential and, if they chose to, have a good job here and stay in Alberta. That's hope. That's called hope. Let's maintain some of that hope. I'm asking the government and my colleagues in opposition to support this amendment, to retain some of the hope that Albertans used to take so much for granted only a year ago.

Unlimited debt, unlimited borrowing with no plan to pay it back is a hope destroyer. It's an economy destroyer. It's a job destroyer. We know that. You know what? People a lot smarter than me say that. I know it doesn't take much to be smarter than me. I agree with that. [interjections] See? Everybody agrees with that.

But the people that lowered Alberta's credit rating are saying that that's destroying the economy and jobs. They are. The chambers of commerce say that. The people that vote with their dollars, that moved the jobs and the investment out of here – and since this government, there has been \$20 billion, \$30 billion, based on this government's policies, that has left Alberta, that may come back or

may never come back. It certainly won't come back until the policies change. Give hope that some of that investment could come back and provide jobs for our children and our grandchildren. Give hope that those jobs could come back into the tax base to pay for us in our old age, for the support that we and all Albertans in their senior years are going to need. Give hope that there will be choices for our children, good choices, good jobs, where they can put their educations to use and create a better Alberta for their children.

11:40

We're really at a crossroads here. We're at a crossroads here where the government needs to make a decision. Are we going to throw out all of the hope, all of the optimism for the future, or are we going to make a stand and say that enough is enough? Believe me, even the 15 per cent debt-to-GDP is too high but is a sign that the government has a limit, that the government actually will recognize a stop sign, recognize that when the engine light is flashing, if they won't stop immediately, they'll at least stop at the next gas station and get it checked before the engine blows up in Alberta's economy, before the hope goes away, before the optimism is gone.

This is a chance for the government to say: "We believe in hope. We believe in optimism. We believe in the future of Alberta. We care for our children. We want to have the resources to look after our seniors and those that need support most in the future." This is a chance for the government to say yes to all of that by saying yes to this amendment. I heartily hope that they choose to do so.

Thank you.

The Chair: The hon. Member for Strathmore-Brooks.

Mr. Fildebrandt: Are we not allowed to speak after? Is there a formal closing in committee?

The Chair: No, no. There's no closing debate in committee. You're allowed to speak to the amendment if you wish.

Mr. Fildebrandt: All I will say is that I very much agree with the Member for Calgary-Hays; however, I just can't help but point out what a famous former Premier said: debt is hope.

The Chair: Any other speakers to amendment A1?
Seeing none, we'll call the question.

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

[Several members rose calling for a division. The division bell was rung at 11:42 a.m.]

[Fifteen minutes having elapsed, the committee divided]

[Ms Jabbour in the chair]

For the motion:

Clark	Hanson	Schneider
Cyr	Loewen	Stier
Ellis	McIver	Swann
Fildebrandt	Nixon	Taylor
Gotfried	Orr	

Against the motion:

Anderson, S.	Goehring	Nielsen
Babcock	Hinkley	Payne
Bilous	Horne	Piquette
Carson	Kazim	Renaud
Ceci	Kleinsteuber	Rosendahl
Coolahan	Littlewood	Sabir
Cortes-Vargas	Loyola	Shepherd
Dach	Luff	Sucha
Dang	Malkinson	Sweet
Drever	Mason	Turner
Feehan	McKitrick	Westhead
Fitzpatrick	McLean	Woollard

Totals: For – 14 Against – 36

[Motion on amendment A1 lost]

The Chair: Pursuant to Standing 4(3) the committee shall now rise and report.

[The Deputy Speaker in the chair]

The Deputy Speaker: The hon. Member for Leduc-Beaumont.

Mr. S. Anderson: Thank you, Madam Speaker. The Committee of the Whole has had under consideration certain bills. The committee reports progress on the following bills: Bill 17 and Bill 10. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

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

Hon. Members: Agreed.

The Deputy Speaker: Opposed? So ordered.
The hon. Government House Leader.

Mr. Mason: Thank you. I could just talk for one minute and we would adjourn automatically, but I'll move that we call it 12 o'clock.

[Motion carried; the Assembly adjourned at 11:59 a.m.]

Table of Contents

Prayers	1031
Government Bills and Orders	
Committee of the Whole	
Bill 17 Appropriation Act, 2016.....	1031
Bill 10 Fiscal Statutes Amendment Act, 2016.....	1041, 1046
Division	1049
Introduction of Guests	1046

Alberta Hansard is available online at www.assembly.ab.ca

For inquiries contact:

Managing Editor

Alberta Hansard

3rd Floor, 9820 – 107 St

EDMONTON, AB T5K 1E7

Telephone: 780.427.1875