

### Province of Alberta

The 29th Legislature Fourth Session

# Alberta Hansard

Wednesday evening, May 16, 2018

Day 31

The Honourable Robert E. Wanner, Speaker

### Legislative Assembly of Alberta The 29th Legislature

Fourth Session

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

Aheer, Leela Sharon, Chestermere-Rocky View (UCP), Deputy Leader of the Official Opposition Anderson, Hon. Shaye, Leduc-Beaumont (NDP)

Anderson, Wayne, Highwood (UCP) Babcock, Erin D., Stony Plain (NDP) Barnes, Drew, Cypress-Medicine Hat (UCP)

Bilous, Hon. Deron, Edmonton-Beverly-Clareview (NDP)

Carlier, Hon. Oneil, Whitecourt-Ste. Anne (NDP) Carson, Jonathon, Edmonton-Meadowlark (NDP)

Ceci, Hon. Joe, Calgary-Fort (NDP) Clark, Greg, Calgary-Elbow (AP),

Alberta Party Opposition House Leader

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Coolahan, Craig, Calgary-Klein (NDP)

Cooper, Nathan, Olds-Didsbury-Three Hills (UCP)

Cortes-Vargas, Estefania, Strathcona-Sherwood Park (NDP), Government Whip

Cyr, Scott J., Bonnyville-Cold Lake (UCP)

Dach, Lorne, Edmonton-McClung (NDP)
Dang, Thomas, Edmonton-South West (NDP)

Drever, Deborah, Calgary-Bow (NDP)

Drysdale, Wayne, Grande Prairie-Wapiti (UCP)

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Ellis, Mike, Calgary-West (UCP)

Feehan, Hon. Richard, Edmonton-Rutherford (NDP),

Deputy Government House Leader

Fildebrandt, Derek Gerhard, Strathmore-Brooks (IC)

Fitzpatrick, Maria M., Lethbridge-East (NDP)

Fraser, Rick, Calgary-South East (AP)

Ganley, Hon. Kathleen T., Calgary-Buffalo (NDP),

Deputy Government House Leader Gill, Prab, Calgary-Greenway (UCP), Official Opposition Deputy Whip

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Kazim, Anam, Calgary-Glenmore (NDP)

Kenney, Hon. Jason, PC, Calgary-Lougheed (UCP), Leader of the Official Opposition

Kleinsteuber, Jamie, Calgary-Northern Hills (NDP) Larivee, Hon. Danielle, Lesser Slave Lake (NDP),

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Dunvegan-Central Peace-Notley (NDP)

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Miller, Barb, Red Deer-South (NDP)

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Pitt, Angela D., Airdrie (UCP),

Official Opposition Deputy House Leader

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Rosendahl, Eric, West Yellowhead (NDP)
Sabir, Hon. Irfan, Calgary-McCall (NDP)
Schmidt, Hon. Marlin, Edmonton-Gold Bar (NDP)

Schneider, David A., Little Bow (UCP) Schreiner, Kim, Red Deer-North (NDP)

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Starke, Dr. Richard, Vermilion-Lloydminster (PC)

Stier, Pat, Livingstone-Macleod (UCP) Strankman, Rick, Drumheller-Stettler (UCP) Sucha, Graham, Calgary-Shaw (NDP)

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Taylor, Wes, Battle River-Wainwright (UCP)
Turner, Dr. A. Robert, Edmonton-Whitemud (NDP)
van Dijken, Glenn, Barrhead-Morinville-Westlock (UCP)

Westhead, Cameron, Banff-Cochrane (NDP),

Deputy Government Whip

Woollard, Denise, Edmonton-Mill Creek (NDP) Yao, Tany, Fort McMurray-Wood Buffalo (UCP)

Vacant, Fort McMurray-Conklin Vacant, Innisfail-Sylvan Lake

### Party standings:

New Democratic: 54 United Conservative: 25 Alberta Party: 3 Alberta Liberal: 1 Progressive Conservative: 1 Independent Conservative: 1 Vacant: 2

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Kazim Schreiner

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### Legislative Assembly of Alberta

7:30 p.m.

Wednesday, May 16, 2018

[Ms Sweet in the chair]

The Acting Speaker: Please be seated.

### Government Bills and Orders Second Reading

### Bill 16 Election Finances and Contributions Disclosure Statutes Amendment Act, 2018

[Adjourned debate May 16: Mr. Feehan]

**The Acting Speaker:** Any members wishing to speak to the bill? The hon. Opposition House Leader.

Mr. Nixon: Well, thank you, Madam Speaker. It's great to have an opportunity to rise to talk about Bill 16. Bill 16 is an interesting piece of legislation that was added on at the last minute, if you would. What I find most interesting about Bill 16 is that it shows without a doubt two main issues: one is the fear of the NDP government of the United Conservative Party, which we'll talk about in a minute; second is the NDP's tendency when it comes to bills associated with our election system to try to, if you would, stack the deck, which we've talked about many times when the government has brought forward legislation in this area.

First, let's talk about why this bill shows the NDP's concern about facing a United Conservative Party in the next election, so concerned, in fact, Madam Speaker, that they have to rush a piece of legislation to the floor in the spring sitting because they're so nervous.

Now, my friend the hon. Member for Calgary-Hays and I as well as the hon. Member for Livingstone-Macleod, amongst others who are not MLAs, had the privilege of sitting on the unity discussion group and working to bring both the great parties, the Wildrose Party and the Progressive Conservative Party, together to be able to create this United Conservative Party that we now see here in the House, of course, united. We also see it united across the province. In fact, Madam Speaker, I'm proud to tell you it's the second-largest political party in the country, the first-largest political party in the province, the most popular political party by a long shot in the entire country of Canada if polls are to be believed. We know what polls can be for, but there is no doubt that the excitement around the United Conservative Party is very real.

But long before we were able to get there, some of us had to go in a room and had to overcome some significant legal hurdles to be able to make this happen. The reality is that the law was not very friendly or able to accommodate political parties coming together in the province of Alberta. Federally it was, which we saw, of course, with the Reform Party and the PC Party. They were able to unite because the law was able to do that. But the law inside Alberta did not allow for it.

Interestingly enough, though, when we were going through that process, we recognized that the way around that was to have all three parties fall under one leader, one executive, and be under the control of one unit. And that's how the United Conservative Party, the Wildrose Party, and the PC Party are now because that was the way that we had to deal with the legal circumstance around that.

Now, what that would allow for, Madam Speaker – under the last law that this government brought forward in regard to election issues, they capped the spending of political parties at \$2 million

per writ period for a party. There are different rates for the constituency associations, and I don't think we need to talk about that today. But the way that we used to be able to bring our parties together would have allowed us to be able to spend \$2 million for the Wildrose Party, \$2 million for the Progressive Conservative Party, and \$2 million for the United Conservative Party.

Now, my colleagues and I, the hon. Member for Calgary-Hays and I and our colleagues inside the unity discussions, recognized that that would be against the spirit of the law, a law that we voted for and supported inside this Assembly. As such, as the authors of the agreement that brought these parties together, we made a determination to put into the agreement that we would respect the spirit of the law. Only one cap would be spent despite the fact that we control three political parties. Now, that's in the agreement in principle. It's been signed by both leaders of the legacy parties that brought it together and by the current leader of Her Majesty's Loyal Opposition. Let's also be clear, Madam Speaker. The easiest way to have dealt with this would have been to let those parties merge together and move forward because that's what we've been able to accomplish anyway.

Now, sometime over the last few months somebody over on the NDP side – it just dawned on them finally that we might be able to spend \$6 million in the next election. They're a little bit behind us on that process, but they had a look at it and they realized: oh, these guys may be able to spend \$6 million. So they panicked and reached out to us. We said: "Whoa, whoa. It's okay. We've put it in this agreement, and we don't have any intention of breaking this agreement. You know, it's there. It's written down. It's signed." But they started to panic. They started to look at the fundraising numbers, probably the polls that show them 30-35 points behind right now and went: "Oh, my. What if these guys actually spent \$6 million? Our law didn't work."

Now, that's fair. It's fair. That's why the unity group made sure to put in the agreement that that cannot happen because we want to honour the spirit of the law. The problem comes, then, Madam Speaker, though, that the easiest way to fix that would have allowed these entities to finally merge instead of creating a ridiculous law to continue on to keep them as separate entities and the extra complications that come with managing that, et cetera.

The fact is, Madam Speaker, that despite the NDP's biggest wishes and their hopes, I'm sure, last year these political parties came together. Right-of-centre political movements, free-enterprise political movements in this province have united. The majority of Albertans support that side of the spectrum. I know it makes them very, very nervous.

But to then try to just do one little piece of the puzzle and make sure that we can't spend \$6 million, all of which we've already agreed not to, and not allow those political parties to come together, shows exactly what is wrong with this government, and that is that they continue to bring legislation in regard to our election system to this House that at its core is often designed just to stack the deck for this government. That is how desperate they are right now and how scared they are about what will happen in 11 and a half months, when they have to go to their boss, Albertans, who they have completely neglected in their time in office. They have to go back to those Albertans, who are going to probably send this government packing, Madam Speaker. Then they continue to bring forward legislation to try to make it easier for them, and in this case they could just allow these political parties to come together, but they can't do it.

It goes back to the very first time that they brought a bill to this House, actually the second time. The first time was about corporate and union donations, which, of course, we supported, but the second time they came to this House and through a whole

committee process tried to get my constituents and your constituents to pay for their campaign expenses. Do you remember that, Madam Speaker?

**Some Hon. Members:** They were stacking the deck.

**Mr. Nixon:** Stacking the deck. They know it. That's what they were doing, and when they get called on stacking the deck, they finally have to cave, but that's what they were trying to do. Now, it's a good thing that the Official Opposition was there to be able to catch them trying to stack the deck.

We saw in this House a motion to bring forward a new Election Commissioner with some legitimate questions from the opposition around salary and different types of things that certainly appear secretive. What did the government do, Madam Speaker? They brought in time allocation for the second time in their mandate. The only other time that they brought in time allocation was during Bill 6, when they were absolutely being destroyed politically for that ridiculous piece of legislation, but the second time they do it, after all these years, is something to do with elections. Over and over – and I'm sure some of my colleagues will talk about it tonight – this government's main focus is stacking the deck.

Mr. Coolahan: Stacking the deck?

**Mr. Nixon:** Stacking the deck. The government, you hear them, Madam Speaker. They're talking about stacking the deck because they know that that's what they're trying to do. If they were not trying to do that, why would they not just accept the fact that these parties have come together, allow them to merge? Of course, we will have to look at changing that law if we're fortunate enough to form government in a year to allow that to take place because it's pretty silly for it not to.

But this government, in a mad panic to make sure that we would honour our agreement, which is fine, brought forward a more complicated way of doing it. The easiest way to do that would have been to allow these parties to become one entity to make sure that they all fit under the cap. Instead, they bring forward a bill that has what appears like other loopholes for different parties but not for the Conservative Party, that is only focused on making sure that the United Conservative Party can't spend \$2 million for each of its legacy parties plus itself. It draws all this stuff out in a big lengthy process to be able to make sure that that works legally, when all they had to do was change one clause in the law that would allow the Wildrose Party, the PC Party, and the United Conservative Party to join together. They're stacking the deck. That's all this government can do.

You know, I lost respect for this government a long time ago, Madam Speaker, but the number one thing that caused me to lose respect for this government is when they tried to get Albertans to pay for their campaign expenses. It's one of the most shameful things that this government ever did.

7:40

Mr. Schmidt: I can't believe we lost your respect then.

**Mr. Nixon:** Absolutely disappointing. I mean, I know the minister of postsecondary is heckling how much he wishes that could have happened, but it didn't, sir. We caught you. It never happened. We got ya. We got ya. You know, it was worth a try, I guess. I think it's kind of disappointing that you would try to do that – through you, Madam Speaker, to the minister of postsecondary – to Albertans.

**An Hon. Member:** Not a problem.

Mr. Nixon: And, of course, the Minister of Municipal Affairs now wants to chime in about his great hope to make sure that taxpayers can pay for his campaign expenses. This side of the House would not accept them stacking the deck. On that one we managed to win, Madam Speaker. We managed to win one for the good guys. And sadly those wins have . . . [interjection] The minister of agriculture right now. Maybe he's hoping right now that they'll get another chance to get his campaign expenses paid for. Not under my watch, sir. Not under my watch, sir.

Just because you have a majority, minister of agriculture, does not mean that you should try to take taxpayer dollars to pay for your campaign expenses. That would not make any sense.

**The Acting Speaker:** We were off to a good start. If we could go through the chair, please. If we could respect the speaker, I would appreciate it. Thank you.

Hon. member, please continue.

**Mr. Nixon:** Thank you, Madam Speaker. It was getting hard to hear you. I'm glad that you were able to get the government back in control.

An Hon. Member: Because you're so loud . . .

**Mr. Nixon:** Already, Madam Speaker. That's the minister of postsecondary. Through you, Madam Speaker: he can't even obey your ruling from the chair.

An Hon. Member: Education.

Mr. Nixon: Or Minister of Education. Sorry. He can't even obey your ruling from the chair. The minister of postsecondary. Can't do it. You know why? This government's instinct is to not follow the rules, and it's to try to stack the deck to make things easier for them. That's what this government does. They want to laugh about it. I don't think it's funny. I think it's absolutely appalling that that's what this government has tried to do. And they continue to do it.

It gets even worse. There have been about five pieces of legislation associated with our election system since this government came to power. Each and every time that they have brought a bill, each and every time, Madam Speaker – it's shocking – they've had to come back by the next sitting to fix the mistakes they made with the first bill on our election system.

In their desperation and their blind run just to be able to try to make it easier for them, just to try to make it easier for them, they end up making terrible mistakes. Then they have to bring forward extra PAC legislation that they should have got right the first time.

Mr. McIver: Lots of mulligans.

**Mr. Nixon:** Mulligans. Over and over. That's exactly right. I think the hon. Member for Calgary-Hays's description of mulligans is a great description. That's what we get from this government.

So I will encourage my caucus to support Bill 16 because, as I said, Madam Speaker, our intent is only to spend one cap and follow the spirit of the law, which we voted for in this Assembly, which we signed an agreement on amongst our parties to make sure it would happen.

Ms Payne: How about the grassroots guarantee . . .

**Mr. Nixon:** Well, you know, the Associate Minister of Health wants to heckle about grassroots guarantees. Well, let me ask through you, Madam Speaker, to the minister: how good is the NDP's grassroots capability when they go and try to take money

from that grassroots to pay for their campaign expenses? That's what this government did. That's one of the legacies of this government: trying to manipulate the system to be able to get their campaign expenses paid, trying to manipulate the system to pay for their campaign expenses.

And you can tell how sensitive they are about that issue today, Madam Speaker, because of how much noise you're getting from this side of the House because of the fact that they won't listen to your ruling from the chair and stay calm during a debate and allow us to have the floor when we talk. They are disappointed that we're pointing out the ridiculousness of their position, the fact that they want to bring legislation here just to manipulate things or to protect themselves but not make it fair for all parties.

The minister should stand up and explain why she would go through the most complicated process to be able to deal with this situation rather than let these three legacy parties come together.

At the end of the day, Madam Speaker, it does not matter. We figured out the way to handle this under the law. This group across the way will be facing a united, free-enterprise vote in all of their constituencies.

An Hon. Member: Not in Strathmore-Brooks . . .

**Mr. Nixon:** That's going to happen no matter what. It will happen in Strathmore-Brooks, too. There'll be a United Conservative candidate. But Strathmore-Brooks doesn't exist anymore, minister of postsecondary, so try to follow along.

**The Acting Speaker:** Hon. members. We are in second reading. Can we please respect the speaker.

Mr. Nixon: Thank you, Madam Speaker. Again, in closing, you have a government who has brought forward a bill because they're scared the United Conservative Party is outfundraising them. They know we have more votes than they do, and they're in a panic. That's fine, but we already agreed to do this. Instead of dealing with it in the easiest and most efficient way to get it done, they went with an extremely complicated way to still try to punish their political opponents. It is absolutely appalling and disgusting that the NDP continues to do this with our election system, that they continue to try to manipulate it to their advantage.

Madam Speaker, I predict through you to all of them that it will not work and that the time for this government is coming to an end. They better enjoy it because soon they will have to go to the doors, and Albertans will look at them and say: we don't accept the ridiculousness of what you've done, particularly the fact that you tried to manipulate our election system, and as such, we're going to send you packing.

The Acting Speaker: Thank you, hon. member.

Are there any members wishing to speak under 29(2)(a)?

Seeing none, are there any other members wishing to speak to the bill?

Are there any members wishing to close debate?

Seeing none, I will now call the question.

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

[Several members rose calling for a division. The division bell was rung at 7:46 p.m.]

[Fifteen minutes having elapsed, the Assembly divided]

[Ms Sweet in the chair]

For the motion:

Anderson, S. Horne Orr Carlier Payne Jansen Connolly Kazim Piquette Coolahan Kleinsteuber Renaud Cortes-Vargas Larivee Rosendahl Schmidt Cyr Littlewood Dach Schneider Loyola Dang Malkinson Schreiner Eggen McCuaig-Boyd Shepherd Ellis McIver Sucha **Taylor** Fitzpatrick McKitrick Goehring Turner Miller Hinkley Woollard Nixon

Against the motion:

Fildebrandt Swann

Totals: For -39 Against -2

[Motion carried; Bill 16 read a second time]

The Acting Speaker: The hon. Deputy Government House Leader.

**Ms Larivee:** Thank you, Madam Speaker. At this time I would like to request unanimous consent to shorten the interval between bells within Committee of the Whole to one minute.

[Unanimous consent granted]

### Government Bills and Orders Committee of the Whole

[Ms Sweet in the chair]

The Deputy Chair: Hon. members, I would like to call the committee to order.

### Bill 17 Tax Statutes Amendment Act, 2018

**The Deputy Chair:** Are there any comments, questions, or amendments to be offered with respect to this bill?

Seeing none, I will call the question.

[The clauses of Bill 17 agreed to]

[Title and preamble agreed to]

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

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

### Bill 11 Lobbyists Amendment Act, 2018

**The Deputy Chair:** Are there any members wishing to offer any comments, questions, or amendments with respect to this bill? The hon. Member for Calgary-Mountain View.

**Dr. Swann:** Thank you, Madam Chair. I'm pleased to speak in committee on Bill 11, Lobbyists Amendment Act, 2018. The bill proposes to amend the Lobbyists Act to better regulate lobbying activity and make it more transparent. It prohibits lobbyists from giving money, gifts, or other benefits to public office holders that would result in them contravening the Conflicts of Interest Act. It requires that lobbying activity be reported regardless of who is

asking for the meeting or who made the first call. That's progress. It requires individuals or groups that lobby government on behalf of their employer or business to register the activity after 50 hours of lobbying in a year. That 50-hour reporting threshold will include preparation time. That's half the time that it was prior to this, and only face-to-face meetings were reportable in the past.

It requires lobbyists who are paid as consultants by organizations to file with the registry within 10 days of starting their efforts. That's progress. It prohibits contingency fee payment arrangements that allow consultant lobbyists to be paid only when they're successful. Grassroots communications will now be included in the definition of lobbying to reflect a lot of lobbying practices currently. It exempts indigenous elders who approach government officials to advocate for their communities from having to report such actions.

Bill 11 does not change the rule for lobbyists hired by outside clients. They're still automatically required to register regardless of the time spent on an issue, and the law requires them to register within 10 days. Information about lobbyists is posted publicly on a registry maintained by Alberta's office of the ethics and conflict-of-interest commissioner.

The concerns I have are that it's still got some major deficiencies that relate to the need for a stronger code of conduct for lobbyists. It isn't clear and should be explicit what an acceptable code of conduct for lobbyists is. Other jurisdictions have this. It identifies strategies and behaviour and incentives and disincentives that are appropriate for a responsible relationship with government.

If the aim of the legislation is to enhance transparency, why does it not compel lobbyists to disclose the names of those they met, the topics of discussion, the time, date, and location of the meeting, and other relevant information? This could have gone to a greater length to provide all of us, including citizens, with the certainty and the accountability for some of these lobbying activities.

A case in point was the tobacco lobbying, that I raised in question period this week, where in spite of having international agreement on prohibiting lobbying behind closed doors, it became evident that there was lobbying by tobacco lobbyists, including friends of the Premier, that are meeting behind closed doors and are now going to be, hopefully, addressed in a more transparent way. I look forward to seeing the evidence for that.

A final concern is that we should be capturing lobbying done by front groups on behalf of other Conservative – other commercial interests.

### Mr. Fildebrandt: A Freudian slip?

**Dr. Swann:** A little Freudian slip there. Are you getting a lot of lobbying from the Conservatives over there? Yeah. It must be a problem.

More transparency I guess is better if we're talking about lobbying. Albertans deserve to know who, when, where, and what is being discussed.

#### 8:10

Apart from those, I think the bill does make progress. There's no question that this is better than we've seen in the past. It's incremental. One would like to have seen a little more dramatic commitment to some of the issues that I've raised, including a code of conduct, but on balance this is progress, and I will be supporting it.

Thank you, Madam Chair.

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak to Bill 11?

[The clauses of Bill 11 agreed to]

[Title and preamble agreed to]

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

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

### Bill 6 Gaming and Liquor Statutes Amendment Act, 2018

**The Deputy Chair:** Are there any comments or amendments to be offered in regard to this bill? The hon. Member for Strathmore-Brooks.

**Mr. Fildebrandt:** Thank you, Madam Chair. Before I begin, I've already provided an amendment to the table officers. If it could be distributed before I begin speaking.

The Deputy Chair: Thank you, hon. member.

Hon. member, your amendment will be referred to as A1. Please go ahead.

Mr. Fildebrandt: Thank you, Madam Chair. It's my pleasure to speak to Bill 6, Gaming and Liquor Statutes Amendment Act, 2018. I'll speak to the bill in general, but I'll also speak to the amendment that is before members right now. Members will note that I've distributed this amendment to the different caucuses in advance in genuine hope that this is an amendment we can pass to improve upon this bill and improve the lives of many Albertans as we move into the post cannabis prohibition era.

Now, I apologize for my voice right now. As we discuss cannabis, I am technically on drugs. I'm full of cough medicine right now, a little woozy, but I've thought long and hard about this bill in advance, so it is still my pleasure to speak to it.

We are finally coming to the end of at least part of the destructive war on drugs. The war on drugs has disproportionately hurt and targeted minorities and people of colour and various indigenous people and different vulnerable people in our society and even more so in the United States. The war on drugs takes very different forms on different drugs, and we can certainly debate the merits of it at large, but we are in this bill debating the merits of ending the war on drugs for cannabis.

Now, I hate to admit when this government does something good, but I'm going to give them credit where credit is due. As the federal government moves us into the postprohibition era, the government of Alberta has, while it's not perfect, I think actually led the way nationally on the best retail and administrative system for pot. They have embraced the free market. They've embraced the power of free enterprise and decided that it is not good to follow the advice of the Alberta Federation of Labour and set up bong bureaucracies. They've decided that pot should be in the private sector. If Bob Marley was alive today, I'm sure he would sing a song about: privatize it. I've waited a while to say that.

I'm going to give credit where credit is due. There's a lot of very good in this system. I think the main exception to that would be online sales. I've talked with some members of the government outside this Chamber. It's just not going to work. You can go online. Some of you are probably going to be moving around your computers a lot tonight on the less interesting parts of debate, when you're all done listening to what I have to say, and if you want to buy pot online right now, you can do so from your seat in the Legislature. Now, I haven't done it, at least that I've been caught for. I haven't done it, and I wouldn't tell you if I did. But it's not

very difficult. You can go online right now. It's pretty easy to get it. I've got friends who have done it without too much trouble. You know, flavoured tobacco is illegal to buy in Alberta, period, online or in stores, and I'll let you in on a secret. You can get it online. And it's illegal.

So if your goal is to somehow establish an online monopoly, it's not going to work. It's going to cost a ton of money to set up this bureaucracy, and regardless of who's in power in a few years, it's going to get scrapped. So continue to embrace the power of free enterprise. If we're going to snuff out the black market in cannabis, the only way to do that is really by being more competitive than it and embracing free enterprise. That is the advice I offer to the government, which I'm sure they'll take.

Outside of the online monopoly that they seek to establish, it is otherwise a very good program that they've put forward. It is really opening up new markets in Alberta for people producing and selling. If you just look at the number of stores popping up just in Calgary alone, it's incredible. In my constituency is Wheatland county. Some have proposed they rename it Weedland county with all the growing that's starting to come up. It is really a boon for business, and Alberta is actually going to lead the way nationally. It's a real growth opportunity. No pun intended.

But there is a part of this bill that needs to be addressed, and we have an opportunity to help some people here enter the legal licensed market and participate in licensed establishments. Now, broadly I do believe that for laws that are changed to make something that once was illegal no longer illegal, we should provide amnesty or a pardon for those people. You know, when the Wheat Board monopoly was abolished – the Member for Drumheller-Stettler went to jail for the crime of selling wheat. Wheat, not weed. For the crime of selling wheat, he went to jail. Now, it is completely crazy that someone went to jail for the crime of selling their own wheat to someone besides the government.

**Dr. Turner:** He was smuggling it.

**Mr. Fildebrandt:** He was a smuggler. He was the pirate of the South Saskatchewan River.

**Dr. Starke:** There's a song about that.

Mr. Fildebrandt: There is a song about that, and I think it's about him.

Once that Wheat Board monopoly was abolished, Prime Minister Harper provided him and some of his, as he calls them, jailmates a pardon. It was the right thing to do. It was no longer against the law. It was an unjust law to begin with, but it was no longer against the law, and they should no longer be treated as criminals with any kind of record. That's the right thing to do.

As we move, as is expected at least, by July 1, to end cannabis prohibition, it will no longer be a criminal offence to possess small amounts of marijuana, but there are still people who currently will carry criminal records for the rest of their lives. They may have been caught with a joint at some point, as a teenager or in their 20s or at some point of their life, as I'd guess some people in this Chamber may have been at some point. The Prime Minister has admitted to smoking it at some point, but he doesn't require a pardon because I guess he's not been charged for it.

But people are carrying around a record for the rest of their lives, and I think it would be a great move forward for these people if the Minister of Justice were to call on her federal counterpart to provide a general amnesty or pardon for Canadians who have been convicted of possession of small amounts of marijuana, not dealers, not large amounts, not for hard drugs, just for marijuana in small

possession. There are a lot of people who are not real criminals who have been tagged by this.

8:20

You know, can we imagine someone carrying around a criminal record because they got caught in a speakeasy in the 1920s? No. We've moved on from that. So I think it's time we give these people a pardon and some justice so that they can move on with their lives. A pardon on a criminal record is a federal matter, but what we can do here within provincial jurisdiction and within the scope of this bill is with regard to licensing.

The current legislation allows the AGLC, or AGL Ceci, to determine who can actually have a licence to own and operate these businesses. They also actually require licences for people just to work in them. That's very interesting. As far as I know – someone can correct me if I'm wrong – you don't require a licence to work at Co-op Liquor or Solo Liquor. You know, you need a licence to own the business, but you don't need a licence to work in it. But this is actually going to . . . [interjections] Pardon?

Some Hon. Members: You need ProServe.

Mr. Fildebrandt: Oh. ProServe, yes, to actually serve.

But in a store I don't think they're going to be smoking over the counter. At least, I don't think that's the plan under the regulations. If they're just buying in the store and they're not consuming it on the spot, I think it's more akin to a liquor store than an actual bar.

Now, I'm actually okay with the AGLC being able to green-light and red-light some people for this. I think if people have been actual drug dealers, they should not be in this business. But if they've simply been pegged with a small possession charge at some point in their life – they got caught with a joint – it is now very possible that the AGLC, under the current legislation, will disallow them from being allowed to work in these stores. I don't think that's fair. I don't think that's just. They're being held criminally responsible for something that is no longer a crime. They will have already paid for it, but because they're carrying around that record, they're not allowed to get a job in a legal and licensed facility.

I think it is the reasonable and the compassionate thing that we allow for there to be an appeal process. The amendment that I've put before members of this House leaves all of the legislation intact but simply adds a power to the Minister of Finance, responsible for the AGLC, that in the event that the commission, the AGLC, denies someone the right to work in these stores – I'm not talking about the right to own and operate one of these stores. This bill doesn't get into it, so I'm not able to bring that amendment forward, but simply for regular blue-collar employees working in these stores. If the AGLC under the current rules decides that someone cannot work in that store, they will have an avenue for appeal. They can make a written appeal to the minister responsible for the AGLC, and the minister will have it in his discretion whether or not to allow this person to work in one of these stores.

The intent of this, now, is that it would be at the discretion of the minister. I've consulted with Parliamentary Counsel. We were not able to spell out exactly under what conditions because that gets into areas of federal jurisdiction. But the minister would have the ability, in regulations and in his own decisions, to decide . . .

An Hon. Member: Or her.

Mr. Fildebrandt: Or her, but it's currently a he.

... to allow someone to still work in one of these stores. He would have some discretion there as a form of appeal. I would expect that, in good judgment, if someone has been charged and convicted of trafficking, if they've been involved in other crimes related to

drugs, be it violent crime or hard drugs or property crimes, all of these things, then I think that request and that appeal should be denied. But if someone simply got caught with a joint at 20 years old, I don't think they should be told that they can't get a job. I don't think that they should have to carry that around for the rest of their lives when it is no longer illegal.

This would be the equivalent of someone who got caught with a bottle of hooch in the 1920s, and they could no longer work in a liquor store when Prohibition ended. It just wouldn't be fair. It's not compassionate. This is an industry that is just starting off in Alberta, and we're getting off to a great start. This government has made – again, I hate to say it, but you guys have made in aggregate some very good decisions on how to proceed with the administration of cannabis in the postprohibition era.

I'd encourage all members to support this amendment. I'm very happy to discuss it with members if they have any questions. I think that this is a very nonideological issue. This is simply being compassionate and being reasonable to people who are going to be saddled by something from the past that is no longer a crime.

I thank you, members, for your time, and I ask that you give consideration to this amendment.

### The Deputy Chair: Thank you, hon. member.

Are there any members wishing to speak to the amendment?

**Dr. Swann:** Well, Madam Chair, this is an extraordinary day. I find myself once again agreeing with the member. We may have to change our names over here to the Valhalla party. But I think that I heard a compassionate Conservative speak just now. It made eminent sense to me that we give more discretion to the minister. These are difficult, interesting, challenging, and unprecedented times. All across this country we're going to be making decisions about cannabis, and particularly for those who've been involved with a drug that was illegal until this year, it carries all kinds of baggage for people, their employment, their ability to work in the industry, which they may know very well having had some past experience which wasn't exactly legal, people who have expertise, who have lived experience that can be helpful in the industry.

This is really, in many ways, recognizing the minister with the discretion that a minister should have to make decisions that may vary somewhat from the standard policy but in circumstances that require it to make different decisions and intervene in lives in ways that would be helpful and constructive from an employment point of view and a mental health point of view and indeed a legal point of view.

So I find myself in support of this amendment. I don't think there's anything to be lost. I think that the member has rightly identified an area in legislation that just hasn't maybe been considered fully. This would add another dimension to it in which, obviously, the minister would have discretion, would consult potentially with others, and is in a position to then make decisions on individual cases that would be in the interests of not only that individual, their family, perhaps their community but also in the broader public interest.

I'll be supporting this amendment, Madam Chair.

#### The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak? The hon. Member for Edmonton-Centre.

**Mr. Shepherd:** Thank you, Madam Chair. I appreciate the opportunity to respond to the amendment from the Member for Strathmore-Brooks. I would like to begin by stating that I appreciate the thought that he's given this particular issue. I certainly recognize that the enforcement of laws around cannabis has been

shown to statistically have targeted more individuals from marginalized communities than from the mainstream or, shall we say – let's be honest – the Caucasian community. That is something that I think we need to be aware of and that I'm certainly hoping the federal government is considering. As the member has suggested, the federal government should be considering providing pardons or exemptions for individuals who have been convicted under laws which are now going to be taken off the books and indeed recognizing that those laws have impacted individuals from marginalized communities more than from others.

#### 8:30

It would be my hope, particularly as we work towards issues like reconciliation with indigenous peoples in Canada, and certainly as the federal government has indicated its intent – it recognized this year the International Decade for People of African Descent and has made other efforts towards trying to balance some of these issues – that it would be considering the impact these laws have had on these communities and, indeed, with legalization of cannabis would be moving to help redress the problems that have been caused for those communities by the application of those laws disproportionately.

That said, in regard to this particular amendment we believe that the requirements that have been put in place so far for cannabis workers are important to ensure that the product is distributed safely and legally and to achieve the goals of keeping cannabis out of the hands of children, those under the age of 18. Those requirements are not subjective. They are: a minimum age of 18; a completion of the mandatory SellSafe training, which will be related to the ProServe training we were discussing earlier but for cannabis; and passing a records check.

Now, of course we believe that it is important for individuals to have recourse if they feel that they've been excluded when they should not have been, and the AGLC is well suited for that task. That's why they were given the job of overseeing the use and sale of cannabis here in the province. They've long been a quasi-judicial board here in the province. They hear appeals on liquor and gaming issues. They have the capacity to do the same with cannabis.

We recognize that the board is going to require some additional capacity in order for them to take on this additional work. That's why this legislation also moves to expand the AGLC board to nine members. The additional capacity will allow the board to add the expertise it will need and to deal more quickly with both policy issues that may arise and to address additional appeals and hearings. They have a well-established process in place to deal with concerns or complaints of this nature. We have confidence in this process. We believe it would be inappropriate for the minister to get involved in such decisions. It's our belief that the legislation as it's currently presented allows us to achieve our goals of keeping cannabis out of the hands of kids, protecting our roads and public spaces, and curbing the illicit market.

Indeed, Madam Chair, I've encountered a similar circumstance. Recently I've been talking with some folks who had been told that they would no longer have access to a casino licence through the AGLC due to some changes that had occurred, so they came to speak with me in my office, and we discussed it with them. Ultimately, they had the ability to appeal through the AGLC to make that decision, and that is as appropriate. With the AGLC being an autonomous body, we wouldn't want the minister interfering with the decisions that are made.

But I am happy to report, as I do understand the concerns of the Member for Strathmore-Brooks, that the AGLC has already put in place some of the regulations that would be around determining what the requirements would be to be a qualified cannabis worker, that being, as I mentioned, the minimum age of 18, completion of the mandatory SellSafe training, and passing a records check.

In February they defined in the regulations that a person does not pass a records check if they've been charged with or convicted of an offence under the Criminal Code, the Controlled Drugs and Substances Act, the Food and Drugs Act, or the Excise Act, and, in the opinion of the board, the offence is sufficiently serious that it may detract from the orderly or lawful conduct of activities authorized by a cannabis licence. But in doing so, they specifically excluded from these charges or convictions the possession of cannabis, so a cannabis charge for possession would not be an automatic exclusion.

The criteria and the processes that I mentioned are in place, then, including the offences against which an assessment might be made, and that process includes escalation for assessment through the director of investigations with the AGLC.

Finally, then, if the qualification was denied at that level, the worker would have the ability to appeal to the vice-president of regulatory services within the AGLC. So there is a dual-level appeal process that has been set up within the AGLC, and, as I said, I believe that's the appropriate place for that to occur, at a distance from the minister, so that they can continue their work as an autonomous agency on behalf of the province of Alberta.

With those thoughts, I'll give, I guess, any further members the opportunity to respond. Thank you.

#### The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak? The hon. Member for Calgary-West.

**Mr. Ellis:** Yes. Well, thank you, Madam Chair. It truly is bizarro land today. Let's take note of the date, May 16, 2018: the United Conservatives agreeing with the NDP, the Liberals agreeing with the Member for Strathmore-Brooks.

I'd like to thank the previous speaker for his words. I do concur with what the Member for Edmonton-Centre said. You know, the Alberta gaming, liquor, and cannabis commission is indeed a quasijudicial board, and certainly there is an appeals process. Again, you can appeal to the Court of Queen's Bench, certainly, if a particular decision is not liked by a particular party.

That being said, as indicated by the Member for Edmonton-Centre, there appears to already be an exemption for simple cannabis possession, so, you know, I certainly encourage the government to do whatever they can to support people who have been convicted for a substance where it's now about to be legal.

I can tell you from my own personal experience, Madam Chair, that I never ever really felt comfortable laying that simple possession charge for marijuana, and it's not really a particular charge that I certainly spent a lot of time laying with alleged offenders at that particular time.

Again, I don't want to belabour the moment and the discussion here. I will only add that it also doesn't seem practical to send it all the way to the minister's office for a final appeal. Certainly, there's an alternative way, and I think we do have confidence in the Alberta gaming, liquor, and cannabis commission to deal with it, so I would like to encourage members not to support this amendment.

Thank you.

### The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak to amendment A1? The hon, Member for Strathmore-Brooks.

**Mr. Fildebrandt:** Thank you, Madam Chair. I'll thank members for their comments. We really have entered the twilight zone when the liberals and the libertarian are on the same page, and the

socialists and the conservatives are, too. We make for strange bedfellows in this place sometimes. But I want to thank all members for their comments. I think they're still all well taken.

The Member for Edmonton-Centre had very pertinent and important points about how a lot of drug prohibition laws have had a significantly disproportional effect on a lot of disadvantaged minority groups. Our First Nations, visible minorities have been far disproportionately charged and convicted under many of these laws, even more so in the United States. I don't think it's as acute in Canada, but I think that these problems still do plague us here.

There is actually a very clear history in the United States of how cannabis prohibition was actually quite explicitly a racist law, meant just simply to give governments the powers to oppress African Americans. That was the whole intention for many behind the initial push for cannabis prohibition. It eventually got sold in other ways because that's perhaps not a very civilized pitch for a law, but those were some of the main intentions behind the original push for cannabis prohibition in the United States. If that was here is more difficult to say, but we often follow the United States's lead on things, for better or worse.

But to the Member for Edmonton-Centre's comments, then, I think, in large measure echoed by the Member for Calgary-West, you're actually not incorrect in most of what you've said. The AGLC is a very respected and established organization. They have excellent professionals who do a very good job of regulating the liquor and gaming industry, and I've got quite a bit of confidence in their ability to do so when cannabis becomes legal here, expected July 1.

They are reinventing the wheel a bit here. They're looking into a new industry that has not existed in Canada in a legal form in the modern era. Like, they're going to be making decisions that are not purely administrative in nature. Alcohol prohibition ended, if I'm not mistaken, in the 1920s in Canada, in the 1930s in the United States. We have not had a licensed, above ground, legal cannabis industry in this country in the modern era. They are reinventing the wheel here. They're going to face a lot of major challenges, and some of these decisions that they're going to have to make will be political in nature. Some of these decisions will not be easy decisions with a lot of precedent behind them.

#### 8:40

You know, if you've been charged under the Excise Act even for non pot – what if you screwed up paying duty free coming through the border once and you may have had an Excise Act charge? You could potentially fall under that. So some discretion is going to be necessary. Some of the decisions around how we administer legal, licensed cannabis, at least in the first few years, will be political in nature, and there needs to be a final stage of appeal where decisions can be made that are of a more political nature.

The AGLC is very loath to make political decisions. Like most bureaucracies, they will err on the side of caution. In many cases I fear that people, especially who are in more extraordinary circumstances, could be barred from entering the legal market.

I take as prime examples Marc and Jodie Emery. They operate out of Vancouver. They're not here, but I know they want to set up businesses in Alberta. I was actually just talking to them today, consulting about this amendment going forward, and I have them in mind. They don't have simple possession. They are technically dealers. They sold seeds. They didn't sell cannabis. They sold seeds, and they had a big storefront with a sign on it. They paid taxes, and they said on their tax forms exactly what they did and sold. They remitted GST to the federal government. They remitted PST to the provincial government. They accepted payments by credit card for seeds. Now, I don't know any street dealers who

remit GST to the federal government. I don't know any street dealers who have a nice storefront and accept MasterCard or Air Miles. That doesn't fit the definition of a dealer or organized crime, but they are an ambiguous case.

They were targeted because some of their sales went towards activism for legalization in the United States, and the DEA had Marc extradited, and he spent five years in a U.S. prison unjustly. He did nothing wrong, but the DEA wanted to stop his activism. So he has a charge against him. Now, he is an extraordinary case. There'll be very few cases like that, but that's what this amendment is for. If the AGLC is faced with a decision that is not very clear, that does not have a lot of precedent behind it, because there is almost no precedence in this – they're a quasi-judicial body. Where are they going to look to? They can't even look to examples in other provinces because we're all going towards legalization at the same time.

So there needs to be a final route of appeal at the end of the road. The AGLC is very well equipped to handle probably 99.5 per cent of these cases, and there is an appeals process there within that can handle appeals reasonably. But at least for the first few years there will be ambiguous decisions, decisions that are not clearly outlined in the law as one way or another, decisions that may require a political call at the end of the day.

That's why it is important that after someone has gone through the entire process in the AGLC, they have the ability to request in writing to the minister a final route of appeal. The minister is under no obligation to accept it, under no obligation whatsoever, but if they've exhausted the process in the AGLC, there needs to be a final place that they can go where an ambiguous decision that doesn't have precedence behind it, that might be extraordinary can be addressed. I think that that's just justice. I think it's fairness, and I think it's compassionate.

I actually agree with the vast majority of what the members for Edmonton-Centre and Calgary-West have said. They seem to have a good grasp of the AGLC and the way it's working. It is a very good organization that we can be very proud of. As far as we can be proud of bureaucracies, we can be proud of the AGLC. It does a very good job. But it is important that for these extraordinary cases, as we're writing the book on this, making history, without any precedents to look to in the law, there be a final route of appeal.

So I ask that members consider this in making their decision on how they would vote on this amendment so that we can take Alberta, which is without a doubt the best example in the country for how we should be moving forward with legalization, and make it all that much better and set an example for other jurisdictions that we understand that it is not right to treat people as criminals for activities that are no longer crimes.

Thank you.

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak to amendment A1?

Seeing none, I will call the question on the amendment.

[Motion on amendment A1 lost]

**The Deputy Chair:** Hon. members, we are now back on the original bill. Are there any other members wishing to speak? The hon. Member for Edmonton-Centre.

**Mr. Shepherd:** Thank you, Madam Chair. I won't take long. I've just been asked to provide a bit of information on behalf of the Minister of Justice and Solicitor General in regard to some questions that have been raised during debate so far. There's been some good discussion about the changes so far, and I'd like to thank everybody who has provided their thoughts and their opinions.

In response to a question regarding whether an 18-year-old high school student could have cannabis in his or her possession on school grounds, I think it's important to make clear that, as is the case with tobacco or alcohol, which may be legally possessed by those who are 18 years of age or older, school boards are able and have the right to establish policies governing possession on school property. Government rules for legalized cannabis are designed to protect youth by ensuring that cannabis retail locations aren't located in close proximity to schools, that minors are not permitted in cannabis stores, and indeed that cannabis products and promotional materials aren't visible to young people.

In regard to some concerns that were raised by other members regarding the potential for confusion, with different rules existing in different parts of the province around where cannabis can or cannot be smoked or vaped, to be clear, in the fall session here in the Assembly we passed Bill 26. That bill prohibited individuals from smoking and vaping cannabis anywhere where they are prohibited from smoking tobacco as well as in additional specified areas that are likely to be frequented by children. That would include, of course, schools, as I mentioned, but also play structures, playgrounds, splash parks, and the like. As with restrictions on tobacco smoking, municipalities then have their own discretion respecting local decision-making through bylaws that reflect local priorities and circumstances. Public education campaigns ahead of legalization will help to inform Albertans about what the provincial regulations are while emphasizing where local rules may vary to help avoid confusion, so perhaps between Calgary, which has opted to put some tighter restrictions on where cannabis may be consumed and, say, the city of Edmonton, which has opted so far for a more open approach.

There are also some questions that were raised regarding why the government would allow some retailers to sell items other than cannabis and cannabis products. Again, these are changes that were part of Bill 26 when it was debated and passed in the fall session. Currently in the case of liquor sales we recognize that there are some remote locations in Alberta where a stand-alone liquor store would simply not be viable. They would not have the sales volume to make it worth their while. There is in existence already a special class of licence that allows liquor sales in retail locations where they normally would not be permitted; for example, in a small, remote community at the general store. When it comes to cannabis, given that online sales are going to be available, as has been mentioned, we don't know at this point if there's actually going to be a need or if there's going to be a demand or indeed any interest for alternative retail locations in some remote communities, but should that be found to be necessary, the legislation establishes the authority to create regulations to govern those exemptions. So it's provided in the provisions, once we actually see how things start to operate in the field, to have that option available just as it is for liquor.

8:50

Now, in regard to a comment that was raised around the Drugendangered Children Act and a question about whether our cannabis regulations are placing children in danger, I want to make it very clear that the purpose of the Drug-endangered Children Act is primarily to protect children from exposure to the dangers associated with illegal drug manufacturing or production, for example hazardous chemicals, or to the dangers associated with trafficking and other forms of illegal drug activity. Much different from small amounts of cannabis. It was largely established in response to encountering children in meth houses or in high-risk cannabis production situations that were using butane hash oil, which is explosive. Those risks are not anticipated in households that are limited to up to four legally grown cannabis plants for personal use.

That said, the use of organic solvents such as butane hash oil remains a criminal offence, and if there are reasonable and probable grounds to believe that a child is in need of intervention due to endangerment by a guardian for whatever reason, the powers under the Child, Youth and Family Enhancement Act remain available to help protect those children.

Lastly, there was a member who asked, stepping away from cannabis for a moment – this bill does deal with a couple of other things – if this bill will allow you-brew operations. The answer to that is yes. The authority established in Bill 6 here will allow the AGLC, which, interestingly, as has been mentioned, is going to be the Alberta liquor, gaming, and cannabis commission – unfortunately for those of us who love a good pun, it will remain the AGLC with one C and not two. We'll find a way to live. Anyways, this bill allows them to create appropriate licence types for on-site brewing for patrons under the guidance of a licensee.

The details of what activities will be allowed specifically under this licence type will be established by amendment to the gaming and liquor regulation and developed in consultation with stakeholders. The you-brew scenario would be one potential option for a licence holder. There are a few pieces in here that are sort of opening up a few more opportunities for folks that are operating businesses that primarily sell alcohol but may also want to branch out into allowing others to come in and brew at their premises as well.

In short, if passed, Bill 6 is going to, I think, be another step in our continued work to prepare for the legalization of cannabis and build a system that I truly believe is going to prioritize the health and safety of Albertans. Thank you, Madam Chair.

The Deputy Chair: Thank you, hon. member.

Are there any other members wishing to speak to Bill 6? Seeing none, I will call the question.

[The clauses of Bill 6 agreed to]

[Title and preamble agreed to]

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

Hon. Members: Agreed.

The Deputy Chair: Opposed? Carried.

The hon. Deputy Government House Leader.

**Ms Larivee:** Thank you, Madam Chair. At this time I would like to request that we rise and report on bills 17, 11, and 6.

[Motion carried]

[Ms Sweet in the chair]

**The Acting Speaker:** The hon. Member for Wetaskiwin-Camrose.

**Mr. Hinkley:** Thank you, Madam Speaker. The Committee of the Whole has had under consideration certain bills. The committee reports the following bills: Bill 17, Bill 11, and Bill 6. I wish to table copies of all amendments considered by the Committee of the Whole on this day for the official records of the Assembly.

Thank you.

The Acting Speaker: Thank you, hon. member.

Does the Assembly concur in the report? All in favour, please say ave.

Hon. Members: Aye.

The Acting Speaker: Opposed? So ordered.

### Government Bills and Orders Second Reading

(continued)

### Bill 2 Growth and Diversification Act

Mr. Cooper moved that the motion for second reading of Bill 2, Growth and Diversification Act, be amended by deleting all of the words after "that" and substituting the following:

Bill 2, Growth and Diversification Act, be not now read a second time because the Assembly is of the view that the government should pursue other measures to reduce the cost of doing business in the province, including the introduction of legislation to eliminate the carbon levy, which, if implemented, would make the measures proposed in the bill unnecessary.

[Adjourned debate on the amendment May 15: Mr. Mason]

**The Acting Speaker:** Are there any hon, members wishing to speak to Bill 2? The hon, Member for...

Mr. Cyr: The reasoned amendment.

**The Acting Speaker:** Oh. Yes, we are. We are on the reasoned amendment. The hon. Member for – where are you? – Bonnyville-Cold Lake.

**Mr. Cyr:** Thank you, Madam Speaker. Yes. It's getting late, so I do sympathize with you. And the material that we're about to go into is a little dry, so I sympathize even further.

Now, Bill 2. I had earlier talked on the main bill about how I was concerned about the fact that we may be training massive numbers of Albertans to be working in other provinces. I did go through how I thought that maybe that would be a poor strategy if we do not have jobs for these individuals, and I think that's a reasonable concern.

Moving on from there and dealing with the reasoned amendment, this does also go on to credits, the Alberta investor tax credit, the AITC. It also goes on to the capital investment tax credit, the CITC. Now, when I started looking for press releases – I like to know what it is that the government is saying that they're trying to achieve with whatever bill that they're putting forward – I came across the last time that we had a bill put forward that was similar to this. I'd like to mention that we had a press release put out by the government on February 21, 2018: Tax Credit Spurs Growth in Northern Alberta. This is good to hear, that they're trying to spur growth in northern Alberta, especially with the fact that my constituency is based in northern Alberta.

It says right underneath the title here: "Alberta's north will see new jobs and business expansion with support from the Capital Investment Tax Credit." That's the CITC. That's the one that I just mentioned that is in Bill 2. This is the next phase, if you will. It sounds like there were three tranches when they came out with the original one.

Now what we've got here, moving forward, is a quote from the Minister of Economic Development and Trade. The minister says:

We're proud to have created a tax credit that helps businesses in Alberta create good jobs in a variety of sectors – diversifying our economy and helping protect us from the oil price roller-coaster. Other provinces have had tax credits like this for decades. Per capita private-sector investment in Alberta rose to more than twice the national average last year, during the first round of our CITC. We will keep building on that momentum.

So the government comes out with something new. They justify it by saying that it's done in other places, so it's going to work here. What we continued to ask for was an economic impact study. Clearly, the government doesn't like doing those. But for argument's sake, if we put forward a tax credit, it would be nice to know if the first one worked before we move on to a second one. I don't believe that's unreasonable. When we ask for anything that they would have, all we hear is: you're trying to mislead Albertans; you're trying to, more or less, put down what we're trying to achieve.

I don't agree with that because if you fail, my communities hurt. That is just a fact. We have high unemployment rates. We have incredibly high vacancy rates. We have businesses closing, which I addressed last week. Lafarge is a good example. Lafarge Canada shut down two cement plants within my constituency. So let's be clear. I want to see these things work as much as you do, but I want to know that they're going to do something. Now, I understand that the argument is that if we study it, then potentially we're going to be taking time away from helping people, but the fact is that we don't even know if the first one worked.

#### 0.00

What I would like to know here is that when we start looking at how these more or less corporate welfares work – I went and found an article by a man named Mark Milke, and this was written on January 22, 2017. The title of the article is The Non-transparent Reality of Canadian Corporate Welfare. This is exactly what I am talking about. We need transparency to know if it worked. Now, I'm going to read some of this article because a lot of it, actually, is relevant.

Politicians offer many justifications for handing out taxpayer cash to corporations. They include how government grants and loans are akin to "acorns" that will ostensibly grow companies to great heights.

Or the usual canard, on offer recently when the federal and Ontario governments gave \$83.6 million in taxpayer cash . . . to Honda of Canada: that extra jobs and tax revenues will result.

What happens is that we get a government that says that we're going to give this money out and that we're going to get this money back in return. So is it unreasonable for Albertans to find out if that first bit of money that we had given out achieved the targets the government had set?

Now, when we look at this, it's very clear that they're saying that what happens is that the government is really good at announcing subsidies and grants and loans to corporations. They say that we're going to create jobs, we're going to create wealth, and we're going to improve Alberta as a whole. The question is: did that happen? I, again, want to see these things work as much as you do because it means jobs in my constituency.

It goes on to say:

The economic literature on such claims is almost uniformly negative. Here's what Terry Buss, a professor in Australia formerly with the World Bank, and one of the world's leading experts on subsidies to business, points out: The claims and the flawed supportive studies that accompany them are inevitably "based on poor data, unsound social-science methods [and] faulty economic reasoning."

What we've got here is a government that puts out a projection. Now, we hear the government in this House say that they've got a six-year plan – six-year plan – yet we hear the government say that we can't plan out beyond a couple of years because of the fact that we don't know what oil prices are going to be. So making something out that far really is guesswork, or a guesstimate if you will. Now, I do see value in saying that we should be looking out further, but putting all of our ducks in one basket that that one six-year plan is going to actually be achieved is a little bit of a stretch.

Now, it moves on to say:

As an example, the substitution effect is ignored. That's where the money used for subsidies to business – corporate welfare in common parlance – comes from other businesses and individual taxpayers. That transfer thus depresses economic activity, jobs and tax revenues elsewhere in the economy.

What we're saying here is that we have to take from one place in our economy, and we're picking a winner and loser in another part of our economy. Now, what's happening here is that when we take from businesses that are already hurting like businesses within Bonnyville-Cold Lake that are already running, then we more or less start driving them into the ground so that we can create diversification. That could be very harmful. That's why I'm asking you: did you do an economic impact study on the fact that this first round didn't work? I haven't seen evidence that shows it, but I do have evidence that there are businesses still closing down in my constituency. I also have evidence that shows that investment is moving away from Bonnyville-Cold Lake when it comes to the oil sands. We've got large companies, international companies that are outright telling this government that what you're implementing in policy is hurting them and that they are moving their investment away. That isn't good for anywhere, especially Bonnyville-Cold

Now, this one here says,

arguments over the efficacy of subsidies to business aside, taxpayers at least deserve to know how much of their money is granted, loaned, and repaid – including how the loans perform.

This moves on to say that if you're going to do it, there should be some incredibly strict guidelines and performance measures that are in place. We need to track this. That is just a fact, because when we start giving out taxpayer money, we have no idea where it's going.

I'm going to go down a little further because this actually goes on to a part that I had talked about before, which was Bombardier. Now, what we've got here is that when the federal government had given money to Bombardier, this individual, Mr. Milke, had asked for transparency. He went to the federal government, and he used the FOIP program, which is the way residents get to find out if the money is being used responsibly because sometimes the government actually has these answers and refuses to release them to the public. That is shameful unless there is something that is preventing them. Normally what happens is that you'll find that the only reason that they could come forward with is that it's embarrassing to the government of the day.

Now, it goes on. It says that

the department told me to file an Access to Information request. I did, for all grants and loans over \$5-million for all companies. The request came back with information for Bombardier (and some other companies) blacked out – completely. Bombardier's information was clearly missing because I possess the results of past Access to Information requests – now five years old, which were more transparent.

Recent practice is to deny such information. That is in part because Bombardier is in Federal Court blocking Access to Information data from being released. It is also because of department and Information Commissioner interpretations of Section 20 of the Access to Information Act. That section requires a department to not release information that might result in material financial loss or gain to a third party, or which might prejudice their competitive position.

Now, I would like to just wrap up saying that when it comes to these programs, we give a lot of money, we have no ability to be able to track if it was successful and what your intent was, and then when people want to find out, they can't even FOIP that information. This is why Bill 2 needs this reasoned amendment to go down. We need to make sure that we see this bill brought to a

committee or any other way, but we need to make sure. The fact that this is working is very important.

Now, Madam Speaker, I would like to move that we go to oneminute bells for the remainder of the evening.

[Unanimous consent granted]

**The Acting Speaker:** Are there any other members wishing to speak to the bill? The hon. Member for Lacombe-Ponoka.

9:10

Mr. Orr: Thank you, Madam Speaker. It's my privilege to rise and speak today to government Bill 2, Growth and Diversification Act, which is really a basket full of a bunch of different pieces that are all meant to rescue our economy from its current state. I think there are some of these pieces that seem useful. I haven't got a doubt that they've been brought forward with some good intent and with a bit of a will to try and make some things better, but I'm not sure I can have a lot of confidence based on the reality that the government's past track record in actually consulting with stakeholders and hearing from them directly hasn't been very effective. Too often consultation turns out to be nothing more than seeking those who will give some confirmation bias but doesn't really challenge the ideas or challenge the need to look at things a little bit differently. For that reason, I'm in favour of the reasoned amendment and will support that amendment.

The reality is that in my own connections with people I've run into some stakeholders in the film industry that don't even know about the interactive digital media tax credit. I think that in order for this to work any better than the last one, as my fellow member here was just speaking about, clearly it's going to need to be promoted. People are going to need to be aware of it. The truth is that it tells me that there probably hasn't been a lot of broad consultation even within industry when at this stage in the game they don't even know anything about it yet.

While I think the bill shows some good intentions, I do have my doubts, as I say, as has already been described somewhat by the previous member, and I would further say that the reality is that there have just been too many other damaging policies come from this government that have crippled the ability of business and the people to really trust where this is leading. We need a fulsome study of this bill, and we need to look into the actual effectiveness or not of the previous one.

I guess part of my concern also rises from realizing that folks at the Ewing Marion Kauffman Foundation, which focuses on entrepreneurship and how to develop entrepreneurial realities, have done some significant study on the whole business of government funding development in certain business fields and, studying several hundred of them across the U.S., have discovered that there's only very, very few of them, in the order of maybe half a dozen, that have ever actually returned anything to the taxpayer of real value. What the taxpayers pay and what they get in the supposed results just never does add up although it does seem to be a favoured political move of politicians to try and make the promise and the promotion.

So there are reasons to be concerned, reasons to question: was the last one that we've just had here in this province actually of any effect or not? As I just mentioned, major studies indicate that quite likely it hasn't been. While it all sounds reasonable and I accept the good intention, I think there is some further work that needs to be done. I think there's some real additional homework that should happen before we rush ahead and commit a bunch more taxpayer dollars to something that's motivated with good intent but maybe not a lot of wisdom in it. It has the appearance, as so often these kinds of government initiatives do, of sort of grasping at straws to

try and make something happen, try and stir something up to make things look better and to make it look like the government is busy, but too often they actually end up hurting the economy rather than repairing it, and I think this basket full of many little pieces may have some of those characteristics to it, to be truthful.

So let's look at some of the pieces. The bill creates tech spaces in postsecondary institutions, creates a framework to invest new scholarships and programs for tech industry. It also launches the interactive digital media tax credit, as I referred to a moment ago. It continues the Alberta investor tax credit and the capital investment tax credit. It gives the minister responsibility also for a new piece, the unmanned aerial systems sector. Quite frankly, the only thing that ties these all together is the wish or the hope that somehow these are going to improve the economy, that these are going to make things better for the economy, and that somehow Alberta's economy is all of a sudden going to be revived because we have these pieces in play.

But, as has been said, the last Alberta investor tax credit wasn't entirely successful. A lot of it was and has probably brought some benefit, but just recently checking the website, there's still \$1.4 million that were unallocated, so there are some questions there about: was the intake lower than expected? Was it not efficiently advertised or distributed? Just some questions there that I think need to be answered before we rush into something new.

With regard to the last Bill 30, Investing in a Diversified Alberta Economy Act, from December 2016, both of the legacy parties had a hard time supporting the bill, again, without some kind of economic facts and a study to back it up and to support it in a very real way. If we want to do what's right, we need to know whether what we've been doing is the right thing to do, because, as I think Einstein quite well said, if you keep doing the same thing, you're going to get the same results. If the results aren't what we're hoping for, then we need to do something a little bit differently.

That Bill 30 and this Bill 2 leave me feeling somewhat the same. The truth is that if this government had not implemented sort of global damaging economic policies, Alberta really would be in much better shape and be a much better place to live today than it is. We see some glimmers of hope. By now we should be actually into full-blown growth and recovery. The little bit of hope that we're seeing here now is minimal compared to what has happened in other areas. In Saskatchewan and the U.S. they're into full growth, and here we're just struggling along. The truth is that when the environment is healthy, plants flourish. When the environment is not healthy, plants just barely survive. When the economy is healthy, business and investment flourish, and they do so much more. We're not nearly where we could be or where we should be at this point in time, and these kinds of efforts to fix the major problems, as I said, of global economic policies, universal economic policies that have hampered and damaged our economy are the real problem, the things that we really need to be fixing.

So it seems that this government is just sort of trying to put a Band-Aid on it, to fix an economy that's been broken under their care, that really has been damaged by risky and radical policies, and something else needs to be done.

I'd like to refer to the very recent, May 14, Conference Board of Canada report Alberta Has Entrepreneurial Spirit but Falls to a "D" Grade on Conference Board's Innovation Report Card. Clearly, something is not right here because Alberta has fallen to a D grade. We're 19th amongst 26 comparative jurisdictions – 10 provinces, 16 advanced countries – behind most in Canada here. Our innovation report card is not doing very well, yet when you look into the details of this Conference Board of Canada report, it's even more instructive. It confirms that Alberta, in fact, is a province of self-starting entrepreneurs, because we rank first amongst

provinces on both entrepreneurial ambition and enterprise entries. But the trouble is that while there are a lot of people trying to be entrepreneurial, the low and the falling rankings in the numbers are the fact that we don't have people willing to invest deep amounts of money in research and development. Venture capital investment is way too low. Public and business research and development are not what they should be.

#### 9:20

The reality is that while we get an A plus for ambition – Alberta wants to be entrepreneurial – we earn a D on most of the things that would make it happen, which includes the willingness to commit to research and development, which is an indication, quite frankly, of political risk – they view the risk as too high – and the fact that we don't have anybody willing to invest here, again because of political risk. Seventeen per cent of Albertans report some kind of early stage entrepreneurial activity, and then it drops right off. Why? Because they encounter a wall of regulation and delays and costs that make it impossible for them to have the hope to proceed and go through.

We get a B on labour productivity. Albertans want to be there, they want to do it, but they've got a government, quite frankly, that is making it extremely hard for them to do it, a government that is causing innovation to leave the province, a government that puts up so many regulations and difficulties that they give up after they make the initial effort.

I think that these overall policies that create this kind of a report from the Conference Board of Canada are much more important considerations. The way to draw and attract investment into Alberta is simply to reduce all the red tape, reduce the regulatory burden, reduce the tax for all businesses, and create an overall environment that is actually supportive of business rather than holds business as somehow a suspicious activity and people that have the capital to invest as somehow evil and betraying the rest of society. Those are just simply not true. We get what we are investing in here, which is driving the money and the investment and the innovation right out of our province.

I also struggle with the policy that selects relatively small slivers of industry and supports them. What about all the rest? If we had universal policies that were supportive of business, business in so many other areas would also proceed and advance. The problem with picking winners and losers is that it creates a market distortion, it creates an artificial demand, and it creates an environment that's unsustainable in the real world. So I don't think playing favourites is a good idea. We've seen what's happened in other provinces when these same kinds of policies have been put into place. Government basically drives business out in the process of trying to say that they're creating it.

Here we have in Alberta over the last few years a situation in which our strongest industry was in recession. Prices plummeted, no doubt. A majority of those kinds of high-paying jobs were lost, sending tens of thousands of people out of work, but not in Saskatchewan or the U.S. They're doing just fine, quite frankly. Sometimes the jobs people have now in replacement are part-time jobs just to feed their families. Many of them have lost their homes, including in my own riding, because of the financial hardship that's driven by policy.

The reality is that we've had a government that's continually put up barriers for the industry and created difficulties, and that's what has driven the industry out. We started in 2015 with a royalty review because the Premier was very clear that Albertans deserved their fair share. In the process we created nine months of uncertainty for industry, continued to drive capital out of the province, and in the end, after nine months of uncertainty, the Premier had to come forward and say that, well, in fact, Albertans are getting their fair

share. This idea that somehow business and investment are evil and wrong just needs to be challenged and corrected.

Then we have all kinds of other damaging policies like increasing the minimum wage, increasing taxes on business. Oh, and let's not forget that ill-conceived carbon tax. All of this has driven our province into a tailspin, is already hurting our economy, drove investors out. We would be much farther ahead now if we hadn't had this global policy of being antibusiness in so many respects.

At the time when the NDP first came into power, they were very vocal that they were against the oil and gas sector and against pipelines, calling Albertans embarrassing cousins because of it, and as a result, investors have withdrawn from the province and decided not to invest in any projects inside Alberta's jurisdiction. I mean, the NDP made this abundantly clear in the beginning years. They raised business taxes by a whopping 20 per cent. The money that's been taken out of business in this province, that could have been reinvested in so many different industries and created tens of thousands of jobs, went elsewhere, which is a tragedy. Who raids businesses during a recession? Really. That's crazy. It's a move that was destructive and has reduced jobs in Alberta, and all of these things together have contributed to an environment that has caused us to suffer in our industry.

### The Acting Speaker: Thank you, hon. member.

Are there any members wishing to speak under 29(2)(a)? The hon. Minister of Advanced Education.

**Mr. Schmidt:** Thank you, Madam Speaker, and let me apologize in advance to all of my colleagues for taking up an additional five minutes, but I just couldn't restrain myself. You know, I understand that the Member for Lacombe-Ponoka in a previous life was a minister. I haven't been converted, but I am convinced that there is an afterlife. Certainly, listening to the member speak, I hope that it comes quickly.

I do want to address some of the issues that were raised in some of the things that we heard this evening from the Member for Lacombe-Ponoka as well as some of the other things that we've heard because, you know, one of the things that we continue to hear in speeches to this bill is about how economic development in Alberta is suffering, right? If the members opposite were to be believed, our economy is lagging the country, people are not feeling the recovery, and while it's certainly true that not everyone is feeling the recovery, economic growth is up. Every economic indicator that should be up is up.

You know, when I listen to the members opposite talk about the economy here in Alberta, I'm reminded of that scene from *Monty Python and the Holy Grail*, where they drag the patient out of the house and say, "Here's a dead one for you," and he pops up and says, "Well, I'm not dead yet." Of course, they claim that he is dead. He says, "Well, actually, no; I might feel better." Then they actually kill him to prove their point that he's dead. When I hear the United Conservative Party members opposite talk about Alberta's economy, it's reminiscent of the way those people react to their claims that this person was not dead.

You know, the other thing that we continue to hear is whether we did an economic analysis of the capital investment tax credit and the Alberta investor tax credit. For everyone's reference I want to reference a press release dated February 5, 2018, where we provide some information about the effectiveness of the capital investment tax credit. To quote from that, it's created "more than 3,000 jobs, with companies investing more than \$1.2 billion to build or upgrade . . . facilities." So that's a significant economic impact.

What's interesting, though, are two things when we talk about economic impacts. We know that the Leader of the Official Opposition, when he was in Ottawa in 2009, voted for a \$10 billion

subsidy to the auto industry in Ontario, and I invite the members opposite to table the economic impact analysis that the government did at that time when they voted for that industry.

What's also interesting, though, Madam Speaker, and I know is interesting to many of our colleagues is that the members opposite continue to call for tax cuts, personal income tax cuts as well as corporate tax cuts, yet they don't provide any economic impact analysis of those tax cuts. The good news is that they don't have to because we've done the economic impact analysis of those tax cuts, and I'd like to take a few moments and just elucidate those for the people listening.

We know that millionaires and billionaires will be given an extra \$700 million, which is \$700 million that will come out of the government's budget to spend on things like health care and education. So if we look at \$700 million out of the Education budget, for example, that means people would only be able to go up to grade 8 – right? – which was good enough for my grandparents' generation, but it's not good enough for Albertans today. We need to have not only more Albertans graduating from high school, but we need more Albertans to go on to postsecondary education, which is another thing that this bill that's before us is contemplating. You know, \$700 million, of course, would mean that we don't get a Calgary cancer centre or a new hospital in Edmonton or would significantly impact the construction of the green line or hundreds of schools across the province. It would throw thousands of teachers and nurses out of work, Madam Speaker.

#### 9:30

That kind of economic impact analysis the members opposite aren't honest about, but fortunately the people of Alberta can rely on us to tell the truth about what kind of economic impact we can expect from those kinds of tax cuts, Madam Speaker. You know, it's quite clear that those economic impacts would be devastating to the people of Alberta except the millionaires and billionaires, who would stand to gain significantly.

### The Acting Speaker: Thank you, hon. member.

Are there any other members wishing to speak to the reasoned amendment?

Seeing none, I'll put the question.

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

[Several members rose calling for a division. The division bell was rung at 9:31 p.m.]

[One minute having elapsed, the Assembly divided]

[Ms Sweet in the chair]

For the motion:

Cyr Nixon Schneider Ellis Orr Taylor McIver

WICTVEI

Against the motion:

Anderson, S. Hinkley Miller Carlier Horne Payne Piquette Carson Jansen Connolly Kazim Renaud Coolahan Kleinsteuber Rosendahl Cortes-Vargas Larivee Schmidt Dach Littlewood Schreiner Shepherd Dang Loyola Eggen Malkinson Sucha Fitzpatrick McCuaig-Boyd Turner Goehring McKitrick Woollard Totals: For - 7Against - 33

[Motion on amendment to second reading of Bill 2 lost]

**The Acting Speaker:** Hon. members, we will now resume debate on the motion for second reading. The hon. Deputy Government House Leader.

**Ms** Larivee: Thank you, Madam Speaker. At this time I'd like to move that we adjourn debate on Bill 2.

[Motion to adjourn debate carried]

The Acting Speaker: The hon. Deputy Government House Leader.

**Ms Larivee:** Thank you, Madam Speaker. Seeing that we've made tremendous progress this evening, I'd like to move that we adjourn the House until 9 o'clock tomorrow morning.

[Motion carried; the Assembly adjourned at 9:36 p.m.]

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