

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: Friday, November 18, 1983 10:00 a.m.

[The House met at 10 a.m.]

PRAYERS

[Mr. Speaker in the Chair]

head: INTRODUCTION OF BILLS

Bill 110

Labour Relations Amendment Act, 1983

MR. YOUNG: Mr. Speaker, I am requesting the opportunity to introduce Bill 110, the Labour Relations Amendment Act, 1983.

First of all, Bill 110 provides that if a unionized construction company creates a second, non-union company and a union believes that company to be similar to the unionized company, the union may take the matter to the Labour Relations Board. If the non-union company is found to be sufficiently similar to the unionized company, the board will order a secret ballot of the concerned employees of the non-union company. If a majority of the voting employees vote in favor of being represented by the union, the board will issue a union certificate and declare that the company is bound by the collective agreement already in effect between a unionized company and the union. That amendment preserves the much-publicized section 133 in its intent and, at the same time, upholds the democratic right of the affected employees to make the decision.

Second, Mr. Speaker, Bill 110 clarifies that the employer has the right to communicate to an employee concerning the employer's business. Both the employer and the employee have a shared interest in the well-being of the economy and of the employer's business.

Finally, Mr. Speaker, I would conclude by saying that these amendments do not address all of the issues which have been raised concerning construction labor relations. Accordingly, I will be establishing an advisory group of that industry to consult with me on further changes they may wish to make.

[Leave granted; Bill 110 read a first time]

Bill 109

Real Property Statutes
Amendment Act, 1983 (No. 3)

MR. CRAWFORD: Mr. Speaker, I ask leave to introduce Bill No. 109, Real Property Statutes Amendment Act, 1983 (No. 3).

Bill No. 63 is at the present time before the Assembly. The principles of the Bills are basically the same. In fact, on all important counts they are the same. As hon. members will recall in respect of Bill 63, the purpose of both Bills was to create a right on the part of an individual who has granted a mortgage on property, in order that where the transfer of the property to that person has caused him to be liable on a personal basis for the balance owing under the mortgage, he would not in fact be liable under this legislation. It would preserve the person in that position as if he had originally made the bor-

rowing himself. That is the principle. It's complex to describe in legislation. The matter arose because of interpretation that comes from reading the Land Titles Act and the real property Act together.

Mr. Speaker, it was thought that producing a new Bill would be an easier way for the Assembly to deal with it. If the Assembly is going to give first reading to the new Bill, Bill 63 would not be moved any further and would be allowed to die on the Order Paper.

[Leave granted; Bill 109 read a first time]

Bill 112

Provincial Court
Amendment Act, 1983 (No. 2)

MR. CRAWFORD: Mr. Speaker, I ask leave to introduce Bill No. 112, the Provincial Court Amendment Act, 1983 (No. 2).

It can be explained much more briefly, in that it is solely for the purpose of clarifying the jurisdiction justices of the peace would have to grant bail in respect of juveniles or young offenders.

[Leave granted; Bill 112 read a first time]

Bill 106

Oil Sands Conservation Act

MR. ZAOZIRNY: Mr. Speaker, I beg leave to introduce Bill No. 106, the Oil Sands Conservation Act.

The purpose of this Bill is to consolidate and spell out in one piece of legislation the application and approval process for oil sands development, to facilitate more effective administration of oil sands development in the province of Alberta.

[Leave granted; Bill 106 read a first time]

Bill 111

Dental Profession Act

MR. KING: Mr. Speaker, I beg leave to introduce Bill No. 111, the Dental Profession Act.

The purpose of the Bill is to bring into being an entirely new piece of professional legislation, governing and supporting the operations of the dental profession within the province. The Bill, hon. members will observe upon reading, is consistent with the government's policy on professions and occupations.

[Leave granted; Bill 111 read a first time]

head: TABLING RETURNS AND REPORTS

MR. TRYNCHY: Mr. Speaker, I wish to file answers to Motion for a Return No. 213 and, also, a letter from me to the Olympic Organizing Committee in Calgary.

MR. SPEAKER: I have for tabling a revision of the *Standing Orders* of the House. I'd like to acknowledge the very substantial contribution of our Parliamentary Counsel, Mr. Clegg, in producing this revision. I believe the various caucuses are familiar with it. There are copies available for all members, which will be distributed shortly. In the meantime, I table this proposed revision for further consideration, if the Assembly so decides.

head: **INTRODUCTION OF SPECIAL GUESTS**

MR. LYSONS: Mr. Speaker, on your behalf, I would like to introduce 53 grade 6 students from the Rio Terrace elementary school. They're all bright- and shining-looking boys and girls up there this morning. They are accompanied by their leaders and teachers: Mrs. Millions, Mrs. Chase, Mr. Forbes, and Mr. Kramer. I would ask that they now stand and receive the welcome of the Assembly.

MRS. KOPER: Mr. Speaker, it gives me great pleasure to introduce to you, and through you to members of the Assembly, two classes of students from Banff Trail school. I'm introducing these students on behalf of the hon. Member for Calgary North Hill because this school is in his riding, but there are students there from Calgary North West, Calgary Bow, and my own riding. They're terrific students. They're in the bilingual program there. They are accompanied by their teacher, Miss Micheline Mazubert, and their assistant principal, Mr. Gordon Chapman. Ulf Hansen, Ruth MacFarlane, and Albert Siemens are the parents that have come with them on the trip. Bienvenue, mes amis. They are seated in the public gallery. Would they please rise and receive the warm welcome of our Assembly.

MR. COOK: Mr. Speaker, I wonder if I can introduce to you, and through you to members of the Assembly, 25 students from Archbishop O'Leary senior high school in my constituency. I might note that the high school won the city football championship this year. I believe they're seated in the members gallery, and I'd ask them now to rise and receive the warm welcome of the Assembly.

MR. SZWENDER: Mr. Speaker, I'd like to correct my colleague from Edmonton Glengarry. Those are not students; those are teachers. [laughter] There are difficulties.

May I take the opportunity to introduce 20 of my teaching colleagues from Archbishop O'Leary high school, which is located in the constituency of Edmonton Glengarry. These staff members are under the care and supervision of business manager Art Uganec, and they are seated in the public gallery. Would they rise and receive the warm accord of the Assembly.

MR. MARTIN: I'll try to get this one right, Mr. Speaker. I would like to introduce to you and to members of the Assembly four members from Local 496 of the Plumbers and Pipefitters from Calgary. Mr. Ken Richmond, Mr. Tony May, Mr. Gerard Morgan, and Mr. Ray Blanchard are in the members gallery. I would ask them to stand and all members of the Assembly to give them a warm welcome.

MR. STROMBERG: Mr. Speaker, it's my privilege this morning to introduce to you and to members of the Assembly two outstanding students from the Camrose constituency: Mr. Schultz, from Hay Lakes, and Mr. Payeur, from New Sarepta school. Along with them is a former trustee of the Camrose Separate School Board, Mrs. Orma Cleary. They will be touring the data centre this morning and meeting with the Minister of Education later. They are seated in the members gallery, and I ask them to stand now and be recognized by the Assembly.

head: **ORAL QUESTION PERIOD**

Public Service Labor Legislation

MR. NOTLEY: Mr. Speaker, I'd like to direct the first question to the hon. Attorney General. It's with respect to a response given by the hon. Premier on November 6, 1981, concerning the notwithstanding clause. The question had been put to the

hon. Premier about whether there were any areas under consideration for this type of legislation. The Premier indicated no, and that for 10 years, despite the provision in the Alberta Bill of Rights, it had not been used.

Bearing that answer of November 6 in mind, could the Attorney General outline to the House the reasons a notwithstanding clause is now considered an option with respect to certain labor legislation on the statute books?

MR. CRAWFORD: Mr. Speaker, I think we may be into the realm of philosophical dissertation — something I enjoy very much; I want to assure the hon. leader of that.

The reasoning involved is that with respect to the public service, it's basic to the policy of this government to maintain the long tradition which has been the case since Confederation. Under governments since 1905, there has not been a legal capacity for servants of the people to withdraw their services. In light of that, other alternatives have been available and, in recent years, have been made probably much more workable than they were in preceding years. Those steps have been taken with respect to the arbitration processes and the like, to settle terms of contracts where collective bargaining has gone as far as it can go. So when it has gone as far as it can go, the situation then is not a strike but an arbitrated process. That is thought to be entirely fair and, in conclusion, I emphasize that the fairness must apply to the employer as well as to the employee in these cases. I have always regarded the employer in that situation to be the people of Alberta.

MR. SPEAKER: Might I just intervene briefly. The question itself really was a debating type of question. I let it go, as I often but not always do. But I would now suggest that under the circumstances, the hon. leader would not have the right to close the debate.

MR. NOTLEY: Well, Mr. Speaker, there is no question that there will be all kinds of debate on this item, but I really don't think it was a debating question.

Let me phrase a supplementary question to the Attorney General, and ask whether or not the possibility of a court test of labor legislation was taken into account when the statement was made yesterday.

MR. CRAWFORD: Mr. Speaker, I wouldn't comment on anything that is before the courts. I made it clear yesterday that I was speaking with respect to legislative policy of the government.

MR. NOTLEY: Mr. Speaker, a supplementary question. In the absence of the hon. Minister responsible for Personnel Administration, let me direct this to the Provincial Treasurer. Have any discussions taken place between the Alberta Union of Provincial Employees and the government of Alberta, or any official of the government of Alberta, with respect to the possibility of resorting to the notwithstanding clause?

MR. HYNDMAN: Mr. Speaker, I don't know the answer to that. I suggest that the hon. leader would want to await the return of the Minister responsible for Personnel Administration in order to ask him that question.

MR. NOTLEY: Mr. Speaker, perhaps I could direct that question to the hon. Minister of Labour.

MR. YOUNG: Mr. Speaker, as I understood the question, my answer would be similar to that of the Provincial Treasurer.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Attorney General. What consideration has been given by the government of Alberta to the precedent created with respect to the use of the notwithstanding clause, now that this is apparently an option the government of Alberta may exercise?

MR. CRAWFORD: Mr. Speaker, I didn't intend my remarks yesterday to go beyond the single issue that was being addressed, and that related to the subject matter of the potential for strikes in the public service.

As to what consideration would be given in other cases, I think all that hon. members would want to reflect upon is that when the Constitution was being negotiated by the 10 provinces and the federal government, it was seen — if not by all parties, surely the majority, including the federal government itself, which would also have opting-out rights with respect to areas under its jurisdiction — as a suitable and proper provision to have in the Constitution. That having been the conclusion by the majority, I believe, of all political flavors, if I might say so, when you include all the provinces that were involved in those discussions and negotiations, then it was the conclusion at that time that the opting-out clause was an important part of our constitutional process.

MR. NOTLEY: Mr. Speaker, a supplementary question to the Minister of Federal and Intergovernmental Affairs. Has the government discussed this particular option with any other provincial government in the country, bearing in mind the possibility of this sort of precedent?

MR. HORSMAN: Mr. Speaker, the Ontario government is faced with lawsuits involving legislation in that province. Some discussion has taken place with the government of Ontario, but nothing definitive has been determined by that government relative to its position. But it is possible that it may very well have to resort to a notwithstanding clause with respect to its legislation.

MR. NOTLEY: So we've had discussions with Ontario, have we? [interjections] Very interesting.

MR. MARTIN: The Toronto Conservatives.

MR. NOTLEY: Yes, the Toronto Conservatives. Take away the rights of working people.

Mr. Speaker, I would like to ask the Attorney General one supplementary question. At this time, is the government considering any other use of the notwithstanding clause?

MR. CRAWFORD: No, Mr. Speaker.

Drilling Activity on Flood Plains

MR. NOTLEY: Mr. Speaker, I would like to direct the second question to the hon. Minister of Energy and Natural Resources. It's with respect to the question of drilling oil wells on the flood plains of rivers. Could the minister indicate what the policy of the government of Alberta is with respect to drilling oil wells on the flood plains of rivers in this province?

MR. ZAOZIRNY: Mr. Speaker, I can only answer the question in a general way, by saying that when there is any application for drilling activity, the Energy Resources Conservation Board will inevitably be involved in the process and will satisfy itself that the proposed activity is in keeping with accepted standards within the province in that regard.

MR. NOTLEY: Mr. Speaker, a supplementary question. Can the minister indicate whether he has knowledge of oil wells that have been drilled on the flood plains of the Vermilion and Battle rivers? If he hasn't, I can give him pictures that have been presented to me. Has any representation been made by farmers along these particular flood plains?

MR. ZAOZIRNY: No, Mr. Speaker, I have had no representations made to me by the farmers referred to by the hon. member. I would be pleased to receive the pictures from him and pursue the matter.

MR. NOTLEY: I would be glad to supply the pictures, Mr. Minister.

From his discussions with the ERCB, could the minister indicate whether any procedures are in place for preventing leakage from wells which have been drilled on flood plains, bearing in mind the concern of farmers along the flood plains?

MR. ZAOZIRNY: Mr. Speaker, I could do no more than repeat my first answer to this series of questions, by saying that clearly in coming to some conclusion as to the appropriateness or not of permitting drilling activities, matters such as the one the hon. member is referring to would be very much in the minds of the Energy Resources Conservation Board.

MR. NOTLEY: A supplementary question. During those discussions with officials of the ERCB, did the minister indicate to the ERCB any general policy directive with respect to compensation for livestock owners affected by drilling wells in flood plains which are also used to water livestock?

MR. ZAOZIRNY: Mr. Speaker, I didn't indicate that I had had any specific discussions with the ERCB in that regard; I simply indicated that in the course of the discharge of the board's responsibilities, as provided by statute, the type of query he is raising would clearly be a matter for consideration. I would be happy to investigate further into the matter and report back to the hon. member and to the Assembly.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Minister of the Environment. Have the Department of the Environment or the minister given any consideration to possible changes in legislation, to protect farmers in areas such as the Vermilion and Battle rivers with respect to access to these river systems to water their cattle where there has been drilling?

MR. BRADLEY: Not that I am aware of, Mr. Speaker.

MR. NOTLEY: Mr. Speaker, a supplementary question to the hon. Minister of the Environment. Since the hon. Minister of Energy and Natural Resources is apparently going to discuss this with the ERCB, will the Minister of the Environment also look into this question, particularly with respect to the two rivers at stake but also whether there might in fact be an overall general policy of profit on this matter?

MR. BRADLEY: Mr. Speaker, I will take that matter under review.

Municipal Financing

MR. R. SPEAKER: Mr. Speaker, my question to the Minister of Municipal Affairs is with regard to a comment of the president of the Alberta Urban Municipalities that a number of Alberta towns and cities are near bankruptcy and that cities and

towns are making approaches to the government with regard to deferring debenture payments and, as well, other access to funds. Could the minister indicate whether that policy is being considered at the present time?

MR. KOZIAK: Mr. Speaker, responsibility for the Alberta Municipal Financing Corporation rests with the Provincial Treasurer, not with me. That corporation would make the decisions relative to any extension on the time period within which repayment of debentures might be made.

I think one would probably have to agree that there are municipalities that have overextended themselves, and those are the ones that have involved themselves in land speculation and land development. Had they left that to the developers and speculators, it would be the developers and speculators in trouble today rather than the municipalities.

It would be incorrect to suggest that there are municipalities that are near bankruptcy, however. What in fact these municipalities face are some tough decisions as to the expenditures and level of taxation in those municipalities. But nothing I have seen thus far would indicate that those decisions can't be made and that the bullet can't be bitten for corrective action.

MR. R. SPEAKER: Mr. Speaker, then my supplementary question with regard to that matter is to the Provincial Treasurer. Have municipalities made any overtures to the Provincial Treasurer with regard to the deferment of debenture payments?

MR. HYNDMAN: Yes, I believe that has taken place, Mr. Speaker. But there is no intention to make any change in policy; that would not be possible. If there were acquiescence to those suggestions, there would then be a loss which would be faced by the corporation and would have to be borne by other municipalities and hospital boards throughout the province.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the Minister of Municipal Affairs. In light of the concern, is the minister or the government considering any type of revenue-sharing program at the present time?

MR. KOZIAK: Mr. Speaker, we do in fact share revenue, through our unconditional grants and through the municipal debenture interest rebate program grants. That is an interesting area. It started out nine years ago at just over \$1 million, and it has grown not 10 times, not 100 times, but 118 times the original level. So there has been substantial sharing of revenue with municipalities by this government.

MR. R. SPEAKER: Mr. Speaker, conditional grants as well have gone up at the same time.

A supplementary question to the hon. minister. Is there consideration of some formula by which resource revenues can be shared with both the urban and rural municipalities in this province?

MR. KOZIAK: Mr. Speaker, we are always interested in these considerations. I just concluded my meetings with the Alberta Association of Municipal Districts and Counties, and the rural municipalities are in excellent financial shape. I don't think we should be adapting our system of grants strictly to meet the needs of certain municipalities that have made some incorrect decisions in the past. Other municipalities in the province shouldn't suffer because of the decisions of some few.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. Could the minister indicate what municipalities seem to be in

that kind of difficulty at the present time, and are the numbers significant across the province of Alberta?

MR. KOZIAK: Mr. Speaker, "difficulty" is a value judgment. One may read about these in the newspapers, or one may speak of them from personal experience or because of representations that have been made. As Municipal Affairs Minister, I don't think it would be correct for me to identify municipalities as being in difficulty if they are in full command of their operations and quite capable of resolving the problems that face them.

MR. R. SPEAKER: Mr. Speaker, a supplementary question. Could the minister indicate what municipalities, if any, have made representations to his office with regard to their financial circumstances? Was the minister satisfied that their problems could be resolved at the local level?

MR. KOZIAK: Mr. Speaker, it's a matter of public record that I met yesterday with one municipality. At a meeting chaired by the MLA for the area, the MLA for Stony Plain, that municipality laid before me and two of my colleagues in Executive Council the concerns that particular council had with the foolish decisions their predecessors had made in embarking upon land development in their municipality. They recognized the foolishness of those decisions and wondered if there were ways in which they might unload some of the lands that were purchased and developed, and looked at other ways in which the burden on their taxpayers might in some way be alleviated.

There were two ways in which I as Minister of Municipal Affairs suggested I might be able to look at some small relief. One was in terms of the acceleration of the support under the municipal debenture interest rebate program, so that money came sooner rather than later. But there was recognition by the council that the major responsibility for the decision-making that would take that municipality out of the present set of circumstances rested on their shoulders.

MR. R. SPEAKER: Mr. Speaker, a supplementary question to the hon. minister, with regard to ...

[Disturbance in the public gallery]

SERGEANT-AT-ARMS: Order in the gallery!

MR. SPEAKER: Order please. Order please.

SERGEANT-AT-ARMS: Get that gentleman out of there, please.

MR. R. SPEAKER: Mr. Speaker, to the hon. minister, with regard to the economic conditions of the various municipalities, whether urban or rural, across the province. Is the minister or the department establishing some type of liaison between the municipalities and the department, to continually monitor any type of economic crisis the various municipalities may be facing? I would think in terms of the 13 per cent tax increase and other ...

MR. SPEAKER: Order please. The question is complete, and now we're embellishing it with debate.

MR. KOZIAK: Mr. Speaker, that's a very important question. Liaison with the municipalities in the province is a very significant aspect of the responsibilities of the Department of Municipal Affairs. We're just concluding one aspect of that liaison with the 75th convention of the Alberta Association of

Municipal Districts and Counties, which concludes this morning. The Alberta Urban Municipalities Association will be holding its conference the following week in Red Deer. Our association with these associations is something that we treasure, and the reaction that we have with the members of those associations is very important. The rural members of the province have assumed their budgetary responsibility very well, and I'm sure hon. members can confirm that in terms of their dealings and discussions with those elected representatives. They have made decisions that have kept their expenditure levels in line, much to their benefit and credit.

Transportation Building

MR. NELSON: Mr. Speaker, I'd like to direct a question to the hon. Minister of Public Works, Supply and Services. I've heard reports that the government is proposing to renovate the Transportation Building, at a cost of some \$30 million. I'd like to know if the minister could confirm this information.

MR. CHAMBERS: Mr. Speaker, the building known as the Transportation Building, the one directly east of us and over the hill, is a very old building, as members know. It's standing empty right now, and it is in bad physical shape. Reoccupancy would really require a total retrofit of the mechanical and electrical systems. The building is energy inefficient; it is not in good condition.

I wouldn't necessarily agree with the cost of retrofitting. However, I think it would be fair to say that the cost of retrofitting that building would probably be equivalent to building a new building. It may well be that the most cost-effective solution is to demolish the building, and I have that under review. That would be a budgetary consideration that I would bring forward one way or the other.

MR. NELSON: A supplementary, Mr. Speaker, on the information supplied by the minister. I'm just wondering if, as there is a significant cost of operating that building at the present time, that may offer the minister the opportunity to bring forward the solution of destroying the building immediately rather than continuing the large expense, as I understand it, of operating the building while no one is in it.

MR. CHAMBERS: That's a fair question, Mr. Speaker. That's why I indicated that I plan to make a decision with regard to the building shortly. We hoped it would be a budgetary matter for consideration in our next year's budget. It does cost money to operate, of course — the building is not energy efficient — and that certainly is a consideration I have.

MR. NELSON: Mr. Speaker, one final supplementary to the minister. I'm just wondering why any consideration has been given to possibly even renovating it or some immediate decision is not made to remove that building. Considering that the private sector has so much space available, we should be able to use that space, if space is necessary at some future time, rather than delay a decision with regard to the Transportation Building, so as to save some budgetary money that may be expended over the winter months through operation of this building.

MR. SPEAKER: The hon. member has really made a representation, and no doubt the hon. minister has duly noted it.

MRS. CRIPPS: A supplementary, Mr. Speaker. Has the minister given consideration to moving the Department of Trans-

portation back there, so they're more readily available to the members?

MR. CHAMBERS: As I indicated earlier, Mr. Speaker, the building is not really fit for occupancy. In order to be occupied, it would be required to meet today's building code standards, any degree or semblance of reasonable energy efficiency, and proper lighting and mechanical systems. It would require a total retrofit, and that's the issue the Member for Calgary McCall was asking me about. Is it worth the total retrofit, equivalent to the cost of a new building? Perhaps the most cost-effective way is to demolish it.

MR. NELSON: Mr. Speaker, a supplementary. I'd like to get a direct question in. Would the minister consider having that building demolished immediately, rather than expending large sums of money in operation through the winter months?

MR. CHAMBERS: Mr. Speaker, I think I indicated before that I do have the item under consideration. Demolishing as well as retrofitting requires some planning work and cost. We're not that far away from our next budgetary process. I do not have money in my budget for anything to do with that building at this time, but I certainly am giving the situation urgent consideration.

Fish and Game Licences

DR. ELLIOTT: My question is to the Associate Minister of Public Lands and Wildlife. I am wondering if the minister would explain: does the government have a plan to standardize the procedure for the sale of hunting and fishing licences on a consignment basis through private vendors in Alberta?

MR. SPARROW: Mr. Speaker, as you know, the Wildlife Act and all the policies under it are being reconsidered. I intend next week to place a discussion paper in the House and, over the winter, look at reviewing all the policies. This would be one of them.

The present status of the licence vendors has changed over the years. In the '60s, there were over 2,000 vendors. Then a very basic service was decided, and some 280 towns, villages, and cities had outlets, basically through treasury branches and non-retail outlets. About six years ago, the government decided to allow the private sector to get into this area, and prepaid licences were allowed to be sold through those outlets. The original 280 ...

MR. SPEAKER: Order please. I hesitate to interrupt the hon. minister. I perceived the question to be one of whether the government intended to standardize. I'm rather doubtful whether that requires giving a history of the subject.

DR. ELLIOTT: A supplementary, Mr. Speaker. The question then would be: does this mean the private vendors will not have their own money tied up indefinitely in unsold licences?

MR. SPARROW: Mr. Speaker, I guess that's why I was trying to give some background to it. It started off with a total consignment, but not to retail outlets. It's shifted to the status where there are about half and half, and consideration will definitely be given to trying to standardize it in future.

MR. STROMBERG: Mr. Speaker, a supplementary to the minister. Will the issuing of netting licences continue as in the past

at Pigeon Lake, Wabamun Lake, and Buck Lake, on a first come, first [served] basis, or will it be on a quota this year?

MR. SPARROW: As you may remember, last spring in the House we announced that this season, licences will be limited to those who previously held licences, so there definitely is a quota on them.

Housing Staff Investigation

MR. MARTIN: Mr. Speaker, I would like to direct my questions to the Minister of Housing. With reference to the co-operative housing action program, which I referred to in question period on October 21, 1983, will the minister please advise the Assembly if the investigations have been concluded, and if not, when the investigations are expected to be completed?

MR. SHABEN: Mr. Speaker, the investigations have not been concluded. I'm not able to advise the member when they will be concluded, because they're being conducted by the RCMP.

MR. MARTIN: A supplementary question, Mr. Speaker. With regard to the Strathmore rural and native housing of the CHAP project, is the minister able to report the conclusions of the Alberta Home Mortgage inquiry into the appraisal value of these houses, as conducted on October 31 this year?

MR. SHABEN: Mr. Speaker, I'm not precisely certain about the question. In responding in an earlier question period, I indicated that we were undertaking a review within the co-operative housing action program, as to whether or not policies that apply to the program were adhered to by the employees who work in the program. That has not been concluded.

MR. MARTIN: A supplementary question, Mr. Speaker. I am talking about Alberta Home Mortgage, and it's my understanding that on October 31 they had an inquiry into the appraisal value of the houses in the Strathmore rural and native housing. My question is, does the minister have the conclusions of those appraisals at this time?

MR. SHABEN: Mr. Speaker, I'm not aware of Alberta Home Mortgage Corporation undertaking an inquiry. Naturally, in the course of the work that was done, the department wished to determine the values of projects that were undertaken under that program, and that has not been completed.

MR. MARTIN: A supplementary question to the minister. When can we expect the report of the Alberta Home Mortgage appraisals of these houses?

MR. SHABEN: I expect to receive it soon.

MR. MARTIN: Soon? In the twentieth century?

The minister offered to present to the Assembly an outline of the guidelines which protect against housing officials and their families benefiting personally from CHAP projects. My question is, when can we expect the minister to provide these guidelines?

MR. SHABEN: Mr. Speaker, I will be filing those in the Assembly next week.

MR. MARTIN: A supplementary question, Mr. Speaker. What is the minister doing in the interim to satisfy the complaints lodged by the people in the Strathmore CHAP houses?

MR. SHABEN: Mr. Speaker, I'm not sure what complaints the member is referring to.

MR. MARTIN: If I can, Mr. Speaker, some of the members in the CHAP housing have contacted us — I'm sure they've contacted the minister — about the appraisals. In the interim before the report, I wonder what the minister is doing about that.

MR. SHABEN: Mr. Speaker, that's what we're talking about.

MR. MARTIN: Well, let me ask this question: is the minister even concerned or does he know about the appraisal values in that Strathmore rural, and what is he doing about it?

MR. SHABEN: Mr. Speaker, I earlier responded that that work hasn't been completed. It's difficult to respond in advance of the completion of the report.

ORDERS OF THE DAY

Speaker's Ruling

MR. SPEAKER: Last night, as we were debating second reading of Bill 98, the Hospitals and Medical Care Statutes Amendment Act, 1983, the hon. Minister of Hospitals and Medical Care raised a point of order questioning whether the succession of amendments and subamendments moved on second reading was in order and, also, whether the rather wide-ranging debate on the Bill was in order.

On reviewing *Hansard* for November 4, where the hon. minister's remarks on opening second reading debate are recorded, I found that he did deal with Bill 98 in a very precise way and that there was nothing in what he said last night on the point of order that was in any way inconsistent with the scope of debate in his opening remarks. The reason this may be important is that when an hon. member enlarges the scope of debate, it is sometimes necessary, in the interest of fairness, that other members should have a right to the same latitude. However, insofar as what the hon. minister said is concerned, that does not apply here.

In his point of order, the minister said in effect that user fees have been authorized for years within the scope of the Hospitals Act, and therefore Bill 98 will not have the effect of introducing that idea as something new. Hence, as I understood the hon. minister's argument, he was saying that since the Bill does not introduce user fees, the question of whether or not they should be introduced is really not relevant to the Bill. On the face of it I must say, with respect, that that makes good sense, and indicates that the amendments, subamendments, and the broad scope of debate would be out of order.

However, there is another consideration here, and it arises out of a new definition which Bill 98 would add to the Hospitals Act. The Bill introduces, for the first time, the expression "user charges". It does this by way of defining what user charges are. I am assuming that user charges and user fees mean the same thing. Introducing this new definition into the Act must mean either that the concept is presently not in the Act or at least that it is doubtful whether it is in the Act. Were it otherwise, there would seem to be little purpose in adding to the Act something it already contains.

The effect of the argument in favor of the point of order is to say that something already in the Act is being given a new name. That could possibly be true, but it is certainly not without

some very substantial doubt. There appears to be an equally and perhaps even more valid reason for saying that something new is being added or that the Bill is intended to make sure that something that might or might not have been in the Act will now clearly be there. Consequently it would appear, given the rather special circumstances I have referred to, that the broad-ranging debate we have had thus far is generally, apart from perhaps occasional repetition or irrelevance, in order.

There's another reason for finding the debate relevant, in that the Bill appears to transfer authority with regard to user charges. That could be seen as providing for debate on the nature of the thing being transferred; that is, on the nature of user charges.

I should add that I do have, on other grounds, a continuing concern and doubt about the nature of the reasoned amendments and subamendments that have been offered thus far. However, as I have mentioned in this House before, where there is a doubt as to whether a member should have the freedom to do something, the member should get the benefit of the doubt unless and until it is established that what the member is doing is an infringement of the rights or privileges of other members or of the House, or contrary to fairness generally.

No Speaker spots all the points of order all the time. I do appreciate it when real points of order are raised, because that of course helps in doing a Speaker's work, and I do thank the hon. minister for raising this point as he has.

head: GOVERNMENT BILLS AND ORDERS

(Second Reading)

Bill 100

Alberta Income Tax

Amendment Act, 1983 (No. 2)

[Adjourned debate November 16: Mr. R. Speaker]

MR. R. SPEAKER: Mr. Speaker, I would certainly like to speak against the second reading of Bill 100, the intent of which is to raise the income tax of Albertans by some 13 per cent starting January 1, 1984. I'd like to look at some of the reasons that were placed before us and before Albertans as to why this tax was necessary and, as well, some of the steps the government is taking to try to curb their expenditures while also justifying the respective tax.

I look first of all at the October 18, 1983, press release of the hon. Provincial Treasurer, specifically at page 3, where the minister says to Albertans and all of us: we are really trying to bring government expenditures into line. If we look at 1982-83 and compare it to 1983-84, the minister is saying in that press release that we are cutting the expenditure level:

We continue to trim down the size of government where possible but the expenditure levels of government programs, in health and education especially, cannot be turned around quickly. Two or three more years of rigorous restraint are required. Government operating expenditure growth rates are cut by 50% in the current budget.

Now that sounds great in terms of a political statement, but it is a statement which is very misleading, and I think we should examine what it really says.

After I heard that statement I placed on the Order Paper of this Assembly a motion for a return to have that statement described and explained by the Provincial Treasurer. By Return No. 194, it is explained. What did happen? Well, the minister points out in that return that:

The total 1983-84 operating budget for government departments will increase by 14.7% over the 1982-83 comparable estimate.

I accept that. Secondly, the minister points out that:

This percentage is less than one half the 31.3% increase of last year.

I accept that. It is 50 per cent; that is the way it is. The minister goes on to explain in dollar figures why we had a 50 per cent cut. I accept that.

But the statement, Mr. Speaker, is certainly one that is misleading to the public of Alberta and to the Legislative Assembly. What really did happen in that 1983-84 budget? We had a 14.7 per cent increase at the time of budgeting. As well, since that period of time we have had a number of special warrants passed by the cabinet of government, to increase that percentage increase in the 1983-84 budget. Our percentage is greater; it's a significant increase. Was there any real cutting back or holding the line or restraint? I don't see very much in that type of percentage.

As of this week, we go to the municipalities and say: there will be no increases for you. The Premier will speak to the urban municipalities on Tuesday next week, and the same message will come through: there are no increases coming forward in the coming year.

That means maybe the province has to revise their priorities and come to grips with lower percentages of increase, and show that they really are attempting to cut back the fat, the excessive spending, the wasteful spending that goes on in this government. But up to the present time, by using figures such as this, that we're cutting it by 50 per cent, I make the case that that's misleading and certainly not a figure of support for increasing the personal income tax of the people of Alberta by 13 per cent. I just can't buy that. Mr. Speaker, I certainly hope the minister will correct that with Albertans and say: look, we did increase it 14 per cent this year; next year we're aiming at something that's even lower and more in line with real cuts in terms of expenditures of government.

What else do we see when we examine what the government is doing? The government has said that it's only going to cost the average Albertan who grosses some \$30,000 an additional \$250 per year in taxes. Here again we see a rather misleading statement as to how the tax is calculated. It isn't two dependants; it's three dependants that are used in the calculation. But be that as it may, it's still Albertans having to pay on average, when they earn \$30,000, some \$250 per year.

That doesn't sound like much, but first of all let's talk about the person who earns more than that. There are businesses in Edmonton, Calgary, Red Deer, Medicine Hat, and across this province, that have gross incomes larger than that. I checked with some accountants, and they will pay anywhere from \$1,500 to \$2,000 more in tax because of this additional increase in personal income tax. That much more. We say: that's not bad; the company can afford it, because they can pass it on to their customer. The fact of the matter is that they're going to be hit this year with a significant increase in municipal tax — that's hurting them — the cost of their product is going up, and the cost of their labor isn't sitting still at the present time. In total, that tax is very significant in their financial plan to survive.

I raised the question in this House as to whether the ministers responsible for such areas as small business really had taken that into consideration. But the government never studied that aspect, never went out and asked somebody that was doing the tax files for hundreds of small businesses in this province. Nobody bothered to do that. The only question was that the government needed another \$220 million, and one of the

sources we can get it from is personal income tax. When we do it indirectly like that — the political psychology of this government is that people will think it's the federal government, so it won't hurt us too much politically. In a crass way, they implement this new tax policy, and we are faced with this Bill 100 at the present time.

Mr. Speaker, that's not fair. What about the low-income people that receive even less than this \$30,000 per year? Many of them may pay an extra \$100 a year in taxes. That \$100 is even more significant in their budgets. An extra \$10 a month toward something like this can be very significant and certainly create greater pressures, which we all know have led to various family pressures, to mortgages not being repaid, and to situations where the Minister of Housing has, I believe, some 203 housing units in his care. So we just add to the problem. We're going to add to the problem of taking away from consumer capability in this province. It isn't just the average Albertan that we should be concerned about. The whole continuum is faced with a sequence of problems because of this added tax.

The minister says to Albertans as well that Alberta's personal income tax was the lowest of all of the 10 provinces and still is. Well, it's only half a per cent lower than British Columbia's; that's not very significant. But when you look at the total picture — and this is where I can't understand that kind of argument and how it can be used to justify this tax — we have had in this province a phenomenal, unbelievable amount of resource revenue comparable to no other province in Canada. We've had income from an external source outside regular taxation that no one else has had. Over the years, our percentage of budgets that have been supported by that revenue has been the envy of every other province.

The question is very simple. Why shouldn't we have the lowest personal income tax? The question I often raise is, why should we have needed any personal income tax in this province? I think there was a point in time when we could have eliminated that for Albertans and allowed the free economy to use that money to build Alberta, rather than the money coming into the hands of government and then government redistributing it under conditional programs and strings, drained by a huge bureaucracy. The government didn't want to go that way. But I think the question rests very well that there is no reason why our personal income tax shouldn't be the lowest and significantly much lower than others.

What's happened over these last few years to cause the kind of situation we're in at the present time? I'd say first of all that there were no priorities in this government. There was squandering of moneys; it was easy come, easy go, and let's have a good time. All of a sudden, after 1980, we realized we were in difficulty. The Provincial Treasurer tried to pull in the reins, but nobody listened. Today people are listening, because the people at the grass roots are starting to take hold and say: whoa, something's got to be done. I heard that very clearly at the rural municipal associations meeting this week. They were saying it's time the provincial government takes control of their expenditure.

We look at what has happened over these last few years. We see, even since 1971, what has happened to the growth of the civil service — an increase from some 17,000 to over 70,000, a 60,000 increase in the civil service. We see budgets that have gone from \$1.1 billion in 1971 to \$10 billion in 1983. Did the population of Alberta increase by 10 times in those 10 years? Did the capability of the taxpayer of Alberta increase 10 times during those years? If I looked at the financial position of many people in my own constituency, I'd say that their capability was greater in 1971 than it is today. We've brought them to a position where they have less capability of paying

this excessive tax. But the government continues to grow and get larger.

We even look at some small items. Maybe they're not significant, but certainly they are typical of how this government has grown. In this Legislature a number of days ago, I asked the Premier whether he was prepared in this restraint program to cut back on some of his own expenditures and on the staff in his own office. If we're looking down the line at some poor fellow who has maybe just secured a job with government in the last one or two or three years, who may be getting only \$10,000 or \$11,000 a year and ending up with only \$5,000 or \$6,000 after tax, that's the guy out there that we're aiming at when we take off 2 per cent of the cost of government. I feel sorry for him.

I think the only way it can be done is for the government itself, the ministers here, to take action within their own direct responsibility. I look at what has happened in the Premier's office since this government has taken over. It's typical of the Premier's office; it's typical of every minister's office. It's typical even of the offices of the backbenchers, the office of the opposition, and the office of the Independents. I think we should all have a look at that situation. The only way we can demonstrate to the people of Alberta that we are really going to cut back is to do so.

This is the example I want to use. I look at the printout of the government directory in 1963. In the Premier's office there was the Premier, an executive secretary, and two secretaries at that point in time. I look again at a printout of the Premier's office in October of 1969, when the hon. Harry Strom was the Premier. There was the Premier, an executive secretary, two special assistants, two secretaries, a special consultant, and then the Premier's office in Calgary, where I believe there was one secretary. So from three people we've gone to nine. Now you look at the office of the Premier in October 1983 and see what has happened. We have the Premier, an executive director, an executive secretary, a special secretary, a private secretary to the Premier, a news secretary — I didn't want to forget Mr. Liepert — and an executive assistant. We have eight there. In the southern Alberta office, we have a director. That's nine. Executive Council itself has a whole fleet of people that were never there before. We have the president, which again is the Premier; a deputy minister of Executive Council — I'm not sure what that role would be — a news secretary, which I've already mentioned; the assistant to the news secretary, another new person; a deputy secretary to cabinet, another new one; a deputy clerk of the Executive Council; two secretaries to the cabinet committees; two co-ordination officers; one director of project management; and a director of finance and administration.

In total, we now have 18 people with very significant, high-paying jobs. We've gone from three to six to 18 in those few years. That's the way this government has grown, not only in the Premier's office but in most of the ministers' offices, the deputy ministers' offices, the assistant deputy ministers' offices, the co-ordinator's office — across this government. I think, one, we should start at the top and, two, we should go through government and look at top-level management and the high salaries we're paying across this public service at the present time. But who are we going to pick on? It's going to be those people that are in the bargaining unit. They most likely will be the people zeroed in on.

I hear some comments with regard to the office of the Independents. Certainly if there's a way to cut back, we'll cut back. I would indicate that when I took over the office of the opposition, three people were released from that office within the first week.

MRS. CRIPPS: You mean replaced.

MR. R. SPEAKER: That's not accurate. There were some cutbacks. If you look at our budget, it was not overexpended like some of the offices of government at the present time.

The other area that could be cut back and looked at by this government is the many political appointments. I've talked in this Legislature about the million-dollar club, where ex-cabinet ministers, people who have worked for the party, still get nice cushy jobs across government. That's maybe only \$1 million, but it would be a symbol that the government is prepared to do something. I think the only way this government can indicate to the people of Alberta that they're serious about cutting back is to start right on their own doorstep. To the present time, the leader of the party, the Premier himself, has said: no, I won't do that; this is my domain, my little area to protect; I need everybody I have; I need people sitting in the gallery taking notes and listening to what I have to say so I know exactly what's going on — I can't be here; I have to be somewhere else — I have to have somebody co-ordinate the newpeople because the newpeople are not really independent thinkers; they're a bit dependent and we have to spoon-feed them and tell them which way to go. So Mr. Liepert keeps the thumb on them continually and says, this is what you say and what you don't say. When they get a little out of hand, the editor of the paper usually gets a call all of a sudden, so the Premier has to take things in hand even with all the staff he has around.

The point is that this government has to take care of its own front doorstep before it starts telling municipalities to cut back, before it starts telling all the social service organizations in this province, the teachers, and the hospital people to cut back or to live within their means and blames everything on them. They just can't do it until this government takes some responsibility. That's the kind of thing that goes on.

The minister attempts to justify something that is not justifiable. As I've said, his basic arguments have been, look, we're cutting our increase in half. Well, he hasn't done that. The second argument is that it's not going to cost the typical Albertan that earns \$30,000 very much — \$30,000 sounds like lots. It's only going to cost you \$250. But he forgot to tell about the effect on small business. He forgot to tell about the lower income people that need every dollar they have to consume their goods.

The minister is waving his hand and saying that consumers in Alberta have a greater amount of income to spend than they've ever had before. What the minister should do is look at some of the statisticians that compare 1983 to 1982. They will show that Alberta is 10th in terms of growth, and most likely 10th in terms of capability of meeting consumer needs. So that's the second point — how tax is calculated.

I don't feel that the argument that that tax is the lowest in Canada holds water either. Why shouldn't it be the lowest? We've had more resource revenue to spend than anybody else. Maybe it isn't going to continue that way, because this government hasn't come to grips with its expenditures.

What are some of the other arguments being used to support this 13 per cent hike in personal income tax? The whole argument of living within our means sounds good, but as Albertan after Albertan tells me: the only way I do that is to live within the cash or my assets on hand; I don't go out and raise more some other way, because I don't know how to do that today. The government doesn't do that. What they do is increase taxation so they can expand their expenditures and continue a growth of expenditure they have at the present time. I don't think their way of living within their means is acceptable to

Albertans, and it doesn't sell the concept of a 13 per cent personal income tax hike.

What other item is missed in the arguments of the hon. Provincial Treasurer? In the press release of October, the hon. minister forgot to tell about the massive giveaways of the 1982 election and the impact of those giveaways on the present budget. Over \$7 billion was promised to Albertans. And I must admire the government; they are trying to meet the commitment of those election promises. I guess that's what you have to do. But what the government should have thought of at that time — and we all knew there was a downturn in the economy — was that the government didn't have the capability of doing that.

The concept of responsible fiscal management should have been presented to Albertans at that time, but it was not. It was a program of giveaways. We'll give away everything and anything to get your vote, because we would like to have 79 people in this House in 1982. There isn't any need for an opposition. If there's any thought of putting an opposition in this House, we're going to try to get rid of it. It was an overkill by the use of the taxpayers' money, and to me that is totally irresponsible. The people of Alberta are finally saying now: you know, we heard all those promises; we know why we're in trouble. It's going to come back to haunt this government. Hopefully it does. The 13 per cent tax increase is certainly bringing it to their attention. That is the reason for the situation we're in today. I'm sure the hon. Member for Edmonton Whitemud, who is studying very closely the expenditure pattern of this government in the past, present, and future, can determine very quickly that commitments of this government that may be hard to turn off are leading us into the difficult financial situation we are in. It wasn't business management; it was political management. Certainly that's not acceptable in this Legislature or in this province.

It's different; it's a Conservative way of managing the affairs of Alberta. Hopefully the new Conservative leader in Ottawa doesn't take an example from Alberta with regard to that, that we have some good market place management put into the federal government and some very deliberate government cutting programs placed in Ottawa to bring that spending pattern to grips as well.

What else about this Bill concerns me and gives me more than adequate reason to support it? I asked a businessman of the city: have a look at Bill 100 and tell me why you really think some concerns should be raised. Certainly he was concerned about the increase in tax itself, and raised some of those items. He also indicated some other items to me. I said, would you just jot those down for me so I could place them on the record of the Legislature? This is what he had to say, and I think it's typical of other people in the province too, as to what their attitude is:

Since all personal income tax legislation is regressive and immoral, I find it hard to accept that the province of Alberta appears bent on adopting many of the tax reporting and collection procedures popular with the federal government. For example, this Bill will require

(a) substantial increases in administrative costs for employees who will now have to deduct tax at source for the province as well as the feds and remit directly.

That refers to section 18.

(b) that farmers and fishermen will have to estimate taxes and pay in advance according to estimates.

MR. SPEAKER: Order please. Quite apart from the question of whether someone who is not a member of this House should be entitled to come onto the floor and debate through the member's mouth, I am having difficulty in relating problems of tax

collection and filing returns to the principle of whether the tax should be raised. Perhaps the hon. member could solve that difficulty.

MR. R. SPEAKER: Mr. Speaker, the principle of the Bill is certainly whether or not an increase of 13 per cent in personal income tax is justifiable; that's very true. But there is also a principle in the Bill which indicates that the government wishes to bring in stronger enforcement and collection procedures. In relating my comments to this person's viewpoint, I was emphasizing that aspect of the principle as well. As I understand it, there is more than one principle in the Bill.

MR. SPEAKER: With great respect to the hon. member, what I understood him to be reading just a little while ago had to do with filing procedures of returns, not with methods of enforcement or collection. I don't see a connection between those two subjects.

MR. R. SPEAKER: Mr. Speaker, on that basis, I will accept that. To paraphrase what was said, the Bill itself, as examined by Albertans and by myself, becomes a rather bureaucratic document that wishes to take away more income from the people of Alberta through legislative and legal procedures. That in itself is totally unacceptable.

Mr. Speaker, in the last few moments I have to make comments, I can only say that Alberta's economic conditions are not what the Provincial Treasurer attempts to advise us [they are]. The Provincial Treasurer indicated that everything is rosy, everything is great, and there is an upturn in the Alberta economy. When we look at the various groups in Canada that collect statistics and information, I don't think that really . . .

MR. SPEAKER: I regret to interrupt the hon. member, but his time has elapsed.

SOME HON. MEMBERS: Question.

MR. NOTLEY: Mr. Speaker, it really is interesting that all these backbenchers are so silent on this issue. I guess it's up to the opposition to carry on legitimate debate in this House, notwithstanding the sudden silence of our legislative friends on the other side of the House and this side as well.

I have no difficulty at all in rising to oppose what I consider to be a really obnoxious piece of legislation, a piece of legislation that has the support of no one outside this Legislative Assembly. I don't think there's any question that the tiny opposition in this House speaks for the overwhelming majority of Albertans, including the vast majority of the people who voted for hon. members of this House, in saying that we are opposed to a 13 per cent increase in personal income tax at this time. Albertans are opposed to it. I would defy any of the government members to rise in their place in this debate and tell us that in discussing this matter with their constituents — whether they be in Drayton Valley, Calgary, southern Alberta, or wherever — their constituents are in favor of the increase in personal income tax at this time. Frankly, I don't think there's any support for this type of legislation at this juncture in our history.

Mr. Speaker, I can tell you that if there were support, we would have all kinds of active participation by government members, because when good news is presented to this Legislature, government members like to share in regaling the Legislature with the news. They like to tell us about how their constituents are right behind them. Mr. Speaker, you probably noticed this rather surprising silence on the part of government members. The reason they aren't saying anything is that they

know perfectly well their constituents are opposed to this issue. They know perfectly well that if they were to take a referendum in any single riding in this province, the people in this province would overwhelmingly say no to a 13 per cent increase in personal income tax.

Mr. Speaker, we are now deliberating legislation which it appears was thrust upon the caucus the day before a news announcement was made by the hon. Provincial Treasurer. So it would appear that it wasn't even a case of deliberation in the caucus. The Provincial Treasurer decided that he needed some more money, he and the Premier decided that we are going to increase personal income taxes by 13 per cent, the caucus was notified in the evening, and the following day the bad news was given to the people of Alberta. Small wonder that government members are so silent on this issue.

Mr. Speaker, those of us in opposition are fair-minded people. We have to ask ourselves, is there the slightest argument at this stage for an increase in personal income tax? We will set aside the fact that a year ago the government, when they were seeking our votes, didn't tell us that they needed more money. At that point they said that the economy had rounded the corner, things were going to be buoyant and optimistic, and things were looking up. They didn't suggest a year ago that there was going to be an increase in personal income tax. They didn't tell us about user fees. They didn't tell us about any of these increases which we've witnessed in the 12 months since the election on November 2. But because we are fair-minded people, we will have to assess: did circumstances change so dramatically that the government which went to the people and said one thing in October 1982 is now saying something completely different in November 1983? Or was there a sudden change, a conversion on the road to Damascus, to high taxes, that altered the position of this Tory government?

Mr. Speaker, let's take the arguments that have been presented by the hon. Provincial Treasurer. Of course there is a deficit. One of the reasons there is a deficit is that this government, when they were seeking the votes of the people of Alberta in 1982, came in with a massive series of programs which were designed to try to buy the people of Alberta with their own money. There are fiscal implications to that kind of approach. We are now paying for the mismanagement of the economy in the months leading up to the 1982 election. All one has to do is look at the massive amount of money spent on advertising just prior to the 1982 election. Small wonder that the Provincial Treasurer has to look around for more sources of revenue in the fall of 1983. We are paying the price of the political decisions that were made a little over a year ago.

While those political decisions reaped rich dividends for the Conservative Party, we now have not only almost a solid blanket of Tories in this Legislative Assembly but career opportunities for bagmen and fund raisers for the Conservative Party in the public service of Alberta. While that has been a great boon to the Conservative Party, the people of Alberta are now paying the price, and it is a heavy price indeed.

Mr. Speaker, the first reason that an increase of 13 per cent in personal income tax is wrong is that at a time when you want to get the economy rolling again, you don't take purchasing power out of the hands of the average person in this province. That's not some radical new proposal. The Conference Board of Canada makes that point very well. Not only did they make that point in their spring survey, but if one looks at the most recent survey of the Conference Board of Canada, when it comes to Alberta they make this observation. I think it's worth hon. members considering for a moment exactly what the Conference Board is saying:

In 1982, [the] adjustment took the form of a massive retrenchment in consumer spending ...

Mr. Speaker, it goes on to say:

Manufacturing industries in Alberta rely heavily on the province's consumers and building contractors as customers, and when these customers stopped buying, manufacturers were forced to curtail production by nearly 18 per cent.

Mr. Speaker, these are the comments of the Conference Board of Canada. Some may say that the Conference Board of Canada isn't important. I gather that in question period the other day, the hon. Provincial Treasurer suggested that it was just another survey report. But a little over a year ago, when the Premier was leading this government's re-election efforts, he emphasized the Conference Board of Canada report in 1982. If we are going to compare apples and apples, then let us compare the same kind of survey agencies. If the survey results of the Conference Board in 1982 were accurate enough to allow this government to base its whole re-election effort on this Conference Board report, then when the Conference Board begins to tell us and warn us that things are going wrong, surely it isn't good enough to say: oh, but we've changed the ground rules; we've got another set of statistics that are a little more convenient, a little better, and that make our case not quite as weak as it would otherwise be, so we'll chuck the Conference Board out the window, notwithstanding the fact that it was used as a solemn and accurate piece of evidence to bolster our re-election efforts. Well, Mr. Speaker, I don't think that's good enough.

Quite apart from what those of us in the opposition are saying and what Albertans are saying, here you have one of the most respected economic bureaus, if you like, in the country telling us that one of the reasons we have massive unemployment in Alberta — the greatest unemployment in this province since the Depression itself, and the largest unemployment in the history of Alberta — is that there's been a massive retrenchment in consumer spending. I don't know where this government developed this strategy. We know it hasn't come from the backbenchers. They didn't know anything about it; they weren't asked. In the face of evidence that there is a decline in consumer spending, that that decline in consumer spending has led to a reduction in manufacturing of 18 per cent, and that the reduction in manufacturing has led to the highest unemployment in the history of this province, this government concludes that we are going to take still further purchasing power out of the hands of individual Albertans.

Mr. Speaker, I don't know on what possible basis the government could advance that kind of irrational logic, unless suddenly we've got Allan MacEachen under contract to advise the hon. Provincial Treasurer. With these new connections with the federal Liberal government, I wonder if perhaps we haven't got some advice from that source, because it makes no sense at all to take purchasing power out of the hands of individuals at this juncture.

Other members have said: oh, but the Official Opposition was telling us last spring, better that we have increase in personal income tax than user fees. But, Mr. Speaker, because we took the Conservative Party at its word in the fall of 1982, I don't think anyone thought we would get the cumulative impact of increased medicare premiums to pay for medicare, user fees in our hospitals, plus an increase in personal income tax. It was never an either/or proposition. We get the whole shot, everything added on, so this government can grab more money from the hands of average people who otherwise would spend their money shopping in various communities in this province.

Mr. Speaker, when one looks at some of the comments of Albertans, Mr. Robinson of the Retail Merchants Association of Canada is quoted as saying that the announcement was just terrible; we're headed into the Christmas season, our busiest time, and he comes up with a tax increase. I can certainly understand Mr. Robinson's views because, as members are well aware, a major part of the income of any small business is during the pre-Christmas and Christmas season. While the increase won't come into effect until January 1 — everybody in this province knows that there is going to be an increase in personal income tax by 13 per cent, that they're going to have less money to spend, that we're going to have user fees after January 1, we have the increase in medicare premiums in effect already, plus the federal government's taxes are going into effect on January 1 — the fact of the matter is that people are going to be saying: can we buy the kinds of presents we were thinking of? Or maybe we have to cut our cloth according to the more dismal outlook as a result of the federal and provincial governments grabbing more money.

Mr. Speaker, the inevitable result, as Mr. Robinson and every other small business man in this province knows, is that people are not going to spend as much in this pre-Christmas season and that's going to contribute to a decline in retail sales. The Conference Board of Canada makes the point that notwithstanding the fact that we had the highest level of per capita consumption, if you look at the rate of increase — keep in mind, Mr. Speaker, that even the figures we had in the past have still led to this retrenchment that the Conference Board talks about, still led to tens of thousands of people being out of work — we find that Alberta ranks 10th of the provinces in terms of increase in retail sales.

While it would have been able to take into account user fees, increased medicare premiums, and all the other vexatious taxes this government is inflicting upon Albertans, this Conference Board report could not have assessed the impact of the 13 per cent increase in personal income tax. I would suspect, Mr. Speaker, that when the next Conference Board of Canada quarterly report comes out — and I hope I'm wrong and my estimates are incorrect, but I have a sneaking suspicion they aren't — it's going to show that there has been an even greater reduction in consumer spending, that retail sales have sagged, that the manufacturing industry, which is dependent upon retail sales as the Conference Board points out, will have slowed down even further, and that though there may be record unemployment at the moment, it will be significantly worse in the spring of 1984.

Mr. Speaker, I say to members of the House, how can we deliberately contribute to a worsened economic outlook when there are other options available? I want to come to some of those options in a moment, but I tell members of the government caucus that if this personal income tax increase is designed simply to raise money but it contributes to the decline in consumer confidence, greater unemployment — the fact of the matter is that we have tens of thousands of Albertans who are now running out of unemployment insurance benefits and they have no other place to go but the government for various kinds of public assistance. Not only is that humiliating for men and women who have had the independence of having a job for most of their working lives; in addition to that, it is going to cost this government a lot of money. We're going to have the kind of accidental deficits which have become so much a part of modern government in Canada, because we miscalculate what the overall range of economic activity may be. Taxation is part and parcel of the decisions that contribute to that overall range of economic activity. Then we have a heavier draw on some of the programs which are in place.

What are you going to do? People have run out of unemployment insurance benefits. What you're going to have to do is put them on various welfare programs of one kind or another. So rather than contributing to the reduction in the deficit that the Provincial Treasurer is talking about, I maintain that the impact of this increase in personal income tax is only going to contribute to higher unemployment, and in the long run we are going to have a draw first on UIC, and as UIC benefits run out, on the fiscal resources of this province through our public assistance programs. I just don't think that makes any sense at all.

When I spoke to the Alberta Association of Municipal Districts and Counties, I recalled the experience during World War II. I might say that many delegates at that convention, who are certainly not supporters of the political party I'm privileged to lead but supporters of this government, came up to me and said: we don't agree with you philosophically on a lot of things, but in this particular instance you made a good deal of sense. I recalled what happened during World War II. We'd gone through the depths of the Depression, and there was a recognition during the years of World War II that there had to be, if you like, a bridging of the gap between the amount of investment that was forthcoming from the private sector and the amount of investment necessary to sustain full employment.

Mr. Speaker, I am sure you will recall that during World War II we had the deliberate policy, federally and provincially developed, of earmarking a shelf of public works right across the country. It wasn't just the one province, but right across the country. It didn't come as a result of unilateral action by the King government; it came as a consequence of the provinces and the federal government working together. That shelf of public works was developed and put in place so that when unemployment began to rise, we could have some of these needed projects going ahead. That's how we got the Trans-Canada Highway. The St. Lawrence Seaway was a direct result of the planning that was done during the wartime period to develop, if you like, an inventory of sensible projects to bridge the investment gap. [interjection] That just happens to be a fact. Study your history, hon. member.

The fact of the matter is that we have a whole series of worth-while projects in place now because during the wartime period and the immediate post-war period, people recognized that we didn't want to get into the massive unemployment of the 1930s. I say to hon. members that if you're looking at a deficit, it makes a good deal more sense to have a deficit that contributes at least economic activity through needed projects, worth-while projects, rather than an accidental deficit which comes as a result of higher welfare costs which you haven't planned for. I would be prepared to debate that with the hon. member before any chamber of commerce, including the Vermilion Chamber of Commerce, if he so chooses.

We have to make difficult choices, and when you've got problems in the western economy which face the entire western world, these choices have to be made. Surely planning ahead for worth-while public projects is one of the ways to put people to work, to restore consumer confidence, and to bring to the government of Alberta and the government of Canada, through income tax from people who are employed, the funds which we now have to gouge out of them by increasing the income tax rate.

I really think that from an economic management point of view, this government has put the cart before the horse. It is so concerned about its fiscal position that it is failing to recognize the overall level of activity in the economy. My guess is that the backbenchers are going to have to go back to their constituents in a few months' time and say: we increased per-

sonal income tax by 13 per cent; we increased medicare premiums; we brought in user fees; we have reduced your capacity to consume; we've got a record number of unemployed, a record number of bankruptcies; Main Street is the quietest place in the province; we have put the province into a slump. And then they're going to have to add: we also have made a mistake because our deficit is greater than we thought; you see, we've got these huge welfare costs that we didn't budget for. That's what's going to happen, Mr. Speaker.

I say to members of the government that there were other options. What were some of those options? Let's take a look at the examples that are set. Mr. Stanfield, when he was Leader of the Opposition, talked about the importance of symbolism when you're attempting to make a public case. He was probably quite right — that the examples set by the leadership of a jurisdiction are in many respects more important than the reality of actual dollars. With that in mind, I would say to hon. members of the House that we have to begin to bring in some pretty tight rules on what you would classify as frivolous expenditures.

Yesterday I raised the issue — and I'm glad the hon. Minister of Public Works, Supply and Services is here. He'll be able to have an opportunity to debate on second reading and respond, and I think that's only fair and appropriate. But if we're going to increase personal income tax by 13 per cent, I have to ask: what in heaven's name are we doing spending over \$32,000 on a conference such as this federal/provincial conference of ministers and deputy ministers of public works? Frankly, Mr. Speaker, I look at the agenda and I'm astonished because there's almost no work done — lots of hospitality. If we're going to increase personal income tax, we have to be able to justify that. If we've got \$32,000 for a conference, where we do everything from helicopter around Kananaskis Country to go to a dude ranch — I'll tell you, it's quite a conference. If any of the hon. backbenchers would like copies of the agenda ... If you weren't invited, I'd certainly be upset, because for both the spouses and the members it would be a very ...

MR. SZWENDER: Ostentatious.

MR. NOTLEY: Yes, ostentatious. The very articulate hon. member back there makes the point very well. That's exactly the way I would have described it too: an ostentatious event; \$32,000 worth of ostentatious events. We've got almost every kind of social event here. Cheese fondue — holy cow! Very nice, nothing but the best, except that after we provide nothing but the best for this conference, which is short on work and taxing on recreation, we have to bring in an increase in personal income tax. That isn't setting a very good example, Mr. Speaker.

We have the example already cited about travelling first class on air lines. Let me take just a moment or two on air lines. I have a great deal of respect for the ability of our Premier. Normally he can make — and I don't say this in a pejorative sense — a silk purse out of a sow's ear when it comes to presenting his case. He certainly has to do that when it comes to presenting the record of this government. But in any event, when my colleague raised the issue of first-class air fares, his response was that the hon. members should know you can't conduct public business in tourist. Mr. Speaker, you shouldn't be conducting public business, if it's of a confidential nature, in tourist or first-class when travelling on an air line. But the difference between first-class and tourist — you don't get there one second sooner.

I will say to members of this House who now want a 13 per cent increase in personal tax — and again this is the kind of issue that I'll debate anywhere in this province, in urban Alberta

or rural Alberta, but especially in rural Alberta — that in the 11 years Allan Blakeney was the premier of the province of Saskatchewan, he rode tourist class. The government of Saskatchewan changed the rules for public servants and ministerial aides so that they went tourist class too.

Mr. Speaker, that's not an unreasonable thing to do if you're in public life and you want to set an example as far as restraint is concerned. There's no credibility at all in saying, do as I say but not as I do. The hon. Minister of Municipal Affairs talked today about some municipalities that had made bad decisions. The only problem is that municipalities are locked into a very narrow fiscal base, so they can't tax themselves out of their bad decisions. But today, as we read the Bill before the House, what this government is proposing to do is tax Albertans so they can extricate themselves from a whole series of bad fiscal decisions.

So I say, in as generous a way as I can, that we have to begin to use some common sense. What I would call the broad range of frilly expenses may not in themselves make the difference between a large deficit and a small deficit, but they set an example. As Mr. Stanford used to say, they set a style. If you want to develop an understanding among Albertans of the need to be careful with public dollars, then we must set the example here. Mr. Speaker, that has not been done, apart from the opposition budget, which various members keep raising, which was cut by this Legislature. Apart from that, we see nothing but massive increases in the expenditures of this government, especially on what can only be described as the most marginal sorts of investments.

I'd like to move from what I call the waste and extravagance of this government — there are many other examples I could use, but since I want to get to other larger items, I won't dwell on them, except to note them in the House because Albertans are noting them. For those of us who frequently speak to groups, there is nothing that brings gales of laughter from any audience more quickly than some of the frilly expenditures of this government. Those audiences are composed of people who not only voted for the government but campaigned for the government in the last election.

Mr. Speaker, I want to deal with some of the more substantive things. Let's take advertising. This government wants to extract more money from Albertans at a time when thousands of them are out of work, when farmers are facing troubles, when small businesses are on the verge of bankruptcy. Do we really need to spend over \$8 million in advertising? Do we really need to spend that? Do we need the kind of incredible onslaught of advertising that took place just before the last provincial election, when we didn't even have information advertising; we had mood advertising.

I'm sure you'll recall the ads that appeared throughout Alberta advertising the heritage trust fund — no telephone numbers. I still remember one ad, because I thought it was really quite unbelievable, of the young farmer who just got off the back 40 and talked about what a good job the ADC was doing, but there was no phone number in the ad. These were carried in local rural newspapers where, if anybody wanted information, it would have been the simplest thing in the world to say: here's the regional office in Fairview, here's where you can go in Drayton Valley, or here's where you can go in Vegreville or whatever the case may be. Instead what we get is this nice happy smiling face. Similarly, we had the case of the sweet little old lady. It didn't talk about the problems of people in nursing homes, but this sweet little old lady had also got benefits from the heritage trust fund, and again there was no kind of information provided on where one would get further information.

That's the kind of wasteful advertising. In the 1981-82 fiscal year, as we look at public accounts — we don't have the most recent figures — this government spent \$8.2 million in advertising. I say to members of the government caucus that if you want to decrease the deficit of this province, cut back on some of that advertising; we don't need it.

The travel expenditures of the government: 1981-82, \$57.4 million, almost \$5 million a month. No one says that ministers shouldn't be able to travel. No one says that public servants shouldn't be able to travel. Nobody says that those of us in a position to represent the public shouldn't be able to travel. But let's do it in the most economical way possible. As I say, you don't get there one second sooner travelling in tourist class than you do riding in the first-class section.

A 29 per cent increase, Mr. Speaker, in our travel between the 1980-81 and '81-82 fiscal year: \$57.4 million. Do you mean to tell me that it would not be possible to carve some of those dollars off our travel commitments? We're not here — and I want to make that clear — to have people stand up and say: they want to eliminate any kind of travel so that people have to sit in Edmonton all the time. No one is saying that. The question is whether or not we can do it in a more economical way at a time when we have serious fiscal problems.

Mr. Speaker, another area that is worth looking at is hospitality — I've mentioned that as it applies to our federal/provincial conference of public works ministers — about \$2 million in 1981-82. I think that's the kind of thing where we could exercise some restraint and cut our cloth according to our new fiscal reality.

Rather more important than the items I've identified is what I would call the granddaddy of them all: contract services, consultants. I look at the 1981-82 year, Mr. Speaker, and I find \$252 million, a quarter of a billion dollars for consultants. What makes this even more incredible is that there was a 48 per cent increase over 1980-81. I find that just staggering. We have become, if you like, a Mecca for private consultants. No one is saying that you should eliminate all consultants; of course not. No one is saying there aren't going to be occasions when you want to test what you're getting from in-house research by bringing in competent people from the private sector. But there is a difference between a reasoned use of government consultants and a 48 per cent increase in the use of government consultants. We have all kinds of people in the public service at the moment, public employees in this province, and we have the Provincial Treasurer coming in with his little memorandum saying that there's going to be a 2 per cent reduction across the board. [interjections] Someone says, how do I know? Well, it's fortunate that the opposition is here, Walter, so eventually the backbenchers will know too, if you are patient and wait long enough.

Mr. Speaker, if we were to utilize the in-house capacity of our own public employees more efficiently, we wouldn't have to spend a quarter of a billion dollars on consultants. I travel around this province a lot and have occasion to meet hundreds and hundreds of public servants, not only employees in the bargaining unit but those in administrative positions. It amazes me to learn of information that we have channelled out to consultants which in fact is in-house information, which is available, for example, from regional departments of agriculture — excellent work that is done in a very real way by our public employees in this province.

I would say that if this government and the backbenchers were to take a close look at the kind of consultants' budget — I don't expect anyone to jump up and down because I'm saying this now, or my colleague or the hon. members for Little Bow or Clover Bar, because we tend to be a bit partisan in this

House. But when you go back to that caucus meeting — and all these members say what a great contribution they make in government caucus — say to the ministers: can you justify the money you are spending on consultants when we have in-house capacity to do the same type of work? You can't just give people *carte blanche* authority — a 48 per cent increase between 1980-81 and 1981-82.

Mr. Speaker, it's interesting to note that this grab for more money from taxpayers, this 13 per cent increase, is only going to yield \$220 million, yet the consulting budget is \$30 million greater than the money they're going to take from consumers. I think the test must surely be presented to Albertans through their elected members that there are other ways in which to carve down some of the excessive expenditures of this wasteful government, which is contributing to the deficit the Provincial Treasurer is worrying about, without taking the easy road, which is increasing personal income tax.

Mr. Speaker, I want to move from that particular item to say that there's another area that both my colleague and I strongly believe is equally important; that is that we have an obligation to redirect expenditures as far as the public is concerned in this province. It isn't good enough to say: grab more money from the taxpayer; lay off public employees right across the board, a 2 per cent reduction. It sidesteps the responsibility that we as members of this Legislature and the government have to make choices about programs, to make choices about the efficiency of the delivery system of programs. It rather annoys me that too often we have the public employee taking the brunt of mismanagement in the design of the programs in the first place.

I put to members of this House one example which my colleague and I have raised because it has come to us at all kinds of meetings — meetings of rural MDs, meetings of chambers of commerce. Two years ago when we held our own mini task force on the heritage trust fund, we had public hearings throughout the province, and this matter would come back over and over again. It's the issue of how we handle loan programs. We have the Agricultural Development Corporation, we have the Alberta Opportunity Company, we now have Vencap, and we have the Home Mortgage Corporation. Mr. Speaker, what we've done in every case is take the easy road out. When we get an idea — and when the hon. Member for Edmonton Glen-garry gets an idea, he's really hot about it — we set up another agency. We have to employ people and open new offices around the province, because we want to decentralize government. You get yourself into a situation where you have more people than you need. Then the Provincial Treasurer has to come running into this Legislature and say, I have to have more income tax. It sidesteps the issue of whether you've designed your programs properly in the first place.

I say to members of the government caucus: why do we have all these parallel agencies with their regional offices when we have a treasury branch system, which is the extension of the Alberta Treasury? That's what it is legally, because it can't be a bank. Since it is an extended system throughout the province, decentralized more than any of these parallel agencies could ever be, why don't you use that system to undertake your loan programs, rather than duplicating what the treasury branch is doing with a whole series of agencies that are doing slightly different but essentially the same sort of thing? They're in the business of loaning money back to the people of Alberta. Mr. Speaker, I know of no reason why the treasury branch system could not have been modified and expanded in order to take into account every one of those loan programs. But that would have been an example of redesigning programs so we don't have to come back to taxpayer and say that we have to grab more money.

Another example is the aids to daily living program, a very good program, Mr. Speaker; there's no question about that. But I question whether or not its design in the first place was well thought out. When the Minister of Social Services and Community Health brought in his ministerial statement the other day, we even had him admit that there were deficiencies in the design of the program. Whose fault was that? It was the fault of this government. Saskatchewan has a similar kind of program. One of the elements of that Saskatchewan program is the proposition that the aids people receive for daily living when they are in a short-term disability situation would go on to another person. Finally, some years after we implemented the program, I see in the minister's statement the other day a recognition that that's a good concept. The Saskatchewan program is much more efficient. It doesn't cost the people of Saskatchewan anywhere like the money on a per capita basis that the Alberta program does, but it works more effectively because it was properly designed in the first place.

MRS. CRIPPS: Why are income taxes higher in Saskatchewan?

MR. NOTLEY: Because they don't have 5 billion barrels of oil in the ground, and the price hasn't gone up to sweep us along with that kind of inventory. That's the difference, hon. member, and you know that as well I do.

Mr. Speaker, the fact is that proper design of programs is a valid distinction between the fat which is symptomatic of the conservative management of this province, and other provinces which have had to cut their cloth in a different way, in a much more modest, streamlined fashion, because they haven't had the money that the government of Alberta has had to throw at problems.

So, Mr. Speaker, I have to ask in the House today whether or not it is reasonable to give second reading to a Bill which is inconsistent with the position the government took when it was seeking a mandate from the people of Alberta in 1982, whether or not circumstances have changed dramatically enough to make this kind of action necessary. For some of the reasons I have advanced, I say to members: no, that case has not been made.

I want to deal with two other items before concluding my remarks on the Bill before the House. The first is to ask ourselves: are we in a position to continue indefinitely some of the extremely rich incentive programs which are in place? We had the royalty tax credit fiasco, where there was little doubt that companies were taking advantage of sloppy administration of royalty tax credits to get more money than they should, and to the credit of the Provincial Treasurer the rules were tightened up. But I say to Members of the Legislative Assembly who have to go back to their constituencies and argue the case for higher personal income taxes, are we not asking the individual taxpayer to pay too large a percentage of the costs of government?

We have so many massive concessions to the energy industry. We have the economic resurgence program on top of ALPEP. I don't know what the latest figure is; I can only take the figure identified by the government in 1982 when they announced the energy aspect of the economic resurgence program: \$5.4 billion. When that very rich and very lucrative program was brought in, we were told that it would generate so much economic activity that we'd be putting the energy industry back to work, thousands of people would be employed, et cetera. The only problem with that argument is that it hasn't worked out. The energy industry is still very, very quiet. But these incentives are in place — royalty cutbacks, geophysical incentives, drilling incentives — and they all cost money. Some

of them are not outright tax credits; some are relinquishing funds that would otherwise come in.

But if you surrender sources of revenue from one side of the equation, you then have to go to the other side of the equation and grab some more money. Of course, that's exactly what we're doing in this Bill. We're going to the other side of the equation, to the personal income tax payer, and saying that we have to have another \$220 million, a 13 per cent increase. So out of your pocket, Mr. Speaker, and the minister's pocket, the other members' pockets, and the pockets of all Albertans, we're grabbing some more money. But we're maintaining an infrastructure of incentives — which we will be able to discuss in considerably more detail when we get into committee stage of this Bill, which are not doing the job — very costly incentives, indeed, to some of the largest oil companies in the world. As members know, there are concerns even in the energy industry about the way in which at least some of those programs have been administered. Mr. Speaker, I don't think it is good enough for the Provincial Treasurer to say: shucks, \$5.5 billion doesn't seem to be turning the corner in the energy industry; we'll carry it on, but we'll have to increase personal income taxes.

The other point I want to deal with for a few minutes is the equity of the increase. There's no question that my colleague and I belong to a political party that has supported the principle of income tax over the years. We support it because it is a tax which is related to people's ability to pay. We feel that as people earn more, they should not only have to pay more in a total sense but they should have to pay a higher rate. As I read over *Hansard*, I noted in one of the debates that one of the hon. members seemed to think the personal income tax system was some kind of Marxist plot. Members are entitled to that point of view. There are people in this world who believe that the earth is flat. I think it is important that people be allowed to believe both things if they wish. If people want to think that the world is flat and that income tax is part of a Marxist plot, then fair enough. Who am I to say that they shouldn't be allowed to believe those things? As a matter of fact, I think it's probably even part of the Charter of Rights, and unless we pass a notwithstanding provision — and who knows, with this government we may very well be doing that — the right to hold some of these rather strange beliefs, not the logic of them, has to be enshrined. But in the 20th century, most people have come to recognize that there is some equity in the principle of personal income tax based on the principle of ability to pay.

But what we're doing in this Act is just lobbying on another 13 per cent right across the board. I guess what I would say to you, Mr. Speaker, and to the hon. minister: in checking with the federal authorities, there were other options. The minister was totally convinced that he had to have this 13 per cent, because he couldn't bring himself to cut off a few of the oil industry incentives; couldn't bring himself to say to the ministers, stop some of these frivolous expenditures that are costing us money; couldn't say to the Premier that we should cut back on our travel and ride tourist class; couldn't say to the various private consultants that maybe they could get off the pogy for a while, get out in the private sector, and stand and fall on how they supply services in the private sector — because I just have to have this extra money, this other \$220 million.

Perhaps what we should have done is looked at a surtax above a certain level of income. That would have been preferable. What are you doing when you bring in a 13 per cent tax right across the board? You are taking — perhaps a smaller amount, but it's the same rate — purchasing power out of the hands of people who will purchase their goods and services in Alberta. The higher the income, the greater the tendency to

spend on other types of goods. Instead of taking the sort of Stamp Around Alberta campaign that the Minister of Tourism and Small Business promoted — a very good program, by the way — instead of visiting relatives in some other part of Alberta or going to Saskatchewan or whatever the case may be, once people get to a certain level of income that additional disposable income more often than not is used to take a trip abroad. What good is that going to do for the Alberta economy? Instead of buying an article that is produced here — some kind of houseware produced in Medicine Hat in the glass industry we have in Alberta — perhaps you buy expensive imported china.

In other words, the point I am trying to make is that a smaller percentage of the disposable income of high-earning Albertans is actually available to be spent in this province. If you cross all the bridges and say that there are no other options — and I would reject that position. But to be fair to the government, for the sake of argument, say that all right, you have crossed all these other bridges and you have to go for an income tax increase, then it seems to me that a much fairer approach would have been to zero in on those people with incomes of \$50,000 or more a year. Take some of that disposable income; take the \$220 million from those people. I see some hon. members getting a little upset. The fact of the matter is that if you zero in on those types of consumers, it is going to have less impact on the Smoky Lakes, the Mundares, the Vilnas ...

MR. BATIUK: Rycroft.

MR. NOTLEY: ... the Rycrofts — you bet; thank you to the hon. Member for Vegreville — the Spirit Rivers, the Vulcans, and all the other communities where people who are going to be doing the consuming are people whose income, for the most part, is going to be under that level. That would have been a far more sensible thing to do. But we've got that 13 per cent increase right across the board, regardless of one's ability to pay.

MR. COOK: That's not true.

MR. NOTLEY: Hon. members will have lots of opportunity. If it's a dispute in the facts, then the debate is yours when I conclude, and there will lots of opportunity to get in. We would certainly welcome all sorts of debate by hon. members of the government in defence of this hijacking of the taxpayers' pockets on the part of this government.

Mr. Speaker, the final thing I want to say is perhaps one of the most important, if not the most important. I am surprised that we really haven't had more debate from our rural members on this issue, because if one looks at the outlook for rural Alberta, there is no doubt that there are some very serious problems. At the MDs and counties convention, wherever one had an opportunity to chat with people, the forecast, if you like, for rural Alberta would be on the agenda. Farmers more than anyone else are going to be hit with all these other vexatious taxes that I've described. In addition, with the passage of the Crow rate legislation in Ottawa, we are going to see freight costs increase — with the Minister of Municipal Affairs standing in his place and saying: shucks, if things are tough in the municipalities, I will give you sympathy but no money.

MR. SZWENDER: Good.

MR. NOTLEY: The hon. Member for Edmonton Belmont says "good". That's interesting. I don't know how many of the government backbenchers want to take that to their local news-

paper and say, guess what one of my colleagues said in the Legislature about the tax situation?

I ask you, Mr. Speaker, how many more things can we load onto Alberta farmers before we push them into bankruptcy? It's not just a case of the increase in municipal taxes for the construction of roads and for the operation of the MDs and counties in an administrative sense. What is going to happen to the education of our rural young people when the Minister of Education goes along and says, no increase in grants? The only place the school boards can get any money is going to be from the property tax. That means that the property tax, which is already too high, is going to have to be increased. Farmers who are dealing with all these other items are suddenly going to have to look forward to the grim prospect of much higher than normal property tax increases in 1984 to make sure that their own children can be properly educated. You add that all together and you have a recipe for some very serious trouble in rural Alberta.

On Wednesday when I spoke to the Association of Municipal Districts and Counties, I said that too often when we think of consumers, we focus on urban consumers. In actual fact, the largest consumers by far — and I think members on both sides of the House would concur in what I say — are rural consumers, your farmers. If you take away purchasing power from the farm community, what is inevitably going to happen is that they won't have the money to buy that new tractor or combine. They won't have the money to spend recycling the many things that keep a modern farm operation in business by going to the dealerships in the various communities in this province. The impact is inevitably going to be that the problems we saw with White are going to be manifested many times over by local dealers who are laying off staff and, in some cases, going bankrupt.

Mr. Speaker, I don't think there can be too many members, at least rural members, in this House who don't know of dealers in their constituencies who have gone broke in the last year or so. None of us would not know of the layoffs in rural Alberta. I don't think it is reasonable for a government to bring in an increase that is part and parcel of a massive across-the-board increase. If it were just the increase in isolation, it would be one thing, but it's not. It is the provincial increase, the federal increase, user fees, medicare premiums, the property tax increase: all these things added together. So when members consider what we do in second reading of the Bill that's before us today, we have to ask ourselves: is it reasonable? If we went back to our constituents, where would they stand on this matter?

I can't speak for other rural constituencies in the province, but I can sure speak for my own constituency. I know that the people of Spirit River-Fairview, including people who strongly supported this government and went out canvassing for this government in the last election — I'll tell you what they're telling me. They are telling me: fight the 13 per cent increase in taxation, because it is going to take away further purchasing power from us. Small business men tell us: what in heaven's name are we doing bringing in this increase just before Christmas: it is going to wreck our retail sales. Farmers are saying: how in heaven's name are we going to make ends meet now, on top of all these other things this government is throwing at us? I don't think there is any doubt that the overwhelming majority of Alberta people are telling us that they don't want the 13 per cent increase.

Mr. Speaker, I want to add just a couple of closing remarks to my observations this morning. If this government had really wanted a 13 per cent increase in personal income tax, the Provincial Treasurer would not have issued a simple press release and that's the extent of it. Really a stronger case than

that has to be made for what I think is basically a breach of contract with the people of Alberta. They said one thing before the election and turn right around and do another afterwards. This may have pleased the government members of the House; I doubt it. I have a sneaking suspicion that their reaction was the same as the reaction of their constituents, which would be: why are we doing it?

But I say to you, sir, if any government wants to raid the taxpayers' purse, then there should at least be some kind of serious projection as to why that route was absolutely necessary. All we get at the moment is a press release. Surely, Mr. Speaker, if we're going to move in the direction of a substantial tax increase, we have to do a little better than a press release. I note that the hon. minister in charge of the Public Affairs Bureau isn't here. I don't know whether the Provincial Treasurer sat down all by himself and wrote this, whether it was the hon. minister in charge of the publicity bureau, or who. But while it's long on rhetoric, it really doesn't have much information.

Where are the projections the government uses to tell us that there is no other choice? Where is the sophisticated economic analysis? There is none. The only analysis we have is the Conference Board of Canada, which says: you're wrong. That's basically what the Conference Board says. I can't imagine that the Provincial Treasurer could have got advice from the Conference Board of Canada that we should increase personal income tax when the Conference Board tells us that one of the reasons we're in trouble with our economy and have this massive unemployment is that there's been such a decline in consumer confidence. So we know that the Conference Board isn't recommending it.

Is it the economic affairs committee of the caucus? Did the hon. Member for Edmonton Whitemud recommend it? I don't know. I haven't heard him speak, and I'd be interested in hearing his views as to whether or not it came directly from the hon. Member for Edmonton Whitemud. Who was it?

In any event, Mr. Speaker, what we have is this forlorn little press release which, whatever else one says, will not go down as one of the great statements of all time. It's not going to be considered the Gettysburg Address; it won't win the Pulitzer Prize for literature. What we have is this forlorn little press release which is basically saying that, notwithstanding what we told the people a year ago, we're going to put both the Treasurer's hands in as many pockets of as many Albertans as he can get his hands into and squeeze an extra 13 per cent out of their depleted wallets or purses, as the case may be.

Mr. Speaker, I really don't think that's an adequate response at all. That being the case, it would seem to me that it would be in everybody's interest if we had a little more time to contemplate this issue, especially if the hon. members of the government had a little more time in which they could chat with their constituents about it and find out just what the people back home are thinking. After all, we are here to represent the people. I don't think there's any doubt that the overwhelming majority of Albertans are saying: no, don't do it; this is completely wrong. If the hon. members of the government caucus had a little more time to go back to their constituents, meet with them, and get input from the grass roots — we hear an awful lot about the grass roots in this Legislature. If they had an opportunity to chat with the grass roots, then they would get the message. They'd come back to the Provincial Treasurer and say: hon. Provincial Treasurer, there are some other things that we could do instead.

So, Mr. Speaker, I would like to offer, in a public-spirited way, an amendment, that Bill 100, the Alberta Income Tax

Amendment Act, 1983 (No. 2), on today's Order Paper, be amended as follows:

by striking all the words after the word "That" and substituting the following therefor:

"Bill 100, Alberta Income Tax Amendment Act, 1983 (No. 2) be not now read a second time but that it be read a second time this day six months hence."

Mr. Speaker, the merits of this well-thought-out amendment are obvious. It would allow members of the government to go back and discuss this matter with their constituents and members of the government caucus. It would allow the opposition to do the same thing. It would allow the Provincial Treasurer an opportunity to examine whether there aren't changes that could be made, eliminating some of the wasteful expenditures. In short, in my view at least, it has the merit of offering this government pause before we do something that is going to contribute to a worsened economic outlook in the province. Therefore I believe that the amendment merits the enthusiastic support of members on both sides of the House.

MR. MARTIN: Mr. Speaker, I was trying to be very courteous, because I knew that members would want to leap into the fray on one of the most important Bills of the day. I spoke to the main motion, and it is with utter surprise that I get a chance to speak to the amendment. My colleague never ceases to surprise me by bringing in these amendments. I think the point is ... [interjections] He doesn't like my speeches, is that it? I am a little surprised. He usually likes to hear from me.

Mr. Speaker, it's a traditional hoist amendment; we're asking that Bill 100 not be read a second time but that it be read a second time this day six months hence.

I might say that my colleague has brought up a lot of legitimate points in his long speech. I know that the Treasurer must be getting some feedback saying what we and the Member for Little Bow are saying here in the Legislature today. I am getting calls for the first time from Calgary and Edmonton businessmen, traditional Conservative supporters. I exaggerate not. Not only businessmen but most people cannot understand the point of the tax increase at this specific time.

Mr. Speaker, if we say that we are elected by our constituents to listen to our constituents, then surely all members, whether they be opposition or government members, should take this into consideration. We are told, and I have to take their word, that the Treasurer made this decision by himself, without consulting caucus. Because of this, this Bill was not thought out by the government caucus. We're told that most decisions are made by government caucus, but this Bill was not thought out by government caucus. This is one of the reasons. Let us go back and let government caucus say to the Treasurer: we're listening to our constituents; if it's still a good Bill six months from now, bring it back then; after listening to constituents and the different economic groups around the province, let's bring it back.

Surely six months is not going to deplete the Alberta Treasury. As the Treasurer knows, there's all sorts of evidence at this time in the recession that indicates that going into the winter, this is not the way to go. It would give them time to at least talk to constituents, talk to the different economic groups in Alberta, and come back. If they still feel that this is reasonable at that point, six months hence, fair enough; we go ahead with second reading. But I say in all sincerity, Mr. Speaker, that six months is not going to break the Treasury. If the Treasurer is absolutely convinced that a 13 per cent tax hike is a necessity at this time, six months isn't going to make that much difference. He can bring it in then.

I think all Albertans want to speak on this issue. I don't know if I'm unusual because of being an opposition politician — we are getting all these calls about the 13 per cent tax increase. If hon. members are telling me that they're not getting that feedback, I can't believe that, because our phones have been ringing off the hook. It is raised at every meeting we go to, Mr. Speaker: another reason for putting the six-month hoist.

Besides the important political aspect, listening to our constituents and various economic components in society, I think we have to carefully review what the situation is economically in Alberta today. What are we facing right now, in November 1983? I think we have to look at this, and this is why we believe it's such a massive mistake to bring in a 13 per cent tax increase at this time. That's why we want the government to have the time to consider it.

First of all, at this point we know that there are over 120,000 people out of work in the province. We've heard in the Legislature about plant closures coming up, the most recent ones Texaco and Canada Packers. We don't know what other ones are going to come up over the winter. Whenever we go into the winter months, unemployment inevitably gets worse. Besides the 120,000 unemployed — and there's no way to be absolutely sure of this — there's what we call the hidden unemployed. Figures vary from 10 to 20 per cent, but because of the economic recession there are a lot of people who have just given up looking for work. They don't even register in the 120,000. It is severe. It's the worst unemployment rate we've had in this province for many, many years — since back in the Dirty Thirties, I would suggest.

We have — and my colleague alluded to it, but I want to take a look at it a little differently — the latest Quarterly Provincial Forecast, October 1983, from the ...

MRS. CRIPPS: On a point of order. I'm prepared to speak on the main motion, and I don't believe the member is keeping to the strict topic of the amendment.

MR. SPEAKER: It's very difficult to say to what extent a motion for an amendment for a six-month hoist limits the scope of debate, because obviously members are going to continue to debate the nature of the thing that is to be hoisted.

MR. MARTIN: Thank you, Mr. Speaker. I would like to continue with the reason for the hoist. We are facing severe economic problems, and we feel this tax increase will make it worse. Just one small quote from the Conference Board. I think it says it all right here.

The soaring energy prices of the 1970's served as the principal driving force behind Alberta's extraordinary economic expansion.

We're well aware of that.

In 1982 and early 1983 world oil prices fell, and it now appears that projections of price increases well in excess of the general rate of inflation will not be realized.

The key thing they say here:

Alberta's economy is thus faced with the problem of adjusting to a very different and unfavorable [I stress "unfavorable"] economic environment.

When we look at the charts of their projections — and the Provincial Treasurer may disagree with this, but they have agreed with the Conference Board in the past — we find that we are going to be last in the percentage increase of our gross domestic product — second last, to be fair; only P.E.I. will be lower. In the real domestic product, Mr. Speaker, we will be second last only to P.E.I. The unemployment rate is forecast to be at least at 10.4 per cent in 1984. Again, in retail sales

we will be second last, only after P.E.I. That's the best estimate we can find about what the economic climate is going to be like.

When we're talking about small business, as we have from time to time in this Legislature, we know that foreclosures are way up, and that trend will continue if the Conference Board of Canada is correct. In the first eight months of 1983, final foreclosure orders were 2,084, up from 1,143, which included all of 1982. Statements of claim in the first eight months were 5,578, compared to about 6,800 in all of 1982.

I bring this up to point out that in the province, we are facing — and people are well aware of this as you travel across the province — the most severe recession we've faced in many years. Some people call it a depression; I don't want to debate the semantics of it. I will say something that is shocking. Not all of it is the government's fault, because we know what's happening throughout North America and throughout the world generally. But if any province could have done something about it in the '70s because we were fortunate to have a resource, it was Alberta. But that is not the important point to make here right now. The important point is: what do we do to try to get the economy back to where people are working, to where businesses are prospering, to where there is a feeling, if you like, of optimism within the general public? I recall the Minister of Consumer and Corporate Affairs saying last Christmas that if people would just develop a different psychology and get out and spend the money, buy that purchase, that would have a rebounding effect on the economy. She was absolutely right.

I guess what we have here is a fundamental difference with the Provincial Treasurer in what is the best way to go economically. It's not only us in the opposition. Often, I know that the government — with four of us sitting here, I could not underestimate this. It's rather obvious to me that in the last 10, 11, or 12 years, the people have generally agreed with the government. But I think that on this issue the people of Alberta — including business, labor, and most constituents — agree with the opposition, whether it be the Independents or us, and agree with our analysis of what should be done; as my colleague pointed out, most people in rural Alberta as strongly as most people in urban Alberta.

If we buy that we need a 13 per cent tax increase — and I remind members of this Legislature: I know the provincial government can't be blamed for this, but remember what's coming on stream right across Canada at that time. The federal government is also increasing its taxes on January 1. So people in Alberta are hit not only with our 13 per cent increase but at the same time they're going to be hit by the federal tax increase. That is going to have a significant impact. Unless I'm totally wrong — I do appreciate the business expertise of the Member for Edmonton Whitemud, and I would have thought that he would not have agreed about the income tax at this time — we are sending out a message, and that's why we need a six-month hoist. We are sending out a very clear message to people as we go into the Christmas season — which is the best season for the smaller retail people — that you're going to be hit with double taxation, from both the federal and provincial governments. They're not going to spend as much; there's absolutely no doubt about that. They are not going to spend as much as we go into the Christmas season. Some people might say they're getting their Christmas goose early. I wouldn't say that, of course, but some people have said that to me.

The point that I'm trying to make is that it's the psychology, and the Provincial Treasurer knows that. The psychology is as important as any message that government sends to people, whether it be business, labor, the general public, or farmers. And when we're sending out the message that there's going to

be a 13 per cent provincial income tax along with federal income tax, then people are going to say: I don't have that money; I don't know what's going to happen; I'm not going to spend it. Of course they will have less to spend; that's the other point. I don't understand the psychology here.

We've said this before, but I want the government to reassess this. It seems to me that if people have more disposable income, especially the middle and lower income, they will inevitably not save it. Corporations do not have to spend it, but they will have to spend it. If they need a new TV, they say: it's not working so well, but I'll get by. But if all of a sudden they had more disposable income and they didn't have this tax, they might have gone out and bought it. Of course that is what I fondly call the trickle-up theory. When they have disposable income, they go to the local store, and the local store then buys from the manufacturer and so forth. My understanding is that that works very well economically. It's called supply side economics, demand economics. People buy and all the people respond to it. With their private-enterprise philosophy, I would have thought that the government thought that was very important.

But what will happen when you take that money out of the pockets of the middle and lower income, Mr. Speaker, is clearly the other: they do not have that money to spend at the local store. I predict that if we don't change this, it's going to make it extremely difficult. It will be a very tough winter. Not only will with the foreclosure totals that I talked about be skyrocketing but unemployment will be up.

So rather than worrying about the two hundred and some million dollars, I'm suggesting that there's a different way to do that. I'd like to throw this out to the government at some point, and stress exactly — there are about four or five points I want to make about why we need six months to reassess what we're doing with this income tax Bill. My colleague and I have said it before, but I think it goes without saying: your actions speak louder than your words. When we're trying to balance the budget, I think that in itself is definitely worth while. But I say in all honesty to the government: let's reassess our priorities.

The frivolous spending that people perceive is hurting the government politically, but I'll be glad to pull it in if they stop what I consider the frivolous spending. I believe that there are millions of dollars out there to save. If the government is sincere in doing that, I think people will accept the whole picture of restraint in a much more ready way than they would otherwise.

I'm not going to bore you with it, because I'm sure you've been bored enough. But when they see things like the advertising, the mood music, the first-class travel, the overruns on the Saddledome, the Treasurer and his aide, \$1,900 to Calgary, the \$32,000 party we had in public works — when they see that when the government talks about restraint we spend \$4,500, when they see a huge Executive Council with the bureaucracies that develop around it, then they get mad, especially when they're getting an increase in income tax at that time. So I would say to the government: let's take a look before we bring in an income tax, and see where we really can save money; let's assess, if you like, our priorities and frivolous spending.

Mr. Speaker, the other thing that I think we should do before we bring in an income tax increase is let's go through department by department and not talk about a 2 per cent increase across the board, because it may be that we can knock some departments down by 20 and 30 per cent. I don't know; each minister probably doesn't know. But what we should be doing is almost zero budgeting right across each department. It may be that some departments — with the new Child Welfare Act,

which may end up costing money — may need a little more. Because of the recession, the Department of Housing probably needs less. But let's do it department by department. If the government did this in a businesslike manner, I think the people of Alberta would respond very positively.

The other thing that I think we should do — because we have had oil and gas, we have a good credit rating. I hope this is one thing that the Member for Edmonton Whitemud and I can agree on. We should not be throwing money into our own Crown corporations. That makes no sense at all. They have a good credit rating; they can borrow on the open market. If needs be, let's take that \$220 million out of the trust fund to balance our books. It's all the same government money. I think we should take a very serious look at that.

We may talk about the overall tax rate, and I know the Treasurer is fond of saying that we still have the lowest income tax rate in Canada. That's still true, by half a per cent from B.C. At least now we're competitive with the rest of Canada. But we have to recognize all the other taxes that come together to take away purchasing power from the average citizen. At this time, we have medicare premiums, which were increased in the budget. I have said it, and I say clearly again that medicare premiums are a tax. Make no mistake about it; they are a regressive tax. They affect lower income people much more than higher income people. If you take those premiums out of the purchasing power of the lower income, they're not going to spend at ...

MR. SPEAKER: I hesitate to interrupt the hon. member, but I am becoming very much concerned about the over and over again repetition. This idea of taking money out of people's pockets occurred at least three times in the hon. member's speech on November 16, and I should think it must have been at least four times today. We do have a standing order against unnecessary repetition, and that order imposes an obligation on me.

MR. MARTIN: Mr. Speaker, on a point of order. Rules of Debate, Relevance and Repetition, in *Beauchesne* says:

Relevancy is not easy to define. In borderline cases the Member should be given the benefit of the doubt.

Mr. Speaker, number two says:

The rule against repetition is difficult to enforce as the various stages of a bill's progress give ample opportunity and even encouragement for repetition. In practice, wide discretion is used by the Speaker and the rule is not rigidly enforced.

MR. SPEAKER: After seven or more times on the same point, how wide should it get? Although it does say that the rule is difficult to enforce — and I've always found it that way myself and still find it now — the word is "difficult", not "impossible".

MR. MARTIN: Mr. Speaker, that's your interpretation, but I don't think *Beauchesne* says that very ...

MR. KING: Speaking to the point of order, Mr. Speaker, I think that both the Chair and the members of the Assembly should allow a fair degree of latitude for lack of imagination.

MR. MARTIN: I accept that coming from the Minister of Education, because he's an expert in lack of imagination.

MR. SPEAKER: With respect, may I say that I haven't seen any sign of it.

MR. MARTIN: His lack of imagination?

MR. SPEAKER: Or the hon. member's.

MR. MARTIN: If I could, Mr. Speaker, I will now continue with my scintillating speech. I hope they will let me go on. Let me talk about income tax, and I promise I will not say "taking out of the pocket".

The other tax that we have to talk about when we're looking at the overall rate — and I've mentioned medicare premiums as being a tax — is of course the property tax. Mr. Speaker, many, many people are very concerned about the property tax. I notice that we're the fourth highest in the country, even though we have been the richest province. By the statements the minister has made, it seems clear to me that this is going to get worse. We have recently had — and the Minister of Education knows this — a task force on education, and they recommended that it be an 85:15 split. It's now down to 67. The minister has rejected this. It's also clear that the Minister of Municipal Affairs has rejected any help to the municipalities.

The point that I'm trying to make is that it's not just the income tax. It's the medicare premiums, the increase in property tax, and all the taxes together that are going to affect people at this time. It's going to affect them directly, and it's going to affect the small businesses.

MR. SPEAKER: Order please. May I just momentarily distract the hon. member's attention from his speech to the clock.

SOME HON. MEMBERS: Question.

MR. SPEAKER: I'm sorry; once the clock has gone past the time, I can't call the question without unanimous consent.

MR. MARTIN: No.

MR. SPEAKER: If the time for his debate is over, without unanimous consent the time for voting is over as well. But I think hon. members will probably give unanimous consent to something being said about the business of the House. I'm sure they'll want to know that.

HON. MEMBERS: Agreed.

MR. CRAWFORD: Mr. Speaker, I don't know what I can add to what we've heard this morning. I'll add this: the hon. Member for Edmonton Norwood already knows the business for Monday, because I sent him a note with respect to it. But for the record, let me note that on Monday afternoon we propose that either or both of Bill 98 and Bill 100 be continued in second reading.

The House will sit in the evening, and hon. members of the opposition have asked that our business accommodate some commitments of theirs in that evening in that some non-controversial items be dealt with. Very quickly, we will be dealing with the three motions that are on the Order Paper. We will give second reading, committee study, and third readings to all Bills on the Order Paper except Bills nos. 71, 98, 100, and 105, and Bill No. 81, which is at committee stage.

[At 1:01 p.m., pursuant to Standing Order 5, the House adjourned to Monday at 2:30 p.m.]

