

LEGISLATIVE ASSEMBLY OF ALBERTA

Title: **Monday, June 8, 1987 8:00 p.m.**

Date: 87/06/08

[The House resumed at 8 p.m.]

[Mr. Deputy Speaker in the Chair]

head: **GOVERNMENT BILLS AND ORDERS**
(**Second Reading**)

Bill 48

Tobacco Tax Amendment Act, 1987

MR. YOUNG: Mr. Speaker, on behalf of the Provincial Treasurer, I move second reading of Bill 48.

MR. DEPUTY SPEAKER: Are you ready for the question on Bill 48?

SOME HON. MEMBERS: Question.

MR. DEPUTY SPEAKER: Hon. Member for Edmonton Kingsway.

MR. McEACHERN: Thank you. Mr. Speaker, I don't think that we should pass a Bill without the Treasurer here to make a few opening comments and explain a little bit about the Bill and some of the major changes in it. If we could have a few minutes' comment from the Treasurer, that would be quite helpful.

MR. JOHNSTON: Well, Mr. Speaker, it is a pleasure to introduce the Tobacco Tax Amendment Act, 1987, because for many Albertans it's meant the end of smoking.

MR. DEPUTY SPEAKER: Excuse me, hon. minister. With the Provincial Treasurer's comments, the debate is closed on Bill 48.

MR. McEACHERN: Why is that the case when actually it's usually that the ...

MR. DEPUTY SPEAKER: Order please. The Bill was moved by the hon. Acting Government House Leader, as the Chair understands. The Chair understood he heard second reading being moved ... Order please. The next time a speaker speaks to the same Bill, it will be in concluding debate. Now, if hon. members are upset with that, I'm sorry. The Chair has no option, unless there's a point of order.

MR. McEACHERN: Point of order. Well, my question would be: why wouldn't the man who moved it be the one to close debate rather than the Treasurer then?

MR. DEPUTY SPEAKER: Well, as the hon. House leader of your party is well aware, having moved the Bill on behalf of another member, if either member speaks -- and the Chair will find *Beauchesne* in just a moment to quote 305(2). Now, I'm sorry, hon. member, but those are the rules of the House.

Hon. Provincial Treasurer.

MR. JOHNSTON: As I say, Mr. Speaker, there isn't much in this Bill that is contentious in any event, and of course there's nothing inappropriate for one of my colleagues moving a Bill. That's the normal way in which this process operates as long as it's a member of government.

However, Mr. Speaker, as I look at the agenda of this piece of legislation, I think if you're one who objects to this tax regime, then of course you are not among many who would support the view that we should have lower taxes on tobacco. In fact, this tax regime with respect to the tobacco tax is, as I say, perhaps a self-fulfilling prophecy in that if you continue to increase taxes on tobacco, it's likely that your revenue source will suddenly be eliminated in that more people will move off tobacco. Of course, whether or not there's some measurable benefit in terms of the health care costs remains to be seen. . But that of course is part of the typical debate or argument that is provided for this particular type of taxation.

Of course, Mr. Speaker, as I look at the tax regime as it affects cigars, I can see why I gave up one of my small luxuries, and knowing that, as pointed out by my colleague from Vegreville, it is easy to see why disposable income must be high if you look at the tax regime on cigarettes.

Well, Mr. Speaker, let me say that this piece of legislation, a part of the fiscal plan put forward by the province on March 20, is here for second reading. I don't think it's going to take an awful lot of debate with respect to the principles of this Bill. They're well understood. There is the odd section which deals with the question of enforcement and administration, but those are normal kinds of adjustments that you see in any piece of legislation of this type.

So, Mr. Speaker, in concluding second reading, I must encourage all members to support this tobacco tax legislation, and I do so move.

[Motion carried; Bill 48 read a second time]

Bill 49

Tax Statutes Amendment Act, 1987

MR. JOHNSTON: I'll just be one second. I'll have to change hats.

Mr. Speaker, Bill 49 is the Tax Statutes Amendment Act, 1987. This legislation combines both of the personal and corporate tax adjustments which we are proposing for the Legislative Assembly. As members know, the essence of the tax corrections are to increase taxes on the personal side by three kinds of increases: first of all, the general rate increase of the tax regime; secondly, the so-called surtax, or special tax, which applies to those Albertans with taxable income above the \$3,500 limit; and something called the flat tax, which enters at the taxable income level. Again both of those taxes are described as temporary.

Obviously, Mr. Speaker, in moving those taxes, a great deal of thought was given to the way in which they would impact on Albertans. We have had an opportunity on the expenditure side to deal with those revenue choices, and we have concluded in that debate, I think, that there is some difference of opinion. It should be known clearly, in terms of the principles of this legislation on the personal side, that it is the intent of the government to reduce the impact of this tax on those lower income Albertans, and that is done both in the structure of the tax itself -- that is, by defining the taxable income for the 1 percent surtax -- and the surtax itself, which is applied above the \$3,500 limit.

Those are all described to assist those low-income Albertans.

Moreover, Mr. Speaker, as I've indicated before, there is the Alberta special tax reduction, which in fact eliminates or reduces the tax on an additional 200,000 and some Albertans. Forgive me for the rounding, but at least an additional 200,000 Albertans will be protected from or eliminated from the tax rolls as a result of those adjustments.

On the corporate side, Mr. Speaker, we have selected in our strategy to attempt to target the tax impact on the larger corporations. In doing that, we're obviously attempting to receive more income from that group. At the same time, almost on a 180, or the converse of that argument, we are eliminating any increases on the small corporation in Alberta. I think that is a fair balance of equity on the corporate side, by charging those large corporations a slightly larger tariff but attempting to free up those smaller corporations so that additional capital or additional cash flow can be reinvested back into expansion, into the definition of investment including inventories and real capital formation, and moreover, both directly and indirectly as a result of that initiative, into new jobs.

Mr. Speaker, as well this legislation, both on the personal and corporate tax side, puts into place certain administrative changes which follow from our tax arrangements with the federal government. Now, all hon. members know that on the corporate side we have our own corporate tax legislation which is separate from the federal legislation. Then we have our own administration and our own tax enforcement section.

With respect to the personal side, Mr. Speaker, it is well known as well that we tend to parallel or mirror the legislation of the federal government. Therefore, from time to time we have to put in place in Alberta tax adjustments and amendments which in fact are similar to or identical to those tax adjustments which have taken place in the federal government, and many of the sections in both of these pieces of legislation in fact do just that. When you deal with such things as the way in which interest is calculated on overdue or unremitted tax liability or when you deal with certain other administrative sections, they are in fact as a result of the tax sharing agreement which Alberta adheres to and recognizes and therefore must be put into place as well.

Also, Mr. Speaker, in moving second reading of Bill 49, the Tax Statutes Amendment Act, 1987, I draw attention to the well-founded and well-understood principles, ones which we have described before in our budget and have debated here as well, which increase the revenue of the province through tax increases on the personal side and tax increases on the corporate side. Secondly, as I described, there is that element in both of these pieces of legislation which parallel the adjustments which the federal government has made to its legislation, and therefore to harmonize the tax system across Canada, we also are implementing those changes.

Mr. Speaker, it's never a popular initiative to increase taxes, and it isn't one which I have advocated personally or on behalf of the government over my term of the past 12 years, but unfortunately, given the requirements of this province for the dollars and given the level of services which are now provided, we must turn to the people of Alberta at this period and ask them to pay a touch more for that level of services which are being provided and to assist us with dealing with the deficit and downsizing the government. I emphasize in both cases that the two personal tax corrections and adjustments are described as temporary. It is my hope and certainly my objective to stick to that definition.

Finally, Mr. Speaker, it should be noted that this tax proposal, in particular the income taxes for corporations and the personal income tax regime, in fact still keep Alberta amongst the lowest of any tax-paying province in Canada. I must admit that on the personal side there are certain intervals where in fact Ontario is a touch below Alberta, but you're down to very nominal basis points. All in all, because Alberta does not have a sales tax, obviously we have protected the low income or the regressivity of tax impact on the economy and on the taxpayers.

Mr. Speaker, I move second reading of Bill 49, the Tax Statutes Amendment Act, 1987.

MS BARRETT: Mr. Speaker, in moving for second reading of Bill 49, I note the Provincial Treasurer concluded by observing that Albertans don't have a sales tax, and therefore we, I think it was implied, ought to be grateful. I speak for another political party that has no use for sales taxes. They affect the poor much more than they affect the middle- and high-income earners, and we do not believe in being unfair in the tax system.

Now, Mr. Speaker, that's the only good thing I think that I can say about this Bill, because the fact of the matter is that the statements made by the Provincial Treasurer in sponsoring his budget on March 20, 1987, are not borne out, I believe, in the contents of this Bill. He says: "Our budget equitably shares the burden of deficit reduction." That was from page 5, Mr. Treasurer. From page 21: "The burden of tax increases should be shared between businesses and individuals." From page 22: "Businesses are also asked to accept their share of the fiscal adjustment."

Well, Mr. Speaker, it doesn't take too long to go through the Budget Address or the budget documents to figure out that the burden is not being equally shared in this province, because what's going to happen is corporations will now pay only 7 percent of the income tax burden while individual Albertans, through income tax and other taxes, will pay 93 percent of the taxes in this province. What good does it do to not have had a sales tax when this kind of unfairness comes to rest on the shoulders of average Albertans? It occurs to me that this government has been talking lately, in the last few weeks, about the apparent recovery that is now surfacing in Alberta, and I wonder under the circumstances which is cheaper: to make the already low-income people further impoverished, to add to our unemployment and diminished demand by way of taking an extra \$1 billion out of the pockets of ordinary Albertans, or to service debt for a few years on a deficit that this government has said it's going to wrestle to the ground by the time it goes to the polls the next time.

I note, Mr. Speaker, that there is a serious lack of conviction when this government talks about unemployment, because they won't say it's their target to wrestle unemployment to the ground in the same period of time. I think that's a real shame, and I think that this Bill embodies the contradiction of the government that's sponsoring it.

There have been years, Mr. Speaker, in which the Alberta government actually paid more out in corporate income taxes than it collected. One year, for example last year -- well, the last year for which the facts are available, so it would be '85-86 -- the amount was by \$26 million. I'd like to see this government go to the ordinary taxpayers in the province and say, "Elect me, elect me," on that basis. I don't think we'd even have one Conservative in the Assembly.

The contents of this big bite Bill ignore the facts in the province, Mr. Speaker. It is our assessment that the unemploy-

ment rate in this province, which is staggering and which only comes down periodically, reflecting the seasonal nature of employment in this province, is costing Alberta taxpayers some \$2 billion in one year. Now, if this government were serious about raising revenues, perhaps what it could do is put more emphasis on reducing the unemployment that we're suffering under and thereby generate the sort of income for our revenue base so we wouldn't have to cut people services the way this government is doing.

I remind you, Mr. Speaker, that not only are we having to put up with this big new tax bite -- once again suspiciously a year after the last election, just like happened in 1983 following the 1982 "recovery is around the corner" election -- but people who are unemployed are adding to the need for services in this province, and it's this government which is at the same time cutting the services for the people who most desperately need them. I'm talking about people who are on social allowance, who have just had their shelter allowance cut from a whopping \$290 a month to a now staggering \$180 a month. How any member of this government can go to bed and not worry about this before he or she goes to sleep is beyond me. I think it's unconscionable.

Then to add insult to injury, they tell Albertans who are lucky enough to still be working -- because I figure soon they're going to have to be going to job auctions to stay working -- that they've got to pay more to receive less or pay more to give less to the people who need that help. Well, I remind the Provincial Treasurer and the Premier that that's why we have a tax pool in the first place: to help out on social priorities. We all agree to collectively throw into that pot, and then we agree to collectively take out of that pot according to people's needs. But now what we see is that people's needs aren't being met, and this government is perfectly willing to further damage the economy by taking spending power out of the pockets of Albertans who, by way of being ordinary citizens and consumers, are actually the people who keep this economy going, despite the assumptions to the contrary as enunciated from time to time by the Provincial Treasurer.

But that's not all the problem that we're looking at, I think, in this Bill. I'd like to point out that what we have in this Bill as a result of this government's budget is the first instance in which we now have the door open to a flat tax regime, which I know those right-wingers on the other side of the House would like to see. I know they don't understand how unfair flat taxes can be. It's obvious, because they're the ones that thought grandly to cut the municipal grants this year, knowing full well that the municipalities would have to increase their property taxes and the mill rates. The property taxes, as everybody knows, are more like flat taxes than they are like progressive income taxes.

What does it matter to this government? They don't lose sleep over items like that. If the poor pay relatively more, no prob. That's their mentality, Mr. Speaker, and that's exactly what's going to happen with this so-called temporary 1 percent income surtax on taxable income. The Treasurer said this is going to be a temporary measure. Well, for how long I ask? Why don't I see the year in which that temporary measure is going to be removed right within this Act? I'd like to know.

Then I have a look further down the Bill. This is the Bill that incorporates that wonderful way to treat the renters in Alberta by removing the renter assistance credit program. You think that that didn't amount to much? It amounted to several hundred dollars a year for people who obviously can't afford to buy or they would be in owned dwellings. They rent, and now

they're losing their ability to reduce the amount that they pay on their taxes by several hundred dollars a year just by the removal of this renter assistance tax credit. What was the Alberta government saving from this? I think it was around \$50 million a year.

But if you have a look at the income accruing to one person earning minimum wage -- the lowest in the country in Alberta, the province which has taken the longest time to raise the lowest in the country, not having seen a raise in the minimum wage since 1981 -- if they were working a full workweek, week after week, month after month, all year round, they'd still be earning less than the poverty line allows for. And we're going to tell these people that they don't deserve the renters' tax credit program anymore, I don't buy it, Mr. Speaker. And I'll tell you something: neither do my constituents. They don't think that's a very fair policy for this government to embark upon a year after an election in which none of this monkey business was mentioned.

No sir, I didn't see Conservatives knocking on the doors in the riding of Edmonton Highlands saying: "Vote for me, and I'm going to increase your taxes. Oh, I might increase the corporate taxes just a little bit, but don't worry; you'll still be paying the bulk of the charges here. And I'm going to take away any of those perks that you ever had before, like the renters' assistance program. On top of that, I'm going to cut needed public service." No sir, I didn't see Conservatives saying that in the election campaign that I was involved in in 1986, and it's because they didn't say it. They had no intention of saying it.

Yet within days of the conclusion of the spring/summer sitting of 1986, the first sitting after the election, Mr. Speaker, when the Leader of the Official Opposition revealed the memo which showed that the government was now pinpointing a downsize . . . Yes, I know, Dick, you sent it to us, but we decided to take you up on it and reveal it any way. [interjection] Yes, well since you cut our research budget it has been handy having the Treasurer leak memos to us directly; it's been very handy. Thank you, Mr. Premier, as well on that note.

Now, it was within days of the conclusion of that sitting that we suddenly get ahold of this information forwarded to us in a brown paper envelope -- unmarked of course -- by the hon. Treasurer, to let Albertans know they were in for a cut in people services, a cut in the public services of this province, and hinting that the deficit was going to be real big and tax increases would have to come along too. Well, we obviously got that picture last summer, because we had to pass a Bill -- well, pardon me, a Bill was rammed through the Assembly, quite another way of looking at it -- which allowed for this government to, from behind closed doors, engage in a deficit of up to \$5.5 billion.

Now, I ask you, Mr. Speaker, if they were so willing to do that, if they're so willing to spend Albertans' hard-earned dollars on servicing that amount of debt, which they have not yet had to do, then why is it that they decided to come along and pick the pockets of middle-income Albertans? Why did they do it in this way? The Treasurer notes, "Well, a couple of poor people got off the hook here, and we don't have to worry about them; they're not going to have to pay the increase." Well, I'm not so sure that a complete restructuring of the tax Act wouldn't have been in order in such a way as to ensure that we implement this policy progressively. What I see right now is that the Alberta income tax payable will be based on your federal tax payable, now at a ratio of 46.5 percent.

Not only that, but that tax increase is going to be a double whammy come July 1, because in his infinite wisdom, the

Treasurer decided he wanted all the money to be collected this year. But he wasn't willing to phase this in so that the tax increases would become effective on April 1, say, two weeks after he released his budget. No, he decided it might be real amusing to hit the poorest people and the middle-income people the hardest way possible, maybe to see if they would get used to it, Mr. Speaker. Because the way he's going to do it is that income tax increase is going to go up by twice the amount on July 1, and then be reduced to its so-called normal amount of an increase on January 1, 1988.

Now, what kind of logic governs a policy like that, Mr. Speaker? A distorted logic. A logic that says that it's okay to push people into greater poverty. He is like humpty-dumpty: a word means what he says it means, and it doesn't matter how it affects the rest of the world. I say that is an intolerable attitude, and this government should run to the polls over this budget, particularly the provisions in parts 3 and 4 of Bill 49.

I'd like to have a look at just what this wonderful Conservative government has done for us for the last few years -- as a matter of fact, since 1972 -- when it comes to taxation. In the first five years, the Conservative government from 1972 to 1976: individual Albertans paid about 63 percent of the income tax collected, and corporations paid about 37 percent. Now, Mr. Speaker, I'm not one to hand out plaudits to the Socreds, who were the government prior to Lougheed's big win in 1971, but obviously they must have maintained some kind of balance for the Conservatives to have taken over and maintained it at that level. I confess that since our research budget got slashed, I haven't had the personpower to go and look up the budgets of the Socreds prior to 1971, but I suspect that they maintained a greater balance in taxation between corporate and income-generating sources than that which the Conservative government embarked upon after it became government.

In the second five years, Mr. Speaker, individuals paid about 71 percent and corporations about 29 percent. You can see the shift already, can't you? Next year -- that is, this year actually -- I think individuals are going to be paying the bill at a rate of 93 percent and corporations at a rate of about 7 percent.

Now, Mr. Speaker, the Treasurer, in summing up for second reading -- which he may get to within a couple of days -- may want to talk about how important it is that this government engage in the sort of corporate handouts, whether by tax breaks or by direct grants and various incentives, and how it is that that's creating jobs. Well, if that's creating jobs, how come we've had a staggering rate of unemployment for the last six consecutive years -- five and a half years, beg your pardon -- that has been double digit? Just what's gone on with all these handouts? It hasn't made a difference. As a matter of fact, the federal Library of Parliament now has a study on business handouts which shows that work projects, not that form of giveaway aid, create jobs.

And I remind you that there is work to be done in this province, but the work isn't necessarily fitting into the technicolour dreams of the Career Development and Employment minister, so it may go not done. Municipalities may not be able to improve their infrastructures, and a number of other programs, including highway expansion, will not take place because this government is on a downsizing budget while it's picking the pockets of individual Albertans, never minding the fact that the corporate sector not only gets away with all too many grants -- particularly the big players -- but aren't going to pay their fair share of taxation in Alberta. If the Treasurer thinks this is amusing, maybe he ought to have a look at the number of

people on social allowance and see what's going to happen as more people are put out of work as demand diminishes in this province because of his tax Bill. We can count on it, Mr. Speaker. The less money people have to spend on goods and services, the less goods and services required, the fewer people required to produce those goods and services. Hence, ergo, the higher the unemployment.

Now, Mr. Speaker, the Conference Board of Canada itself revised -- it revised -- its economic review and projection for this province after the Provincial Treasurer gave us his budget in March because they knew it was going to make a big difference on aggregate demand in this province, and they were right. They observed that Alberta will be the only province in Canada to show a net negative growth in domestic product here in Alberta.

MR. SIGURDSON: Number one again.

MS BARRETT: Pardon me? Yeah, number one again. Yeah, I bet you like to compete with Texas all the time, right? Well, you might be competing for bottom place. I've heard a phrase so many times, Mr. Speaker. It says, "They're so far behind they think they're in first place." I think that categorizes what's happened in this province.

You know, Mr. Speaker, I believe the economic circumstances in which Albertans find themselves are very similar to those in which Albertans found themselves during the Depression. And you know what? The Depression policy-makers figured it out. They finally figured out that if they kept whittling away at their own budgets and asking people to shovel rocks from location X to location Y and then back to location X in an unproductive fashion, they were going to actually continue to perpetrate that economic syndrome known as the Depression. And they finally learned that maybe the best thing to do was engage in a little bit of creative budgeting based on deficits that would put people back to work and keep them at work in the long run. What they did: they agreed on certain public programs that were of use in the short term and in the long run. Now, I think that's the sort of policy alternative this government ought to be looking at instead of shifting the taxes one more time onto the backs of individuals, Mr. Speaker.

Now, the Treasurer might say, if and when he ever gets to conclude remarks on second reading -- and I remind him that we're really looking forward to committee reading, because I'm sure we'll have an amendment or two for the Treasurer to deal with -- you know, we're going to get through this period despite the gloom and doom observations of the opposition. And one of the ways that we're going to get through it, he might say, is because the federal government is going to come up with its famed, or shall I say infamous, but I shall certainly say "as yet nonexistent" western economic survival strategy, if it comes up with it. Well, I'd like to say to the Premier and the Treasurer in anticipation of that sort of argument: (a) where is it, and (b) if they were so concerned about balancing the taxation ratios in this country and in this province, then why aren't they working on their federal counterparts to ensure that the \$355 million that Ottawa is receiving from the increased gasoline taxes be devoted to helping the troubled Alberta economy get back on its feet? Where are these strong leaders, these leaders who'll talk about separatism at the drop of a hat and then refer to their big majority government? Where are they when it comes to talking about getting our fair share from Ottawa, Mr. Speaker, based upon our natural resources, which I remind you are depleting

and nonrenewable?

What we are going to see in this province, Mr. Speaker, is yet another round of increases of people standing at the food bank because they haven't got enough money to keep heart and soul together. Increasingly it will not just be the 70,000 to 75,000 cases -- that is, some of them are families and some are individuals -- on welfare. It's going to be the people who are the working poor, who I believe have been ignored by this province in a number of its policy orientations during the last six or eight months. And who do you think pays for that food anyway? You know what? It's probably mainly low- and middle-income Albertans who pay for it. They're the ones who are probably -- I would love to see a demographic study about who contributes most to the food bank, because I'll tell you that every time I make a donation, I see people who have got relatively low incomes spending a couple of bucks of their money in the local supermarket to put some food into those baskets for the people they know are even poorer than them. They can barely afford it themselves.

I remind you that one of the reasons we have a taxation system in the first place is so we can make equitable the process whereby we ensure that the low-income people can keep heart and soul together, and we do it from a progressive income tax system, not from a system which calls for even low-income earners to now start paying a new 1 percent surcharge on their income tax payable. It sure as heck doesn't come when you decide that you're going to give the bigger tax bite to the individuals instead of to the corporations.

I wonder where it's all going to end, Mr. Speaker. Will this government be satisfied when Albertans pay the entire tax bill and the corporate sector pays none? Is that when this government will be satisfied? I'm not getting a glance out of the Provincial Treasurer. Perhaps he doesn't want to go on record as having acknowledged that that might be the case. I certainly wouldn't blame him. I wouldn't go back to the electorate under those circumstances.

Now, Mr. Speaker, it's so important for this government to raise -- I remember they did this in 1983. It was to raise an extra \$223 million, I recall. That's what they achieved by a 13 percent income tax increase, yet the following year, after they had cried "deficit" -- they cried "deficit" the year they went for the tax increase. But the following year, you know what the public accounts showed? We had a surplus, Mr. Speaker.

I suspect with talk lately from various ministers on the government side that they anticipate that oil prices are going to stabilize and perhaps even increase, that we're not going to have such a big deficit after all. Then I say: how come it is that Alberta taxpayers are being asked to fork out a few hundred million dollars more, while this government continues to spend unabated on advertising now to the tune of -- what? -- \$51.6 million a year, to tell Albertans through propaganda that they've got a bad budget but they can't afford to fix the budget? That's exactly what they're spending this money on, Mr. Speaker. You can ask. The hospitals minister spends money on it; I saw a number of ministers in the front benches spending money promoting the bad budget and acknowledging that they didn't have the money to fix the bad budget.

Well, I think that's an appalling track record for this government to establish, and if they were really serious about setting a good example, what they'd do is further downsize their own cabinet, further amalgamate, and stop frittering away Alberta's hard-earned money on this kind of advertising, which doesn't do ordinary Albertans any good. On the other hand, maybe it does.

Maybe they're starting to be aware that their government is spending too much on this kind of nonsense, and maybe they'll give them the turf next time round. I for one plan to campaign on that very item, Mr. Speaker.

Now, it seems to me that the Provincial Treasurer has never said in this Assembly how much less it would cost to avoid this form of tax hike for ordinary Albertans and instead, on a temporary basis, agree to service debt so that he could continue to allow demand, and particularly aggregate demand, to be an important economic factor in keeping this economy afloat. The reason I don't think he's ever answered that, Mr. Speaker, is because I don't think he can answer it. You see, the ultimate contradiction of this government is that they're saying: "Well look, we can handle the deficit for a couple of years. We're going to drive that deficit down, but we can't go after the alternative policies; that is, towards full employment and keeping spending power in the pockets of the consumers so that we can avoid the deficit in the first place." That's the kind of contorted logic that we're dealing with here. It's the kind of contorted logic that becomes apparent after elections, Mr. Speaker, just after elections.

I think this government ought to do some serious rethinking of its new taxation regime and come back to us with a different Bill that rebalances the ratio between corporate and individual taxation, Mr. Speaker, and which has a hard look at the flat rate tax payable on tax payable, which I think is the opening of the door to the worst sort of tax regime we could possibly have in this province and in this country. They're the ones that spout on ad nauseam about how it is we don't have a sales tax. Well, I'll be on record, Mr. Speaker: New Democrats don't advocate a sales tax either. We know that once they start, they're a black hole. They're an infinite temptation to go back to again and again, and they affect the lower income people more than they do the higher income people.

But you have a look at the implications of a flat tax system, and that's what we've got here right now in this Bill. It's going to be exactly the same; it has exactly the same effect, Mr. Speaker. It hurts the lower income people more than it hurts the higher income people. Of course, that wouldn't weigh too heavy on the consciences of the Alberta government cabinet because they don't mind doing that. They really believe that a transfer of income from the lower to the higher, from the lower to the corporate is the way things should be. Well, I have an idea of an alternative economic strategy that calls for fairness in distribution of income by way of the tax system. It sure as heck doesn't call for this form of taxation.

I'd like to conclude by observing that I believe the Provincial Treasurer and the Premier and a number of other people when they talk about how it is that the provincial government supported unduly national coffers over several years while we were in a buoyant state, receiving a lot of revenue from our non-renewable resources. But where's the effort been in trying to reclaim that so we could avoid this kind of income tax increase, Mr. Speaker? We're talking about what I believe is close to around \$55 billion or \$56 billion. If we even got 10 percent of that back right now, we wouldn't need any income tax increases, and by God, we wouldn't be facing a deficit. What's the matter? They won't talk hard to their kissing cousins in Ottawa? I say to the Conservatives here: take the gloves off; go after that money. Let's get that regional economic strategy put in place for Alberta, and let's drop the notion of taking more money out of pockets of ordinary Albertans and giving it to the corporate sector, which is the tradition of this province. I say:

cut it out; go after the money that we can go after in a fair way, Mr. Speaker.

I can't support this Bill, and I don't think any member in the Official Opposition caucus is going to either.

MR. DEPUTY SPEAKER: Hon. leader of the Liberal Party.

MR. TAYLOR: Thank you, Mr. Speaker. [some applause] It just shows you what modern computers can do. I've got them programmed to clap there. Usually you have to throw them a herring before they'll flap their fins.

In speaking, Mr. Speaker, against this Bill, I will use the soft, tender, featherlike approach after my hon. House leader of the Official Opposition has given them such a roasting. To take \$600 million to \$900 million in personal income tax out of this economy at this stage not only has to be almost criminal but has to be exceedingly stupid, particularly for a party that prides calling itself conservative, even with the confusing name of Progressive Conservative; \$600 million to \$900 million out of the economy at this time when we need reinvestment. It's been proven time and time again that personal incomes are usually invested close to home or close to where they can see the money go to work.

The minister, of all people, should be familiar with that axiom. When they put out their recent bond issue, it far exceeded his expectations. It shows that people like to invest close. Certainly it was nothing to do with this government that attracted the money; it had to be the fact that they could invest close to where they live and in this province. Probably they would even invest that much if the NDP were in charge, but who knows? The fact is that they love to invest close by, and consequently if the money is left in the pockets of the taxpayers, they will invest it and it will create jobs.

[Mr. Musgreave in the Chair]

Now, there's another facet to it, Mr. Speaker. Sorry, I didn't put my glasses on; it keeps changing so fast. There a few minutes ago I would have sworn it was someone else.

The other part of the equation is that if we want to diversify, there's a double priority. I've already mentioned that in order to diversify, one of the best ways is to have the private sector do it. Government just cannot diversify. It doesn't matter whether the bureaucracy is Conservative, NDP, or even Liberal. They're just not built to think about hundreds of little things, hundreds of little ideas. They love the megaproject. It's very simple. And whether you're working for a large corporation or for government, the whole idea is to get a big, big project, big enough to carry your name on a plaque that your grandchildren can see, kick it off, and get it under way. Of course, if it's big enough, you won't have to come up with another idea for 10 years, because that one will have been so big it'll swallow all the capital. That type of thinking applies whether you're in government or whether you're working for the Standard Oil of New Jersey. Big projects are an attraction that way.

But diversification is really into small business, and no bureaucracy and no government, no Legislature, can think of all the ideas and methods of where money should be invested. So by leaving the money in the private sector, we do create an opportunity to really get our diversification around, rather than having a minister for economic development and a few people with PhDs from Harvard or London School of Economics, whatever they do, dreaming up some scheme and putting out some

aid schemes in order to get small business under way. Small business is best understood by small people and by small investors, not by government. So we should be doing our best to encourage that; instead, we're pumping the money off.

And there's a second part about the diversification idea that high taxation goes a long way toward killing, and that is being an attractive place to live. Entrepreneurs, wherever they live in the world, like to -- if they're going to move, if you're going to attract them here, one of the big things, besides of course good schools and good health services, mountains, and ski resorts that are open, you have to have a low personal income tax rate. You should be able to brag that your taxes are lower than anywhere else in the world so that the entrepreneurs will come here and try to diversify. But that little brag that we had, which by the way I'll take a few minutes to point out, was a farce, a snare, and a delusion. But even that little delusion has gone down the drain when mighty Ontario -- the home of the tobacco growers, the home of uranium, the home of the people that won't use our coal -- now taxes their personal income less and will probably continue to do so because they are in a diversification mode. They are aware that if you can put a personal income tax regime together that keeps the taxes lower than other places, you're going to attract the people that in turn will diversify. So that's why I say, Mr. Speaker, that we fall on our sword twice when we increase personal taxes. We dry up our own entrepreneurs' and people's capital, and we make our province less attractive for other entrepreneurs and people that would diversify to move in.

But let's take a look for a minute at that lowest income tax. There is a Bible we use, Mr. Speaker. If there is something beside the bed of every good Tory when he goes to bed, besides his blue and orange nightcap, it's usually a book from the Fraser Institute. The Fraser Institute is, for those in the Progressive Conservative Party that are used to reading more than comic books, required reading, *de rigueur*. It is the be-all and end-all. It is the Old Testament and the New Testament of anybody that ever wanted to call themselves a conservative, progressive or otherwise: the Fraser Institute.

MR. JOHNSTON: [Inaudible] Karl Marx.

MR. TAYLOR: It is the Karl Marx of PCism, if you want to call it that. If you read the gospel according to Fraser, if you go up on the mountains, one of the stone tablets that they have been putting out for some time now is that Alberta has the highest taxes in Canada, the highest taxes per capita. Imagine that, coming from God himself. That's in effect telling Moses to get back into Egypt. They have the highest taxes, and how do they qualify that? Plain and simply, Mr. Speaker, because all Albertans own our oil and gas. Our forefathers, the United Farmers and Liberals -- bless their pointed little heads -- had brains enough to say that oil and gas shall not belong to the people that live on the surface; they shall belong to everybody. And everybody does participate in the oil and gas revenues, except for some of the Indian and Metis that this government stole it from.

Nevertheless, in general, the concept is that oil and gas belongs to everyone, and if it belongs to everyone. . . There are regimes in this world, political regimes -- I kid you not -- I would like to convince my PC friends, that actually distribute the wealth that comes from oil and gas: left-wing regimes like Alaska, left-wing regimes like Nevada, and a few other areas like that actually distribute the income that comes from oil and gas. Now, this government of course when that time came.

when the income started to rise, they said: "No, no, hold back, hold back. You peasants out there do not know how to save money. If we distribute the royalties amongst all of you, you would do terrible things. You would spend money on unwise things. You might drink too much. You might go off and buy too big a car. You might even put it in a savings account. We're going to save it for you. It's called the heritage trust fund. We're going to save it for you."

So in effect you levied a tax. And I don't dream this up. No lesser account than St. Michael Walker of the Fraser Institute has said time and time again that these individuals were taxed. They were denied the normal fruits of having located in Alberta. The joys of coming to the holy land were not allowed to be distributed. I know God put it in the ground, but he didn't choose to reveal it till the Tories were elected. Nevertheless, this wealth, this largess, which should have been distributed to everyone, was confiscated by the government and put into a heritage trust fund, thereby taxing two generations at the same time, the people that should have got these savings.

Then they said: "Lo, there shall come a rainy day. You may spend 40 days and 40 years in the desert, but there will be a rainy day." But, lo, when the people of Alberta went out to reclaim the wealth that had been stolen from them in the '70s and '80s, it was not there. The savings plan had been invested and spent unwisely all across the Dominion. Oh, there was a paper profit there all right, but the liquidation of even the most widely optimistic of the people in the PCs was not much more than 50 to 60 percent of the face value. Of course, that annoys the taxpayers. Not only have they now been gigged; they were gigged twice. First, the money was confiscated on the grounds that it could be managed better for them. Secondly, when they went to get it, it wasn't there.

Now, this has to be some of the highest taxes when you put that together. It means that Albertans have paid an exorbitant fee in their taxes if calculated back on an individual basis, and if you doubt me for a minute, Mr. Speaker, just imagine that our forefathers instead of being Liberals and United Farmers had been Democrats and Republicans and given all the assets to the individuals. Then the individuals would have had to pay tax, and we would have had to tax that oil and gas in order to get some sort of royalty. But instead, it was given to all the people, and this government instead of just distributing a largess pre-empted it to them.

Now, to add insult to injury, not only were those savings, Mr. Speaker, not present when the people came on a rainy day to collect them, but the last election this latter-day tribe of infidels had run, they had actually spent \$3 billion in the hole. Now we're being asked to try to bail out a government that not only has taken away our money, put it into a heritage trust fund, and threw away a good chunk of the heritage trust fund, but then came around to bail themselves out of an election promise and they say that we have to retire the deficit.

Well, I will go this. This is one time I will agree, Mr. Speaker, with the Treasurer. We should retire deficit spending. But does it have to be done this way? Could they not. . . The fact that the price of oil declined is one of the reasons we have this deficit. So why don't we tie retiring the deficit to the price of oil? Why do we go out -- we sound very much like the man that has had a hard day with the boss. He comes home, bawls out his wife, and kicks the dog. Here again, the poor taxpayer has been ripped off. All right, the wife just had a bad day at the office, comes home, bawls out her husband, and kicks the cat. But whatever way you look at it, here is the taxpayers bid. The

savings have been taken away instead of being distributed to him. When he thought they should be there, they weren't there. Then we go on and we say that we have to retire a deficit which the government creates based on the fact that oil prices have fallen.

Well, why don't we put the retirement of the deficit on the fact of oil prices when they rise? In other words, the taxpayer is going to be shafted again. There are \$600 million to \$900 million coming out of his personal pocket no matter what oil prices go to. You can imagine if oil prices go to \$25 U.S., Mr. Speaker -- and they might in the next while -- this Treasurer will get up and say: "Glory, glory hallelujah. The Lord is smiling on us. We've got a surplus of \$3 million." But will it be distributed to the taxpayers he has taken \$600 million or \$700 million out of the pocket of? Why not? This is just common sense, and I'm being as polite and kind to the government as I can. It is a gem of wisdom that I'm going to throw on their lap, something that they could write a book on and send to the Fraser Institute and go down in history as one of the contributors.

I say: leave that money, amend your Act, withdraw part 2 of the Act where it says that the personal income should go up to bring up your \$700 million to \$900 million out of the taxpayer. Say instead: "No, you keep your money, and we will retire the deficit if and when oil prices go up. We'll take it directly out. Instead of putting it in a heritage trust fund, we'll pay it off, every dollar over \$20 a barrel," for argument's sake. That's a nice even argument. I believe the Treasurer made an estimate that the average price of oil. . . He may correct me; all he has to do is nod. Was it \$18 or \$20? Eighteen dollars, Mr. Treasurer? He's not nodding, but it's somewhere in there. He made an estimate that income would be \$18 or \$20 a barrel; I can't recall. Last year he said it was \$20 and it averaged \$12, but I think this year he said it was \$18 and it was averaging \$20, I believe. [interjection] Pardon? At \$15, okay. Anyhow, just pick a price; \$20 a barrel, I believe.

Let's pick \$20 a barrel and take the income tax back and say that every dollar we make on royalties once oil has gone over \$20 a barrel will be used to retire this deficit. It was the drop in the price of oil and this government's poor budgeting that caused the deficit; let's let the rise in the price of oil and this government's poor budgeting get rid of the deficit. Why take it out of the poor old innocent taxpayer that has already been gigged twice by the government?

I know that as a person in the opposition I should sit silently by and watch this government hang itself on the \$600 million to \$900 million bill that they're going to gouge out of the hide of the taxpayers, even though oil maybe going up, but the sense of justice that moves all Liberals, Mr. Speaker, prompts me to say . . .

MR. FOX: That's a debatable motion.

MR. TAYLOR: This is one of the ways, Mr. Speaker, of finding out whether the NDP is awake or not.

That prompts me to say that there is a good capitalistic right-wing method. I know my NDP friends will probably not agree with it because they have the idea too that if a dollar gets in the government's pocket, it's better spent than in a private citizen's pocket. Nevertheless, I've given you a good right-wing solution, a solution that even the NDP won't vote for, so that will give it some dignity. And that is what you withdraw the personal income tax increase and instead use the money in the increase in the price of oil if and when it comes. If it doesn't

come, let the deficit stay there. There's no rush -- if and when it comes to retire the deficit.

That, Mr. Speaker, is all. I don't know if I have to table the document, but those of you that haven't had a subscription to the Fraser Institute, I could possibly arrange it for you. I could attempt to give it to the NDP, but I'm afraid that they would not think that highly of such a economic -- what could you say? -- forecast.

But thank you, Mr. Speaker, and I leave for the fear . . . The speaker says he's never had a positive idea, or at least he hasn't had one in the last 48 hours; this is one that I give to him now. Thank you, Mr. Speaker.

MR. PASHAK: Mr. Speaker, tonight we're looking at second reading of a Bill that would increase taxes for ordinary Albertans. This Bill comes in spite of cuts to important programs in health, welfare, education, and social services. In addition, it comes on top of a \$1.8 billion deficit. Repeatedly in this Assembly I've raised the question: are the cuts to the social services programs, health, welfare, and education necessary? Tonight we get to raise the question: are these increased taxes to ordinary Albertans necessary?

[Mr. Speaker in the Chair]

It's clear if one stops and reviews the Western Accord, the gas pricing agreement, and the consequences that are flowing from those, that this province has completely mismanaged the whole nonrenewable resource sector of our economy. In general, we've seen a dramatic falling off of revenue from non-renewable resources. In the year 1985-86 we received almost \$3.6 billion. That's fallen to an estimated \$1.7 billion in the 1987-88 year. It's interesting to note in that respect that that's approximately equal to the planned deficit. On the oil side of revenues the crude oil royalty drop is from about \$2.5 billion in '85-86 to somewhat less than a billion dollars in the 1987-88 estimates; it drops to about \$977 million. The question here is: could anything have been done about that?

I have a study that was done by the Petroleum Resources Communication Foundation. It looks at pump prices across the nation, and it's for the week of April 6, 1987. We could take some selective provinces and look at the figures. In B.C., for example, the total average pump price in that week was 49.2 cents. Now, we get to how that money was distributed between the industry and various levels of government. We see that industry took 25.7 cents of that 49.2 cents, the federal government took 9.8 cents, the provincial government of British Columbia took 9.1 cents, and the producing province only got 4.6 cents. We see that as a fairly general pattern right across the country in just about every Canadian province.

In Ontario, for example, the pump price during that week was 45.1 cents. The federal government took 9.7 cents, the Ontario government 8.3, and the producing province took 4.3. Now, you have to understand those prices in the context of reduced royalty revenue to the Alberta Treasury. I pointed out that these revenues have fallen from \$2.5 billion to less than \$1 billion. One of the reasons we've seen decreased royalty revenues from the oil sector is that we reduced our royalty rates. But what's happened here? We have gone out of our way to accommodate the oil industry, to encourage economic activity in the industry by reducing our royalty rates, but we've seen no corresponding willingness on the part of other governments to share and pick up the slack in that area.

Now, at the same time we've seen this situation occur in the oil industry, where Alberta with its resource is getting a very small return compared with what other levels and other governments are getting from energy, we look at the downstream profits from the major oil companies in this country -- the integrated companies, those that have marketing and refining operations -- and we see that their downstream profits again have been the highest they've been in the last five-year period of time. Imperial Oil Limited's products division earned \$174 million in 1986, which was a 70 percent increase over 1985 earnings of \$102 million and the highest earnings level since 1981 when the company's downstream division recorded a \$330 million profit. We could look at company after company and the picture is the same. So other levels of government, other governments in other provinces, and the industry itself -- at least the big integrated companies -- are doing better from our oil than we are.

In addition to that, if you look at the budget, there's an estimated \$419 million that's going to be returned to the oil industry during the 1987-88 year. That \$419 million is in royalty tax credits. Every company, including those companies that are making their best profits since 1981, are entitled to the 95 percent refund of the first \$3 million they pay in royalties. Now, it's true that some companies probably need that to survive, but do they need the whole \$3 million? I've talked to a number of companies; a lot of people in the oil industry would say that figure's too high, that some companies do need it but they'd rather see the 95 percent level of royalty rebate maintain itself after that program is scheduled to run out.

On the gas side, the falloff in revenues from 1985 to 1986 is from \$1.8 billion down to an estimated \$1 billion. Even that figure of \$1.7 billion is probably questionable; it's probably on the high side. Now, fortunately for the Treasurer oil prices have risen and they're starting to firm up a bit, so perhaps we'll get greater revenues there than he expects from the oil side. But on the gas side we see no such firming. In fact, much of the gas sold ex-Alberta produces no revenue, as far as I can understand it, by way of royalties whatsoever. That's because the gas is being sold at such low prices that by the time the companies pay for the costs to get their gas into the pipelines and into the system, that cost far outweighs any royalty to the Provincial Treasury.

So today in the Legislature I ask the Minister of Energy to answer the question: what percentage of that oil that's going into that U.S. export market is currently paying a royalty into the Treasury? He skillfully managed to avoid answering that question, but I think it's key. How much of the gas that's being sold at the moment from this province is actually producing any return to the Alberta Treasury? I'd like to know if the Treasurer is still confident that his revenue projections from the nonrenewable resource sector for the budget year 1987-88 are still valid in his mind.

In conclusion, we have a government that has totally capitulated to the energy industry, especially the big players. This has brought unnecessary hardship to the people of the province, and they will remember that, Mr. Speaker. They will remember that.

MR. SPEAKER: Before the Chair recognizes Athabasca-Lac La Biche, the Chair would point out to the Member for Calgary Forest Lawn that *Beauchesne* 363 applies. Whether the minister was skillful or not with respect to his answer earlier today really isn't a matter for this debate this evening.

Athabasca-Lac La Biche.

MR. PIQUETTE: Thank you, Mr. Speaker. I also rise this evening to voice my dissatisfaction with Bill 49, the Tax Statutes Amendment Act, 1987.

It's amazing in 1987, with the kind of economy we have in Alberta, with the downturn in the petroleum industry in terms of the unemployment picture, that we as a government have taken approximately \$2 billion out of the Alberta economy by first of all cutting back on government expenditures and, secondly, by raising personal income tax to all sectors of the economy from large to small. For example, as the Member for Edmonton Highlands indicated, we're now even taxing the 1 percent surtax. Those Albertans who really cannot afford to pay taxes are charged a 1 percent surtax. So it's really not based on a progressive income tax but on everybody who pays taxes in Alberta. They will be paying more by 1 percent, and I think that's a very sad picture to see developing here in Alberta. Our income tax should be based on the ability to pay.

Now, when we start looking at this \$2 billion tax grab, or \$1 billion tax grab and \$1 billion cutback in government expenditures, we have to look at what the effect will be on the small business sector in Alberta. The small business sector in Alberta depends on disposable income by the average individual earning a living out there. By withdrawing approximately \$1 billion out of the consumer sector of the economy and when we also look at the \$906 million which has been taken up by buying government bonds, we are looking there at approximately \$2 billion taken by this government out of the consumers of Alberta.

I think we're going to be seeing the result of this very clearly by September, because a lot of the increased taxes the government is going to be grabbing are starting to occur at the beginning of June by the 5 cents a litre increase in fuel tax and by July 1 the double-whammy the average taxpayer will be receiving or it will be taken out of his paycheque. I can predict that by September we're going to be starting to really see the effect on the retail business in Alberta which most of our small businesspeople earn their living from. If we prided ourselves in having the highest retail sales in Canada, I think when we start looking at those figures, by the end of 1987 Alberta will probably fall away from their number one status in Canada to maybe number two to four.

I think that will have a very negative effect on the growth of the Alberta economy, because as previous speakers have indicated, it is not the big corporate sector which is creating jobs in Alberta; it's the small business sector. And basically the retail sectors are the ones where the growth has taken place in Alberta. That's been created by people who have been left unemployed by corporate cutbacks and have had to earn their own living. Instead of going on welfare, they've tried to create their own jobs by starting a record number of small businesses in Alberta in the last few years. But as we look at the bankruptcy rate of these beginning small businesses, we will find that around 75 to 85 percent will fail in the next few years, and I think that will be increased by the effect of our taxation policy.

The corporate sector has escaped almost totally from any increase in provincial income tax, so we are not going to be seeing them pay a fair share of income tax in Alberta. The average taxpayer will be paying the bulk of the increased revenues this government is trying to get to pay back their tremendous deficit. When we look as well at what's happening, the small business sector are also facing increases in the educational property taxes and the municipal property taxes, which are really unprogressive taxation methods. It's the small business that has to pay these taxes, and that's not a government that's really saying to small

business that they are the engine of growth; rather we have passed the taxes on to the people who cannot afford.

Really, what the government should be doing is addressing the whole corporate income tax structure in Alberta. That should have been the number one thing they addressed in this provincial budget. Instead we find that they have failed to do that. They have burdened the average taxpayer by really admitting that the average taxpayer should be penalized, I guess, in terms of earning a decent living.

However, when we look again at another sector like the agricultural sector, it has also been attacked by this provincial budget. We look at the 5 cents a litre tax increase on farm fuel prices which will create a dramatic increase in farm implement cost for farmers beginning again this summer and this fall. We see as well an increase in medicare premiums that all farmers, whether they can afford to not, are going to have to pay. Vehicle registration fees have jumped dramatically as well as liquor prices, cigarette prices. The average farm family will suffer a net loss of approximately \$2,000 a year during a year when grain prices are predicted to drop by 18 to 25 percent. Just great stuff by this government who campaigned in the last election that agriculture was the number one priority for this government -- that coupled with a 40 percent decrease in the agricultural budget in the 1987 year.

So I think this government is really going to be harvesting the fruit of this Bill 49 when they go to the electorate in the next few years. I think for once the Alberta electorate will not be fooled by these very hypocritical kinds of taxation amendments that have been made by this government, or a tax grab. As well, I think the farming population will also see that the Conservatives are not to be trusted when election promises are made.

One of the things I have heard in some of the recent meetings I have attended, where some of the Conservative MLAs have tried to defend their pay increase in this year of government cutbacks . . .

MR. SPEAKER: Hon. member, what does that have to do with this Bill?

MR. PIQUETTE: Well, we'll relate that to the whole aspect. You know, here we're talking about being fair in terms of our taxpayers of Alberta, but in a time of government cutbacks we have seen a 10 percent increase in MLA pay as well as a dramatic increase in MLA's benefits. Now, most of the salaries, or I should say the total salary package or benefit package that MLAs receive, are nontaxable. We are not taxed as MLAs for the total amount of moneys paid to us as . . .

MR. SPEAKER: Order please, hon. member. We're not discussing the actions of the Members' Services Committee at this stage. Could we come back to this point, please.

MR. PIQUETTE: I think what I have to indicate to the House here is a double standard. The average taxpayer has been faced with a tremendous increase in his personal tax which is based on his total salary that he receives from government, whereas if we look at the average MLA, he is receiving over \$77,000 a year, of which only \$26,000 is taxable. Now that is very hypocritical and immoral when you look at the . . .

AN HON. MEMBER: That's not true. Tell the truth.

MR. PIQUETTE: That's what it says here.

MR. SPEAKER: Point of order, Red Deer North.

MR. DAY: Thank you, Mr. Speaker. [interjections]

MR. SPEAKER: Order in the House, please. Red Deer North has the floor, Athabasca-Lac La Biche.

MR. DAY: Despite concern of the member opposite for the use of language in the House, he continues to use language which is very clearly marked in citation 320 of *Beauchesne* on page 107. He has twice in the last few minutes. The first time I let it go, Mr. Speaker, but when he did it again I felt it really should be addressed, and also to give other members just a few moments of peace from the . . . But the word "hypocritical" has been used twice in the last few minutes, and clearly has been ruled unparliamentary in *Beauchesne* 320 on page 107.

MS BARRETT: On the point of order, Mr. Speaker. It never fails to surprise me that government members only recognize one section of that citation, that citation commencing on page 104, and the particular reference commencing on page 105 which says under section 320(2): "Since 1958, it has been ruled unparliamentary to use the following expressions." However, in their usual shortsightedness and, I anticipate, lack of familiarity, they forget to go on to the section that commences on page 110, which is 320(3), and it shows on page 112 that "hypocrites" and "hypocrisy" have also been ruled parliamentary.

MR. SPEAKER: No response on this, hon. Member for Red Deer North. But indeed if we're going to deal in fine points, hon. Member for Edmonton Highlands, the citations you give are indeed correct. However, the Member for Athabasca-Lac La Biche was using the word "hypocritical," which is still regarded as being unparliamentary. But I think the point is: let's get on with the discussion of the Bill and not go off on these tangents.

Athabasca-Lac La Biche.

MS BARRETT: On the point of order, Mr. Speaker. If I'm not mistaken, is "hypocritical" not permitted when used as an adjective describing a policy? I believe it is. I think it's not supposed to be used when describing an individual.

MR. SPEAKER: Hon. member, by your own argument you've proven yourself to be wrong, I'm sorry, if you look at the exact words. But it's been too fine a line. "Hypocritical" is out of order, "hypocrites" and "hypocrisy" are in order. The member used "hypocritical" and is therefore out of order. So if the member would like to apologize to the House, Athabasca-Lac La Biche, and get back to the Bill, it would be greatly appreciated.

MR. PIQUETTE: Okay. Thank you, Mr. Speaker. I guess I'll just change that around then and it's going to be accepted.

MR. SPEAKER: Hon. member, will you apologize for the use of the word.

MR. PIQUETTE: It's amazing how sensitive we are here.

MS BARRETT: I rise on the point of order. I think this is very clear. Under "hypocrites" it is noted "*Debates*, December 20, 1975, p. 10232"; "hypocrites" is allowed. Now the debate . . .

MR. SPEAKER: Hon. member, I'm sorry. The member used

"hypocritical", which is not parliamentary. I told you it's a fine line. The words you used are indeed correct; they can be construed as being parliamentary now. But under "hypocritical," to turn on a fine line, the member was out of order. There will be no further discussion on the point of order.

MR. WRIGHT: With the very greatest deference, Mr. Speaker . . .

MR. SPEAKER: Sorry, hon. member.

MR. WRIGHT: . . . I think the fine line you are talking about, Mr. Speaker, is between denigration of a member and description of a policy. The latter is okay to be described as hypocritical.

MR. PIQUETTE: Mr. Speaker, I want to interject and say that I was not indicating that to any particular member. I was talking about the taxation policy of the government.

Okay. I guess what I really wanted to indicate here is that there's a double standard here. How we treat ourselves as MLAs and how we treat the average taxpayer is really a double standard. I think we should be very much aware that a lot of the impact of these tax increases brought about by Bill 49 will not adversely affect our income all that much as MLAs or as government ministers because most of our salary is . . .

MR. YOUNG: Mr. Speaker, on a point of order.

MR. SPEAKER: Point of order.

MR. YOUNG: Mr. Speaker, this time I refer to section 313 on page 102, where it is quite clear

A Member may not speak against or reflect upon any determination of the House, unless he intends to conclude with a motion for rescinding it.

Now, the very thing he speaks of, which is the pay for members of this Assembly, was determined by this House, and therefore the hon. member is quite out of order to be reflecting upon it in the manner he is doing.

MR. SPEAKER: The point is well taken. The citation is correct, and the Member for Athabasca-Lac La Biche was given godly admonition or ungodly admonition prior to this point of order. Perhaps the member, for the last time of asking -- the last time of asking -- will forget about that topic and get back to this Bill in a different context, because I'm quite certain the member has plenty of other points to make.

MR. PIQUETTE: Well, Mr. Speaker, I find it strange that I can't use comparison here between what . . . [interjections]

MR. SPEAKER: Perhaps the member would kindly continue in a different vein.

MR. PIQUETTE: Well, Mr. Speaker, I think I will terminate now because I really don't feel I was allowed to conclude what I was trying to say here. I think the message was very implicit here. We're talking about the taxation system being unfair, and I was trying to draw the analogy between how we treat people differently in Alberta between the corporate sector, between the government MLAs or MLAs generally, how we pay ourselves in terms of using other types of payment, for example . . .

MR. SPEAKER: Hon. member, please. This has been raised not once but three times, now four times. The Chair requests you -- I'm certain again that you have plenty of other points to make with respect to the Bill, and hopefully you'll continue.

All right. The Member for Edmonton Kingsway.

MR. McEACHERN: Thank you, Mr. Speaker. This Bill 49, the Tax Statutes Amendment Act, 1987, embodies the changes to the tax structure and some very important basic philosophical attitudes of the government toward what should be done in the kind of economic situation Alberta finds itself in.

I found just one little technical problem. I'm not sure whether it is or not, but perhaps I could just raise it and perhaps the sponsor of the Bill would like to look at it. There are five parts in the Bill. Yet it says Part 1 -- that is, the Alberta Corporate Income Tax Act -- and it goes to Part 9 next, Insurance Corporations Tax. I'm wondering if that wasn't meant to be Part 2. Then it goes on to Part 2, which is the Alberta Income Tax Act; Part 3, the Alberta Income Tax Amendment Act, 1982; and then Part 4, the Consequential Amendments. I just wonder if it wasn't a little technical error in the printing of the order of the parts. Perhaps that's just something I could alert the Treasurer to check out and maybe answer. Maybe he's got a good answer to that.

The basic principle on which this Bill is set out is the idea that you must balance the budget at all costs. It's what can be called, I guess, an accountant's budget just in the sense of the Treasurer, as he's the sponsor of it, and of course the government setting out the idea that you've got to get the revenue side and the expenditure side of a budget to somehow balance. Well, that may be a worthy long-term aim; it's not necessarily an aim of a specific budget in a specific year. And I think there are many good reasons why sometimes we should think about, for instance, a stimulative deficit. I know the Treasurer has tried to claim that this budget is, and I will get back to address that question in more detail.

So the budget basically has set out to cut expenditures and raise taxes, and Bill 49 is the part that raises the taxes. Basically, the cut to expenditures was done on the backs of those who need it most, and the raising of taxes is being done mainly on the backs of the working poor in this province. This government has basically bought the line of reasoning that has been prevalent in the Ottawa government. The Conservatives there have over the last two years, supposedly in an attempt to reduce the deficit, increased taxes for the average working person by some \$1,350. This budget just brings the same basic principle or same basic idea into the provincial field. This idea of balancing the budget at all costs is part of a monetarist philosophy and policy that has been prevalent in North America for some 10 or 15 years. I think it's time that people in the right wing started looking beyond that and started realizing that monetarist policies don't totally answer all situations. I mean, when interest rates went up, they raised interest rates further, initially at least increasing inflation and increasing the pressures on the economy. Eventually they raised them high enough to kill the economy.

They basically took the decision to say, "To heck with unemployment; we'll not worry about that; we'll just worry about balancing budgets and handouts to oil companies and other big corporations" -- of which there is some in this very Bill -- basically deciding that if you give enough money to the corporate sector they will bury us all in cheap goods and services, and it just hasn't worked. They seem to totally ignore the demand side of an economy, that somehow if ordinary people had a little

money in their pockets to spend, when they buy things from retailers, then the retailers could buy from the wholesalers who could buy from the manufacturers and you could get your economy going in that way. I'm not saying you can always spend your way out of a deficit, but certainly there are times for stimulative deficit budgets and there are times for surplus budgets. And right now is not the time for a deficit budget that is not a stimulative deficit budget of the type this province has brought in.

The situation last year was such that we had a some \$3.5 billion deficit without changing anything. We just went ahead with the same usual expenditures and just found ourselves getting a lot less money. The government claims "due to forces beyond their control," but I'd like to comment on that later. I don't think they should have been totally beyond their control. But this year, in order to try to reduce that deficit, the government has cut expenditures and raised taxes and narrowed that gap, the difference between revenues and expenditures, down to \$1.9 billion. Coming out of the situation we were in last year, there is nothing stimulative about this particular budget. We have taken an extra \$1 billion out of the hands of ordinary taxpayers, and that will not stimulate the economy in any way, shape, or form.

The basic principle behind this Bill again, as I said, is to balance the budget as quickly as possible -- I think too quickly. The government should have taken a serious look at the situation we're in and said, "Right now we have a number of fragile industries that are supposed to start carrying the burden now that energy, oil and gas, are not carrying the burden of bringing in their revenues." And the billion dollar tax grab will hurt those new industries. I'm thinking of industries like tourism, some of the new high-tech industries, medical research, a number of those sorts of industries that are fairly new.

The government in fact made its mistake, I think, in terms of handling the economy -- it is now making the people of Alberta pay for it -- when they put all their eggs in the oil basket, and they did that for a number of years. Finally, having put all the eggs in the oil basket, they sold it down the river with deregulation. And then they've tried to blame outsiders in saying, "Well, the oil prices are low and grain prices are low because of a trade war, and it's not our fault. We can't do anything about it." We could have when we were negotiating the Western Accord instead of negotiating a deregulation, we could have asked that we have some kind of ceiling price and floor price built into the oil industry to provide some stability in this country. We've got enough gas and oil for our own needs. We don't really need to sell it to other countries particularly. We've got long-term gas supplies and long-term oil supplies for ourselves. The oil supply is getting a little thin, but if you look at the artificial or synthetic crudes in the oil sands, that sort of thing, we've got a long-term supply. We could develop them for ourselves to be self-sufficient in gas and oil. We didn't need to get hung up on trying to export in a major way and hence going for deregulation and trying to compete in the world market at prices that are so low that right now we're probably not getting any money at all out of our gas sales.

Oil prices seem to be stabilizing, but even so, we could have negotiated a price that would have stopped customers from being ripped off. It is, after all, our own gas and oil, so why should we have paid the \$40 and \$50 a barrel that was anticipated or the \$64 that was anticipated by the pricing agreement between this government and the federal government of a few years back? On the other hand, why should we see our industry

all go down the tube and all the small companies in real trouble because the prices got so low when in fact we need the gas and oil? The consumers of this province have not seen the benefit of that.

Those are some of the basic things that this budget has not taken into account. This budget basically says that there's nothing the government can do about our revenues except to tax the people higher, basically saying that we couldn't recover the kind of resource revenues that we used to get. That's probably true, but we could maybe go some way toward that if we had fought for a floor price.

In 1985-86, of course, oil revenues were some \$5.5 billion. Last year they suddenly went down to \$1.7 billion and hence resulted in our \$3.5 billion deficit. We're now with a \$1.9 billion deficit pushing on the \$5.5 billion borrowing power that the government asked for last year.

I want to just talk a little bit about some of the detailed taxes, although I won't go at great length because we can get into them in Committee of the Whole. The 1 percent surtax is an unfair tax. The doubling of the 3 percent increase on the tax base starting in July 1 through to December 31 on personal income tax is cowardly and unfair. There is no reason why this government when they brought the tax in, couldn't have just said that it started on April 1, or if they'd wanted to make it retroactive back to January 1 -- fine. But they've very carefully avoided collecting any extra taxes under this provision until July 1, when this House will be finished sitting and people will be away on holidays. They won't even notice until their July cheque comes in, and by that time they won't be able to find an MLA to talk to. So it seems to me that if this government had been honest and upright and forthright with the people of Alberta they would have started that tax immediately at 3 percent, from 43.5 . . .

MR. SPEAKER: Order please. Could you give the member the courtesy of your attention, please,

MR. McEACHERN: Thank you, Mr. Speaker . . . to 46.5 percent and not be faced in July with making that 49.5 percent for the next six months. That's going to be a very heavy burden, along with the 1 percent tax and along with the 8 percent surtax for those above a \$3,500 taxable base.

Just going back to the 1 percent surtax as being unfair, that also raises some problems that we can anticipate in the next tax year and that we have to consider, I think, when we're building taxes into this year's taxes. The federal government is considering making some tax changes, and one of their considerations is a sales tax. If the federal government does that, then Albertans will have a sales tax the same as everybody else. I asked a very specific question the other day to the Treasurer, and his answer would indicate that that will be the case. There's no way that he could see of sort of giving the money back to Albertans if the feds imposed a countrywide sales tax. I agree that it would be administratively impossible to deal with it. So we would have a sales tax.

A sales tax is an unfair tax. This government is a Conservative government. The federal government is a Conservative government. I suggest that you put a lot of pressure on your brothers in Ottawa to not go the sales tax route. I also suggest that the business transfer tax, which they are considering, is really nothing more than a sales tax at every possible level of exchange. So again you need to look very closely and talk to your brothers in Ottawa about those kinds of regressive taxes.

The tax increases that are specifically in Bill 49 are heavy.

They're going to raise well over \$800 million from the pockets of ordinary people. I know the Treasurer has claimed that he has softened the effect of that tax on the very lowest income people, the working poor people in this province, but that \$450 exemption that some people are going to be able to take at least part of -- it's on a formula of taking half, either that or half of the tax payable -- is not going to help very many people. The fact of the matter is that the working poor of this province, the people earning \$5 an hour, \$6 an hour, are the ones that are going to carry the burden of this tax. It's not the way tax reform should be done. Tax reform should be right across the whole board. We should look at the whole range of taxes that we have, the various categories at different levels of income.

We in this province have some rather incredible facts about taxes. For instance, in 1983 there were over 1,500 people earning over \$50,000 that did not pay any tax at all. We have people in this province that earn over \$50,000 a year that let the taxpayers pay their medical premiums, because they don't show any income and therefore don't owe any taxes. So the need for tax reform is there.

In this tax Bill the Treasurer has also included another one. It's not really a tax, but the renter assistance that we had before has been dropped. And again the very lowest of income people are the very ones -- many of them on social assistance or other low-income people, UIC and so on -- that will lose that renter assistance credit. So the principle that we must balance the budget at all costs is basically going to cost the low-income people of this province.

In looking at this idea of tax reform, it seems to me that we can't afford to just sit and wait for the feds to come up with a program and then react to it. What we need in Alberta is the Treasurer to do a detailed analysis and put out a working paper indicating the basic facts about where we're at now. For instance, it should show just how much money we collect from corporations and perhaps of different sizes; how much personal income taxes we collect in Alberta, broken down perhaps by income groups; how much we collect in fees and licences, et cetera; how much we collect in royalties. The royalty tax structure has got so complicated and convoluted that it would take a Philadelphia lawyer to figure out what's going on. But not only that "How much is it actually bringing us?" is a good question, and we consistently don't get answers when we ask.

Something the government needs to do very carefully is lay out the kinds of tax write-offs and how much they're costing us. We give these write-offs and royalty reductions and then make no attempt to quantify how much that's going to cost us. We brag a lot about how much it's going to give to companies, but it's very hard when it comes time to analyze the public accounts and the annual statements -- just how much anybody has received, or how much benefit they have received. I've read a lot of the tax Bill very carefully, and it does indicate that when there is a tax write-off or a royalty reduction it goes up to a certain amount for certain people in certain categories and changes for different years and so on, and is very complicated, yet we don't have the kind of accounting and the kind of information given to us that will tell us just how much money we do get or how much money we have forgone. I think that's something the government needs to take a really close look at.

I might remind them also that any time the federal government makes any really serious tax changes it tries to project how many jobs that will create or how many jobs that will cost. That's another aspect. It seems like when the government is laying out its tax changes and policies, its budgets and so on, it

wants to leave everybody somewhat in the dark and having to scramble to try to sort out what's going on rather than laying it out in a simple and consistent manner that is easy to read so we can get on with the job of policy-making with a good set of basic facts behind us. You spend most of your time doing research and trying to analyze what is happening, and even when you ask questions you often don't get very straight answers.

One of the sections indicates an increase in taxes for the larger corporations and exempts the smaller corporations, and that's something I would applaud. Personally, I think the small businesses are the ones that need to be encouraged at this stage. This government for too long in the name of private enterprise has really catered to the big corporations, particularly in the oil industry, and left the little companies on the side. Just talk to the small businessmen. I know the government's trying to bring in some programs now. I think of the small business incubator program, but it's really not off the ground and really doesn't have an awful lot to offer yet. The Small Business Term Assistance Fund Act put a little money into the hands of a few businesses, but most are the ones that already had the money and already had the borrowing power, and it was just a sort of rewrite.

The SBECs and the Alberta stock savings plan and some of those other companies have not really helped the smaller companies. Vencap, again, is not really helping those companies who need \$20,000 or \$50,000, the very companies that, by the way, do the most to diversify your economy. They run the service industries, they're very flexible, they are more job intensive, they hire more people for the amount of capital they have invested than do the bigger companies. And we have for too many years catered to the really big companies. Now finally, I see the government at least -- although they've been paying lip service for a long time -- starting to make some moves, but at this stage they're pretty well inadequate.

I might point out at this same time that these last 10 or 15 years have seen an incredible growth in the terms of big corporations -- in many cases swallowing up and pushing aside little companies. We've seen a concentration of corporate power in a few hands that's gone on at an incredible rate, often done at great cost to the economy. Often the takeovers were not economically sensible or reasonable; it was just merely a grab for power by one corporation. Often the company would pay more than the shares were worth, and in order to finance that would then end up taking the two companies, cutting out a number of jobs, and downsizing the whole operation in order to pay for what he had just done. So we didn't get an expansion. We actually got a contraction in many cases in terms of jobs and economic development.

Now, that process has been going on for a long time and is now finally -- or at least there are some signs that it might be starting to reverse itself. A lot of the really big corporations, much like this government, have gotten too big and too bureaucratic. They've got to a point where they're finding that they're not operating efficiently. They're trying to operate too big a network of companies from one central office. And this government has built one of the biggest bureaucracies of all the provincial governments in the country and should appreciate -- they talk a lot about downsizing and about governments being too bureaucratic and governments can't run anything -- I guess they're thinking of themselves when they say governments can't run anything much -- but basically they've been very, very bureaucratic. And now that trend to back to the smaller, to small is beautiful, is starting to make some headway in the eco-

nomics of this country, and not before its time.

Mr. Speaker, this budget has several different aspects to it, but basically it's a tax grab from ordinary Albertans. This government, by the budget it brought in and is now backing up with these tax changes, has shown no vision and little sense of direction. It merely says: balance the budget, even if it means that eventually we'll build up a deficit while we're doing it, equivalent to the heritage trust fund. There is no rethinking about the direction they've taken, like deregulation. There are no thoughts about taking a second look at the heritage trust fund -- what's left of it -- and starting to talk about some real diversification.

The areas where this government has had the most success with diversifying the economy -- unlike the Member for Westlock-Sturgeon, who said that governments can't diversify the economy; I disagree with what he said there -- is where they have targeted specific money for specific projects. I think in terms of medical research, for example, or of tourism as a potential; it still hasn't really come through yet. I think of high-tech; it hasn't really come through yet, but it's a possibility at least. I think of food processing industries. It's specific targeted directions that the government has taken that have shown the most promise and will come through if the billion dollar tax rub doesn't kill them in their infancy.

It's time the government looked at not only the deregulation direction they were going with our oil and gas industry, not only taking a second look at the heritage trust fund -- and I was encouraged that the Treasurer did indicate he might just do that a month or so back, although they rejected the idea totally last fall -- it's time they took a better look at the fairness of the tax regime. I know they're somewhat limited in what they can do, but they should get onto their brothers in Ottawa. Some really serious tax reform is needed in this country.

We need some new sources of income. One of them would be a floor price on the oil industry. We need to look at some new federal programs and get our fair share of federal programs. We maybe need to look at some governments getting involved in some of the economic projects on an equity basis, and we could start to bring more money back into this province and into our economy.

Mr. Speaker, this caucus will not be able to support Bill 49.

MR. SPEAKER: Thank you. The Member for Lethbridge West, followed by Edmonton Belmont.

MR. GOGO: Thank you, Mr. Speaker. I can't ever imagine any politician wanting to speak in favour of raising taxes. The simple fact is: what are the options? I hear and continue to hear rhetoric as to what is the proper way to go; if you hadn't made certain mistakes over the past 15 years, today wouldn't be necessary. Well, as a member of government who has been elected four times -- and perhaps the future, on a voluntary basis, doesn't indicate that a member wants to return -- I don't think I would be overly concerned about the political expediency of saying to Bill 49: set it aside and let the deficit grow. Hon. members are well aware, Mr. Speaker, of what has happened to the nation as a whole. Maybe that's for reasons of political expediency; I don't know.

But I would like to speak in support of this Bill for the following reasons. It seems to me, Mr. Speaker, that one has to look at the role of government, and it's not a bad idea when you're on that side of the House periodically to consider what the role of a government is. Surely it's primarily to (a) help

those who cannot help themselves -- not "will not," but cannot help themselves. Surely that's a function of government. To regulate in the public interest is a role of government -- notwithstanding the PUB, the comments we heard last week, and I'll comment on those in a moment -- but more importantly, I think, to sort of set the economic climate whereby the business of the province and the citizen can function in a realistic way.

Now, it would seem to me members are well aware that the traditional sources of revenue for the province of Alberta have been in nonrenewable industries, primarily hydrocarbons. Members are well aware of what's happened to the prices of hydrocarbons. I suppose one could realistically say, "Why didn't the government take appropriate action to protect itself?" That's the so-called floor price. I would simply ask hon. members to look at what this government has said over the years in conjunction with the industry, and that is to have market prices. Well, we got market prices. We may not like them, but we've got them. But at least the government's consistent. At least the government's consistent. Mr. Speaker, the government could well have said through the Treasurer -- because the Treasurer represents the government. Members may not be aware, but the Treasurer doesn't make all the decisions. The Treasurer is part of a government that sets an economic and fiscal policy and tries and puts the pieces together in the form of a budget speech such as we heard on March 20.

The government, with the political philosophy underlying that government, has said in very simple terms that Albertans will not support a deficit. Now, hon. members may find that difficult to accept, but that is a statement of fact. It's been enumerated by the Premier and members of cabinet. Even the odd M.L.A. has supported that. I know that in the riding I represent people feel pretty strongly about debt. They don't understand why we have to have it. As a matter of fact, they won't tolerate it. So the first thing, Mr. Speaker, is that I think we have to give the government credit for the fact that they've said we're not taking the easy road. It reminds me of the community I live in. We talked today about the Oldman River. You know, from Lethbridge to Fort Macleod is about 19 miles the way the crow flies, about 30 miles the way the highway goes, but 140 miles the way the Oldman River goes, because it follows the path of least resistance. And this government, Mr. Speaker, could have followed the path of least resistance by not increasing the income taxes, to let the debt grow.

I'm sure there are members in this House that would say, as a percentage of the provincial domestic product, it wouldn't be that bad. That's the argument they used in Ottawa for years. If you look at the gross national product, is the debt that bad? Well, you get the economists arguing, and they'll come up with rational reasons why it's not that bad. That's why other people have said, Mr. Speaker, it would be a good idea if you took all the economists in the world and laid them end to end, and they still wouldn't reach a conclusion as to a proper economic policy.

The point is that this government has said we'll not tolerate a deficit, and we must balance the budget by a given time. Now, members may not like it, but if you determine that as a principle, then surely you must address your mind to how you're going to achieve it. I haven't heard one member yet say we must reduce government expenditures. It seems to be that whatever government wants to spend is all right; just go and tax the people.

I got my tax notice the other day in Lethbridge, my school district -- a 14 percent increase. I'm considering a Bill, Mr. Speaker, to limit what they can increase the tax by. But we've

heard the Minister of Education say a class is \$4,300 to \$4,500 per student for education in this province. I would just remind hon. members who talk about student/teacher ratios to get 36 students in a class and multiply by \$4,300, and that tells you what it costs to run a classroom in this province, of which 80 percent is payroll -- not erasers, not bricks and mortar. And shouldn't we be getting ourselves in gear there and start to say, "Hey, what do we do for 175 to 180 days a year that demands that kind of money?" But I don't hear anybody saying that. I'm hearing them say: "Increase it. How dare you decrease it 3 percent? Increase it." Well, you can't have it both ways. If you want to increase it, then who is going to pay? Then let's have people stand up and say, "Let's have those people pay." I'm not hearing that tonight. I'm hearing them say, "Hey, you're picking on the wrong guy." Well, who is the other guy?

AN HON. MEMBER: You.

MR. GOGO: Yeah, me. Who is the other guy? If I had my way, I'm not too sure we should have a corporate income tax. I just say we should tax the person who receives the money. It's not a bad idea, you know. It might even apply to doctors.

Then we hear, Mr. Speaker, about universality. We have no compunction, if you're 65 years of age and a millionaire, you still don't pay. I haven't heard anybody over there saying, "Hey, let's make people pay their share." I haven't heard that suggestion yet, I frankly think we should reconsider that program. You know, it's like they say -- the Keynesian there of economics -- you save in the good times to provide for the bad times. Then I hear about all the good times we've had, but we've never saved anything. That's on the federal scene. But here in Alberta we've experienced a \$3.3 billion deficit. The government party has said, "Hey, people will not tolerate that. We must work out a plan." So they adopted that principle, and we're looking at phase one of that principle now: increase taxes by over \$900 million -- that's not an easy thing to do; don't you think the Treasurer would rather decrease them? He doesn't have an option -- and then cut government expenditures by \$650 million, plus what the minister of hospitals hopes for. Well, in the aggregate that's about \$1.8 billion. I think, Mr. Speaker, that's a very, very courageous move. How long are we going to tolerate spending \$1,300 to \$1,500 per person on the health care system without believing we've got to pay for it? I mean, how is it going to be done? I don't hear any suggestions as to how it's going to be done.

[Mr. Musgreave in the Chair]

But there's a plan in action tonight, and it's in this Bill 49, as to how it's going to be done. Surely the government answers to the people every time there's an election. Now, if hon. members want to have the system of recall of America and say, "Hey, I don't like what you're doing; I want you back; have another election," do you think any government in its right mind is going to raise taxes the day before the election? Now, come on, hon. members. The role of the government is to govern, and they'll do it the best way they see fit. Do you think this government had their say about a world oil price? I know hon. members will say, "Yeah, but if you'd put a platform in, we wouldn't have this embarrassment." Big deal. You know, if I had sold Alberta Energy shares, Mr. Speaker, at \$27 instead of letting them go down to \$9, I'd have been brilliant too. You can't have it both ways.

I don't take any comfort, Mr. Speaker, that we have food banks in this province. I don't particularly take great pride in Albertans having the greatest number of VCRs in Canada or the greatest number of microwaves in Canada. I don't take particular pride in that. But I suppose you could say, "Hey, are we really doing that badly when we have our citizens owning all these things?" I'm not particularly proud of the fact it takes you three months now to buy a new car because there's such a lineup. I'm not particularly proud, Mr. Speaker, that last winter you could not get a trip to Hawaii for six weeks because they were fully booked. And at the same time, we have food banks. At the same time in my community we have a soup kitchen.

Mr. Speaker, what does that tell us? Surely, it tells us something about attitudes of the public. Is government to not only legislate morals and now they're to get in to ensure that everybody has the same? Mr. Speaker, with respect, I don't see that many people -- and I've been chairman of AADAC, and I'm a little bit familiar with the drunks ...

MS LAING: No kidding.

MR. GOGO: And I'm not referring to the hon. member who just let out that laugh. But, Mr. Speaker, as difficult as it is for some people in Alberta, most people in Alberta are reasonably well off. But why are they reasonably well off? Isn't it, to a certain extent, due to the government in this province for the last 25 or 50 years.

AN HON. MEMBER: OPEC.

MR. GOGO: OPEC, sure. OPEC is a recent innovation -- '73, hon. member. But you know, under Mr. Manning people didn't have it so bad. Now, come on. Be fair. The other day we were debating whether or not the PUB should be revised, and I heard the critics standing up condemning TransAlta Utilities for making all this money, when I've never read a regulation yet that prohibited you from going and buying part of TransAlta. It's called the stock market,

MR. GIBEAULT: On a point of order, Mr. Speaker. Neither the PUB nor TransAlta are the subject of the Bill before us.

MR. GOGO: Mr. Speaker, I learned a long time ago that it's so much easier to disagree with things you don't like to hear. It's like having some suggestions to certain problems when you don't understand what the problem is all about.

I simply say, in a nutshell, Mr. Speaker, it's been proven time and time again that when your outgo exceeds your income, your upkeep becomes your downfall. There's nothing new to that. This government is committed to a program; it's got the courage to come before the Legislature and the people of Alberta in a budget speech saying we've got to have \$1 billion more on the one hand in terms of revenue, and cut expenses by \$650 million on the other hand, and we will ensure that no one in Alberta who requires essential services will go without.

Now, what stronger statement could a government make? Surely, that's up to the public to decide, Mr. Speaker, I would suggest that if hon. members want to cut education more or cut health care more or cut something else more, then they should say so in this House, but they should not arbitrarily criticize the government's attempting to raise money to run the programs it's committed to. Therefore, Mr. Speaker, I support Bill 49.

MR. ACTING DEPUTY SPEAKER: The Member for Edmonton Belmont.

MR. SIGURDSON: Thank you, Mr. Speaker. I don't know if I can follow the Member for Lethbridge West, but let me tell you, I don't know if I would want to follow the Member for Lethbridge West.

SOME HON. MEMBERS: Sit down then.

MR. SIGURDSON: No, I think I'll stand on behalf of Albertans here tonight. I don't think I'll sit down and take a backseat to the corporate sector, as some of you opposite have. I think I'll stand and say a few words.

You know, Mr. Speaker, the minister tonight started off by saying this particular Bill was well thought out. It's appropriate that he would say that at an evening session, because when I was a little tyke my mother used to take me upstairs and tuck me into bed and tell me a fable. I always enjoyed an Aesop's fable, but this one, Bill 49 -- it looks like a fable from the brothers Grimm.

AN HON. MEMBER: Would you believe your mother?

MR. SIGURDSON: I would believe my mother before I'd believe you, hon. member.

But you know, Mr. Speaker, this is so well thought out, so very well thought out that we have a 1 percent surtax on everybody, regardless of income. It doesn't discriminate, this 1 percent surtax. No, it comes from everybody, regardless of ability to pay: 1 percent for everybody in Alberta, out of the pockets of average Albertans, people who can ill afford to pay the taxes that are there currently, let alone pay taxes that are about to be increased.

Now, the Treasurer said that Bill 49 was well thought out. Well thought out for whom? One looks at the constituency of Edmonton Belmont and what the makeup of that constituency is, my constituency. One would suggest that maybe that corner of Edmonton wasn't in the thoughts of the Provincial Treasurer when he and the bureaucrats permed Bill 49. One couldn't have thought too clearly, thought too well, or thought too long about this particular surtax, had they looked at the constituents of Edmonton Belmont.

Mr. Speaker, unemployment in Edmonton numbers about 50,000 folk, 11.4 percent. But let's look at where in Edmonton that 11.4 percent happen to reside. I would suggest that that 11.4 percent is a number far too high for the constituency of Edmonton Whitemud, the constituency where the Premier lives, the constituency that the Premier represents. I would suggest that 11.4 percent is far too high a percentage if we look at the constituency of Edmonton Parkallen, where the Government House Leader lives and represents. And I would suggest that it's far too high a number, that 11.4 percent, if we were to look at the number of unemployed in Edmonton Glenora. But on the flip side of that, if we look at that 11.4 percent and we look at Edmonton Belmont, we might very well suggest that 11.4 percent is far, far too low. You see, in the constituency of Edmonton Belmont we have a lot of people that used to be involved in the construction industry. We have an awful lot of people that were packinghouse workers, packinghouses that have shut down or been consolidated. Or for those who still work, they've had their wages reduced because of the actions of a particular owner, who happens to be a Tory supporter, who

has decided that they don't deserve the kind of income that they had a few short years ago.

I said that my constituency is made up of construction workers, electricians, plumbers and pipe fitters, carpenters, steel workers, and labourers. Twenty percent of the male work force of Edmonton Belmont is involved in the field of construction, or rather, to be more precise, "was" involved in the field of construction. Twenty percent, regardless of gender, of my constituency is involved in the areas of sales and service, and quite frankly, Mr. Speaker, with disposable income going down due to tax increases, dollars that are taken out of the economy, I'll bet that a number of those positions in the area of sales and service will be kissed good-bye. Twenty percent, again regardless of gender, of the constituents in Edmonton Belmont are involved in clerical work, and once again, if we take disposable dollars out of the economy, who is going to need a bookkeeper? Many companies will only have ledgers that will look as though as they're filled by the accounts receivable. We won't need too many bookkeepers to keep on adding another column of accounts receivable.

Not an awful lot of teachers reside in Edmonton Belmont, but we know what's happening to the teaching positions: they're being cut. We know what's happening to the health services; those positions, too, are being cut. That's the makeup of Edmonton Belmont, or at least of about 60 percent of it: construction, sales and service, teaching, health services, and clerical. The other 40 percent is involved in a variety of other services: transport, manufacturing, farming, and managerial, but they, too, have suffered.

Mr. Speaker, the unemployment rate in Edmonton Belmont isn't 11.4 percent; it's unfortunately somewhat higher. Unemployment in the field of construction is far too high. Farmers are losing their farms, teachers their jobs, and this government wants to add to the misery, increase the taxes to average Albertans. One might suggest that that's the Tory idea of helping: kick 'em while they're down because, by God, they've been down so long that obviously they like it, so let's help them stay down a little longer.

Another regressive measure in this Bill is in the area of housing. Thirty-five percent of my constituents happen to be renters: single moms, young families just starting out, young people just starting out. What will the passage of this Bill do? It removes the renters' tax credit, so not only do the renters in Edmonton Belmont get to enjoy contributing their share to clean up the economic mess we find ourselves in, but they also get the double whammy. They get hit a second time. They get hit with the loss of the renters' tax credit. Cuts in services, increase in taxes: that's not a recipe for debt reduction, Mr. Speaker; that's a recipe for pain for the average Albertan. When the Treasurer said that this Bill and the effects of this Bill were well thought out, it begs the question: for whom? For whom was it well thought out? For those in the corporate sector and for those who reside in Whitemud or Parkallen or Glenora perhaps, but not well thought out for those who happen to live in Edmonton Belmont.

The Member for Lethbridge West asked the question: what are the options? Well, just what are the options? Why don't we put people back to work using capital projects? You know, we found \$13 million for the alternative, the work-for-welfare program, because the minister was surprised that people wanted to work. I'm not surprised that people wanted to work, but I've been out canvassing. I've knocked on the doors of those who are involved in construction and those who are involved in sales

and service; they tell me that they want jobs. I'm not surprised by that. It's unfortunate to think that a minister of the Crown would be surprised to find out that people want to work.

The federal government, the kissing cousins, found billions of dollars for the defence industry. We found billions of dollars for destructive tools, and what do we find elsewhere? Cuts. Cuts in education, cuts in social services, and cuts in health care. That money could have gone to those areas. Had there been the political will, that money would have been made available, but there isn't that political will. [interjection] You know what happens when you create capital projects, hon. member? You put Albertans to work, and their dollars happen to generate more jobs, and they'll be productive members of society rather than relying on unemployment insurance and on the welfare rolls. That's what political will can do, and it's unfortunate to see that political will, with this government, has been lost. The ideological purity seems to be paramount to this government. Common sense would appear to have escaped.

This Bill, Mr. Speaker, is a regressive measure, and it ought to be reconsidered.

MR. YOUNG: Mr. Speaker, I beg leave to adjourn the debate.

MR. ACTING DEPUTY SPEAKER: It's been moved by the Acting Government House Leader that we adjourn debate on Bill 49. All those in favour, please say aye.

HON. MEMBERS: Aye.

MR. ACTING DEPUTY SPEAKER: Opposed? Carried.

MR. YOUNG: Mr. Speaker, I would request that Bill Pr. 19 be called.

head: PRIVATE BILLS (Second Reading)

Bill Pr. 19 Calgary Assessment of Annexed Lands Act, 1987

MR. STEWART: Mr. Speaker, I move second reading of Bill Pr. 19, the Calgary Assessment of Annexed Lands Act, 1987, standing in my name on the Order Paper. I do so on behalf of the sponsor of the Bill, the city of Calgary, but more importantly I do so on behalf of the 640,000 citizens of Calgary who are the persons most concerned with this Bill.

Mr. Speaker, this Bill is based on an important principle, that of fairness and equity in the assessment of the base of municipal taxation in Calgary. This Bill has received considerable attention, considerable time in committee hearings, and considerable debate in Private Bills Committee, and I know the petitioner would want me to express his appreciation to the members of the Private Bills Committee for the full consideration given to the Bill at that stage. It is an important process and one which did provide opportunity for hearings of the evidence from various intervenors as well as from the city as petitioner.

Mr. Speaker, I'd like to give a bit of background with respect to the Bill itself. In brief, between 25 and 30 years ago substantial portions of land were annexed to the city from surrounding municipalities. At that time an effort was made for an orderly and fair transition from a rural base assessment to an urban base. The annexation orders attempted to address this by visualizing

the future nature of development and established certain triggers that would mark the time at which such transition would fairly take place for any given taxpayer. Unfortunately, it was difficult to forecast the real nature of development as it subsequently took place. And while it was thought reasonable to say, for example, that subdivision to less than 20 acres would be a fair indication of urbanization, it was not recognized that there would be shopping centres in the future which could encompass more than 20 acres.

[Mr. Deputy Speaker in the Chair]

In any event, in an effort to clarify certain terms and remove anomalies in the orders, application was made to the Local Authorities Board, hearings were held, and new orders were granted and approved by cabinet in December of 1986.

That, Mr. Speaker, briefly summarizes the nature of the orders and their purposes, which background the Bill. Because of certain concerns raised about this Bill and because, unfortunately, the vast majority of the representations that were made by the intervenors at the time of the hearings were not relevant, really, to the provisions of the Bill itself, I feel a brief review of the purpose of the Bill is in order.

First of all, what does the Bill do? The Bill contains two sections. The first section confirms in statute the provisions of already existing orders of the Local Authorities Board which were amended and approved by cabinet in December 1986. It doesn't change the terms in any way; it confirms them. In addition, it makes the orders incontestable, with the result that section 1 of the Bill would in fact extinguish an existing appeal by two landowners who were in fact intervenors at the time of the Private Bills hearings. Why would this be necessary, and even more importantly, why would you ever think of extinguishing this due process of law in respect to these particular appellants? To appreciate the situation, Mr. Speaker, a few facts have to be stated.

Neither of the appellants are adversely affected by this Bill nor by the Local Authorities Board order which they contest. They remain sheltered by the orders. They have received written confirmation from the city to that effect as well. However, in effect they would like something more than that: they would want to roll back the clock to 1961 and in effect freeze it there. In other words, not only would they be taxed as if they were still in the rural municipality of Rocky View but also taxed as if it were still 1961. That is, of course, a benefit or advantage that no other taxpayer would have.

However, the situation is slightly more complex, Mr. Speaker. It is very possible that if these orders were overturned in this appeal, and there may be technicalities by which that is possible, the city -- and by that I mean the 640,000 citizens -- would have to refund tax to those shopping centres and other commercial landowners, and they would be assessed as if they were still sheltered rural lands. In all likelihood, the Local Authorities Board would have to rehear the entire matter, probably come to the same conclusion based on equity and fairness, and the next time around do it right to avoid any technical defaults. The liability to the city and hence to the taxpaying citizens of Calgary would be \$5 million to \$6 million a tax year, and probably two such tax years would be affected. When two appellants are unaffected in any event and 640,000 taxpayers stand to lose \$12 million and a fair basis of assessment is set aside, the greater public interest must prevail.

I think it is interesting to note that at the time of the private

member's Bill hearings, committee hearings, all of the intervenors that were there in respect to section 2 of this Bill felt that section 1 was in fact fair and proper. Section 2 of the Bill, Mr. Speaker, reinforces the effect of section 30 of the Tax Recovery Act, an existing provision which has been in place for 20 or 25 years, and which provides a period of six months within which claims for taxes in dispute must be made. The purpose of the six-month period is to set a reasonable period for such claims so that there is certainty in fiscal planning by municipalities.

[Mr. Speaker in the Chair]

It is important to note that the intervenors, on this point, have already exhausted their normal remedies with respect to their assessments. In addition, none of the intervenors have any existing right to claim a refund. They have all long passed their six-month period and are now endeavouring to claim the back taxes for many years ago. They claim that the courts may rule that section 30 is invalid, as being against the Charter of Rights, and if the six-month period is thrown out, they could jump on that opportunity and claim a refund of taxes paid, with the result that their developed urbanized lands would be taxed on a rural assessment base.

The important thing, Mr. Speaker, is that they can still carry on that action to challenge the section under the Charter. This Bill does not deny them access to make that claim. Their right to the courts is not denied. To succeed, they would have to challenge the Charter in any event. However, section 2 does reinforce our present legislation by saying that there is a valid purpose to the six-month period in this case and the greater public interest must prevail over opportunism. If the taxpayers involved in these orders were to succeed in striking down our current, existing legislation, then claims could be made for refunds of taxes for perhaps six years back, a total liability to 640,000 other Calgary taxpayers of \$32 million approximately. Should Calgary citizens take that risk or try to reinforce the present rules of the game in the name of fairness and equity? That is what this Bill is all about, Mr. Speaker.

MR. WRIGHT: Mr. Speaker, this is probably the most unusual private Bill that's come before this Assembly for a long time, if ever, not that I have any experience to speak about that, but just from the inquiries I have made. It's unusual because of the extraordinary nature of paragraph 2 of it, which removes retrospectively legal rights from some 1,200 or so citizens of Calgary, valued by the city itself on a worst case scenario at some \$42 million or \$43 million. Now, that is a most unusual step, everyone agrees, and normally will never be considered unless there are compelling reasons to do so. And I notice, unless I missed something, that the hon. Member for Calgary North Hill did not mention, in terms, this problem about the Bill and certainly not the value put upon it by the city.

I believe, however, the citizens of Calgary deserve this Bill because those rights that the Bill seeks to extinguish are rights which were never intended to be there and which are unjust. That's to say that they're unjust substantively speaking. They are rights which have accrued by interpretations of the provisions of the Bill which were never intended and which afford financial advantages in terms of taxes to people who are undeserving of them and should not have them. But -- and this is the problem, Mr. Speaker -- it was put through as a private Bill, and there can be considerable argument as to whether it should have been a private Bill or not. But far be it from me to get

technical about something like that and wish to deny relief because perhaps a better and more straightforward route could have been taken.

What is defective about what has occurred, Mr. Speaker, is the notice to the people affected. The Bill has met the requirements of a private Bill in terms of advertising, but we all know that those requirements are formal only, more or less formal. The advertisements in the *Alberta Gazette* are obviously formalities since few people read the *Alberta Gazette* at their breakfast table. The public notices are what counts, and the public notices here were the usual legal notices about three, four column inches and an inch wide in legal, technical terms that talked about quieting assessments and were just in the legal notice pages of the *Calgary Herald* for three consecutive weeks. This was all the notice that was given in this process of the intention to extinguish rights retrospectively valued by the city itself on a worst case basis at \$43 million.

The mayor of Calgary came up here to say that it was essential that we pass the Bill so as not to expose the citizens of Calgary to this unjust tax burden, and with that I agree. But, Mr. Speaker, the end does not justify the means. For ordinary justice to be satisfied, it was necessary to give reasonable notice to those people. The city itself said that with three days' work they could dig out all the people who could possibly be affected and produce their last known addresses. Personal service of all of them would be silly, but at least a letter to the last known address would be reasonable. I think something like that, together with a clear notice or two in the newspaper of some size with ordinary language being employed to say: "Look, you have these rights by reason of the interpretation that the courts have put upon these orders. We intend to take them away, even though they are in the past. We have very good reasons for that, which you can find out about if you wish, but that's what we are doing." And then you would be fair with them. I don't think it's good enough for us to be so satisfied, without hearing from the people we're taking these rights away from or giving them a chance to be heard, that those rights are worthless, that we can proceed in the knowledge that most of them don't know what we're doing to them.

So, although I want to be perfectly clear and say that I believe that the citizens of Calgary deserve these rights, they should not have them until they do what's right and just and reasonable with respect to notice so that you can give a chance to the people to make their case. Some of them turned up and made their case, and they didn't convince me at all. In fact, it made me more certain that I was right in accepting the city's case. These were skillfully argued by lawyers who I think thought their clients might be onto a good thing here.

But I repeat, Mr. Speaker, that I do not believe the end, which is laudable, justifies the means which have been employed, which was just a private Bill with minimum notice with no actual, substantive notice to these people, and think furthermore that although we can get away with it, as it were, legally speaking, we may well be saving up trouble for the city of Calgary because it will make it the easier to have even our Bill challenged under the Charter of Rights for failure of natural justice. There's a lot at stake here. There are shopping centres that are unjustly, in my opinion and in the opinion of those who proposed this Bill, taking advantage of these loopholes that were never intended. If they can find the means to fight it, they will, and I believe we are handing them a means to fight it by this inadequate notice.

So both on the principle that (a) the end does not justify the

means and this notice should have been given and (b) on the more down-to-earth point that I don't think it's doing the city of Calgary in the long run a service to pass it in this way, I most reluctantly have to speak against the Bill. I repeat; the substance of it we need, but the way it's been gone about has been wrong.

MR. SPEAKER: Calgary Buffalo, followed by Edmonton Glengarry,

MR. CHUMIR: Thank you, Mr. Speaker, I find this a very, very difficult and technical issue indeed, and have wrestled with it a great deal. In fact, I've changed my view and perspective of the legislation three or four times in the last three or four hours, and I finally have come to a final position.

I share the concerns of the hon. Member for Edmonton Strathcona with respect to notice, and I have other concerns as well, I must say that I do support section 1 insofar as its primary purpose is concerned, but I support it only to the extent that it doesn't in fact affect existing legal actions that have been commenced. The primary purpose of section 1 is, as has been explained, to confirm the law with respect to certain provisions of the Local Authorities Board orders in issue.

However, while it has that primary concern, it also goes farther and affects two actions which have been commenced prior to the introduction of this legislation, and that relates to the Chisan and the MacPherson actions. Now, I gather there is concern that if these actions advance and if they are successful, they will have implications far beyond the taxpayers involved. Indeed, the hon. Member for Calgary North Hill in his opening comments indicated that as far as he was aware, these particular litigants in fact had no money at stake in respect of these particular orders, but the consequence of their litigation could in fact be the upsetting of the whole order, thereby affecting the application of those orders to each and every potential affected taxpayer. I agree that that is a potential concern, but we don't need a blunderbuss to resolve that concern. There's no reason why this legislation cannot be phrased so that the rights with respect to these particular actions are preserved, but only to the extent that it impacts upon those particular litigants and not with respect to any other litigants. In other words, it could be stated that that litigation would not upset the order and the issue and thereby affect all landowners.

I have an almost identical concern with section 2, I support section 2 in its primary intent: that, I believe, of firming up -- in fact, when you look to its heart and soul, that of firming up the limitation period. I don't, however, support the section insofar as it affects existing claims, in the same manner as with section 1. It will be seen that section 2 is rather a heavy-handed provision, to say the least. Its motivation is a concern that the six-month limitation under the Tax Recovery Act could be upset by a Charter of Rights challenge. In my view, in light of some significant experience with the Charter, I have serious doubts that a challenge of that section under the Tax Recovery Act by the Charter would in fact succeed. But in the event that it did succeed, the theory behind section 2 is to provide an additional form of support for that limitation. It is not intended to provide any more interference with existing rights than would already pertain under the Tax Recovery Act; it merely provides another methodology, another legal mechanism for making it work. And to that extent, I would be supportive of that aim in principle.

I might note that I have some doubts that this mechanism in

fact would succeed if section 30 of the Tax Recovery Act were to fall. There's an old legal maxim that one can't do indirectly what you can't do directly, and this seems to me to be right at the heart of that particular maxim.

However, I do support the goal of a six-month limitation. I think it's very reasonable. A limitation similar and in fact of even greater harshness I understand applies to the city. It's a limitation which only applies to each individual year's assessment, so you get another kick at the can the next year. I believe it's quite reasonable from a community point of view and from the point of view of city budgeting. Accordingly, if this particular piece of legislation in section 2 improves the legal chances of making that limitation stick, then I'm supportive of it as well.

But there is a second dimension, as with section 1, and the second dimension is that it purports to extinguish existing litigation which has already been commenced. There are three cases which fall under that category, I understand. I believe it's unsound to interfere with existing claims once they have been started. There probably are precedents -- I'm not aware of any -- and I would certainly wish to hear a very strong and direct case made by the hon. Member for Calgary North Hill with respect to why we should be interfering with existing litigation. Why should we deviate from an honoured tradition which is at the foundation of our legal system? That case hasn't been made, and I will support this particular Bill in the absence of such a compelling case only if it keeps alive the existing actions. There is some doubt that it does so in the case of both section 1 and section 2. I would seek the assurance from the Member for Calgary North Hill that those rights will be protected, failing which I intend to vote against the legislation.

So in conclusion, I support in principle the primary focus and intent of sections 1 and 2, but I do not support the interference with actions which have already been commenced.

MR. SPEAKER: Edmonton Glengarry.

MR. YOUNIE: Thank you, Mr. Speaker. I won't take that long, and then Calgary Millican can get in on this.

Bill Pr. 19 was undoubtedly the most difficult to deal with of any that the Private Bills Committee has dealt with in my two sessions on it. I would say we spent more hours going over this Bill and discussing it and hearing from intervenors and from the proponents than we spent on all of the Bills we considered last session in that committee. It indicated a willingness to look at all sides.

I went through the same thought processes that the Member for Edmonton Strathcona did and shared the same concerns and yet came to a different conclusion. I think the reasons for coming to that different conclusion are very important. There was agreement on the committee -- and it might be hard to understand for those who didn't hear those hours and hours of hashing over and debating -- but there was general consensus that what the city was asking for was perfectly fair, that in fact the rights that a number of intervenors felt they had were not rights that the committee felt they should have, by and large, and that they were looking for a chance to go from a cheap tax ride to a cheaper tax ride and if at all possible a free tax ride. Now, I don't blame anyone who's in business for wanting to do that if it's legally possible. I would think it would be foolish not to. The question is: do we wish to in fact put Calgary in the position where they must see that happen for a fairly large number of property owners?

I am concerned that the city didn't go ahead right from the

start and write all of them a letter and say, "This is what the Bill will do; we feel what we're doing is fair," and have all of that kind of difficulty cleared up from the beginning, because nobody would be able to say, "I didn't know this was coming through; you did this behind my back." And I think that's a very important consideration. The reason it is not a big enough consideration for me to vote against the Bill is that after hearing from the intervenors who did find out through the newspaper advertisements or through phone calls from other property owners, I became convinced that all 1,200 of them could come before me and make their case and I would remain unconvinced. I could conceive of no argument that would convince me. For that reason I think I can support the Bill in spite of that lack of notification.

Another reason is that I feel we may be faced with a situation where if we tell the city of Calgary, "Make that notice and then come back," we will put them in a position where in fact we will be saying, "Put up the sandbags after the floodwaters have already receded." The precedents will be set, actions will be through, and in fact it will be too late for the intent and the process of the Bill to do any good for them. So for that reason, in spite of my grave reservations about the lack of notice, I would support the city's need to have that Bill passed.

AN HON. MEMBER: Question.

MR. SPEAKER: There's a call for the question. Calgary McCall.

MR. NELSON: Just hold your horses.

Thank you, Mr. Speaker. Unfortunately, those speeches that I have will -- the other part of it will have to wait until committee because some of the documentation is with my researcher. However, I'm going to take this opportunity tonight to briefly discuss Pr. 19. I guess the first question I have to ask is: why is this Bill here in the first place? The bottom line really is: the administration of the city of Calgary blew it.

Mr. Speaker, some years ago the city made some applications to have board order 25860 removed or changed to an extent that would have possibly meant that people that were annexed into the city of Calgary were taken out of the protection of that order. Rather than making an effort during the times of economic boom, if I might use those terms, to identify the content of the order so that we didn't reach the situation we are in today, where there are large corporate citizens on acres of land -- and it's already been identified as 20-plus acres -- who have been protected by this order, would have probably had the order changed to the extent that these people would have not been covered and protected as they apparently are under the present order or at least prior to it being amended last fall. Therefore, because of the city of Calgary's -- I shouldn't say "the city of Calgary" directly, because I'm talking about its citizens. I'll use the city of Calgary in the context that its administration -- its high-paid administrators: planners, lawyers, bureaucrats, and what have you -- on behalf of those citizens did not do their job properly or in its entirety.

I think the city of Calgary should make it known through their elected representatives in the city of Calgary the dissatisfaction that should be felt to them, and through them to those people who are in fact responsible for this action that has had to be taken and brought to the Legislature to really try to cover their backsides for their inability to look forward at the time they should have.

Mr. Speaker, there are a couple of people, a couple of citizens -- an unemployed person, a senior citizen -- who have in fact taken the city on with regards to these board orders, in particular 25860 and the amended version, I think it's 18119, that we're discussing here in Bill Pr. 19 that the city has found the need to bring forward. It's interesting to note that under normal circumstances the citizens can take on the corporate giant, the government, the city, and they can create a logjam to the extent where the city has to become such a defensive corporate entity that they have to reach into the bowels of the Legislature to assist them to get out of their predicament. And that's what they are doing.

The city administration has over the years treated some of its citizens with disdain and contempt. The arrogance of the city in presenting their case to the Private Bills Committee in fact made myself mad, and in talking to some of the members, it made them a little uneasy. They came here with so much overconfidence; their arrogance really did show. In fact, Mr. Speaker, one of the people that has tried to bring their full case forward feels that he has still not been heard, that he's been shortchanged in presenting his whole case, and that concern is still there.

Mr. Speaker, one of the areas -- and probably one of the reasons this Bill is here today is because of the long-standing issues relevant to a couple of our citizens. The term they use has been harassment. And continually having to go to the city, the court of revision, and the Alberta Assessment Appeal Board on a regular basis ... In fact, if this continual harassment had not occurred to these two citizens of that city, we would not be here today discussing this Bill. The last nine years that I have been involved with some of the difficulties these people have had has been such that we could have saved ourselves and them and the city a lot of time and money. How much money do you think it's cost the city to send people in here to lobby? And high expense lawyers and administrators on a weekly basis -- three days in one particular week and probably one here for the balance of this week or a good part of it. How much money does it cost the citizens of Calgary to do that? A lot. I estimated that the first three days when three or four of them were here it probably cost \$15,000, considering what a lawyer charges.

Mr. Speaker, in 1981 two of our good citizens were refused to be heard by the court of revision, and of course they ended up having to pay the tax bill. The following year they won their case through the Assessment Appeal Board. Then the next year what had already been determined by the AAAB -- the city determined that they didn't like that decision, so they jacked it up again and had to go through the process again. I know, because I was a witness at those AAAB hearings on behalf of our good citizens: an unemployed person and a senior citizen. That's how the city of Calgary has treated these two good people.

Mr. Speaker, I know as well as all members here that there was no intent when board order 25860 was passed that fairness and equity would not ultimately pass down in some form, but the city did not do their job to ensure that that form did occur. They didn't have the order changed into its proper context, so they may in fact do what they have done outside of the board order over the last number of years. During those years, of course, as it's already been identified, transitions have taken place, severe transitions during those high performance years of economic boom, with shopping centres and development of large warehouses and various other things on 20-plus acreages. Really, the bottom line is that when those things happened, I guess we all got caught up in that growth, unfortunately, and we

miscued. So the city blew it.

I also attended a part of the hearing last fall with the LAB and heard some of the submissions. Unfortunately, they're not professionals. They are unable to give and explore their feelings out into these hearings. It's very difficult for many people, and they're very nervous, as I'm sure some of us get nervous when you stand up here and speak occasionally.

The question has been asked about section 2 of this Bill, about removing some due processes. Well, I'm not a person with a legal background so I have to rely on our legal friends who have been closer to the process of law and so on, and I'm not sure that I agree that we should be removing some part of allowing people to go through that due process. A comment was made tonight with regards to some of these people -- I think Chisan and MacPherson were named in particular -- that they wanted something more than what they were entitled to. Well, Mr. Speaker, I think that is not only a very poor statement but it's totally incorrect, and I say that with all due respect to the member who made it, because I don't think that's a fair assessment of what has transpired here.

I think some of the reasons this is here also is because of a court case in Ontario that squashed a three-month limitation period. In the Ontario situation, I believe, a person had only three months to appeal a certain situation, they appealed that to the court, and the court overturned the particular limitation. I think that's one of the reasons we have this here today.

There's been a lot of discussion during the hearings regarding Bill Pr. 19 with regards to how many dollars would be involved insofar as: what would it cost the city of Calgary taxpayer if Bill Pr. 19 is not passed? I think the whole thing is speculative. We don't know. It may cost them nothing; it may cost them \$42 million.

I'm not sure there are 1,200 people that are concerned about this, because many of these lands that are under question are in my constituency, a vast number of them. There are a couple of shopping centres in the constituency. I have no feeling for those people whatsoever, as far as trying to recover taxes from the city of Calgary. They're competing in a market, and they should pay the same as another shopping centre that is not covered or protected by this order. There are people who have acreages who have not changed their land form or use since the annexation order was first proceeded with in 1961. I have had a meeting with those people, in fact just prior to the board order being dealt with by cabinet last December, and I felt that they were satisfied that they were protected with the triggering mechanisms that are now available to them by the city of Calgary. I have indicated to Chisan and MacPherson that it is my firm belief that in fact they are protected. Mr. MacPherson, I believe, feels that he is. Mr. Chisan has some difficulty with one portion of that amended annexation order, and the word he has a problem with is "notwithstanding." Because I guess it can be very interpretive insofar as what it may mean if it was to be taken to the courts of the land.

It's interesting to note that another one of the reasons that this Bill is here is it's a legal loophole, and the city is backtracking and trying to cover that loophole, possibly, and therefore remove through legislation the possibility of further action by people who have already commenced an action against the city of Calgary.

So, Mr. Speaker, I had a nice, long half-hour speech, but I'm going to cut it short tonight. When it reaches committee, I will certainly be presenting some additional information that may take the full half hour or more, and I'm sure you're all enamored

with that thought. In any event, I would like to indicate to you that I will vote to support this Bill with much reluctance, basically because I think the city of Calgary's administration has not done a good job, has done a very poor job in the past, but I don't think that the larger taxpayer, being the 640-some thousand people of the city of Calgary, should have to pay for their inabilities, for that administration's inability, to do their job and do it well. Because in this particular case, Mr. Speaker, through the harassment and other things, as far as I am concerned, that administration -- or I should clarify that; a part of that administration. I don't want to encompass the whole administration of the city because there are some excellent people working and doing a very good job. However, there are a certain number of that administration that did not do their job, did not have any forethought whatsoever with regards to this particular annexation order and possibly other ones; 20027 was another one. So it's with a great deal of reluctance -- and I can assure you that other information will be provided during committee.

Thank you.

MR. MUSGREAVE: Mr. Speaker, I just want to make a few quick comments. It disturbs me that it's obvious that some citizens of Calgary are trying to use the Charter of Rights to escape paying taxes. It's deplorable, in my opinion, that business enterprises who enjoy the benefits of city living would try to weasel out of paying their taxes. They did not object previously, but now they are trying to avoid their fair share. Why? In my opinion, it's that old problem of one of the applications of the seven deadly sins called greed. It's a sad commentary, and it's grist for the mill for those who oppose the capitalistic, free-enterprise system that these are the kind of actions they love to quote, *ad infinitum*, *ad nauseam*.

As an aside, Mr. Speaker, unless we control the enrollment in our law schools for a period of years, I think we can expect more challenges flowing from the Charter. In my opinion, some lawyers have a lifetime tenure just fighting Charter-related cases. I sympathized with the hon. Member for Edmonton Strathcona on the difficult side of this question, and that is the question of notice. However, being a member of city council for seven years, we're always struggling with proper notice. We used to have newspaper ads worded in fairly straightforward language. We put maps in the newspapers. We put notices on the property. We did all sorts of things. Invariably people would still come to council and say they didn't know what we were proposing. In my opinion, what they were really saying was they were opposed to what was being proposed.

The hon. Member for Calgary Buffalo said the challenge to a six-month appeal period would not succeed under the Charter of Rights in his opinion, but I think the risk is too great to take, in my view. I think the fact that we are facing the possibility of thousands of citizens having to pay taxes that are not their fair share is too great a risk. With regard to the hon. Member for Calgary McCall, having been on council for seven years, I know it's very easy to criticize the city administration after the event. I would suggest to him that if the administration was so bad, why didn't he start with the board of commissions and suggest that some of them be dismissed?

MR. NELSON: Mr. Speaker, I already did that.

MR. MUSGREAVE: What bothers me though, Mr. Speaker, is that if these citizens were being unfairly treated, I'm surprised there was not more publicity with regard to this issue and more

aldermen being concerned about it. The hon. Member for Edmonton Glengarry, I think it was, mentioned the fact that the hearings on Bill Pr. 19 were lengthy, but frequently it was because we were listening to material that was not relevant to the case. And I think some of the debate we hear again tonight is in the same way.

In my opinion, the city council perhaps were the ones that weren't performing, not the administration, and I think it's up to them to make sure that the citizens are protected in their hearings, that they have fair counsel and they have adequate ability to make their cases. I agree with the hon. Member for Calgary McCall that it's very difficult for an ordinary citizen to go and present his case, but I think it's a responsibility of the city's administration to make sure that they are able to present their case.

MR. SPEAKER: Calgary Mountain View.

MR. HAWKESWORTH: Thank you, Mr. Speaker. I'd like to begin by saying that in the interests of brevity, the comments I make tonight I'm also offering on behalf of my colleague the Member for Calgary Forest Lawn.

Mr. Speaker, the most important, indeed, the overriding consideration of any tax system is that it be fair and treat all members of society with equity. As a result of two Public Utilities Board orders in 1957 and 1961 and the subsequent interpretations which were given to the wording contained in those orders, a significant inequity and unfairness has been introduced into the property tax system in the city of Calgary. In short, Mr. Speaker, the Public Utilities Board blew it years ago. To attack this particular inequity, Bill Pr. 19 has been introduced into this Legislature.

[Mr. Deputy Speaker in the Chair]

Now, I could go into a lot of the details about this Bill, but the member who introduced it has done a good job of that. I don't think, in view of the comments I've heard this evening, that the major concerns revolve around the content of the Bill. Indeed, I think there's a recognition from just about all members of the Assembly that the content is justified, and I hope that recognition is going to lead to speedy adoption of the Bill by the Assembly. But concerns appear to revolve around the process which led up to this Bill being introduced into the Assembly. In particular, I understand some of these concerns to largely focus around three particular issues. First of all is the lack of notification to affected landowners; secondly, a concern that this perhaps might more appropriately have been a public Bill instead of a private Bill; and thirdly is the consideration that this Bill retroactively removes rights which people presently enjoy, even though they may never have in the past exercised those rights. So I'd like to, in each one of these, focus my comments this evening, Mr. Speaker.

The first one: was the notification adequate, or was it in fact inadequate? Well, Mr. Speaker, when the city initiated proceedings before the Local Authorities Board -- I believe it was last year -- the city of Calgary sent individual notifications to every property owner affected by the two Public Utilities Board orders, and I'm led to believe that approximately 1,400 to 1,500 notifications were sent out. Now, the Bill which is in front of us, Bill Pr. 19, is the culmination of that process which was initiated last year. So all those people were notified that the city intended to move to close the loopholes created by the wording in the Public Utilities Board orders.

I'm also informed, Mr. Speaker, that as a result of that notification somewhere between 30 and perhaps 40 people appeared at the Local Authorities Board hearings. Indeed, as a result of the representations they made to the Local Authorities Board, the city made some changes to their application in order to respond to the concerns which were raised. Indeed, when the Local Authorities Board decision was referred to cabinet, certain amendments were made by cabinet to incorporate the changes which the city of Calgary requested. So throughout the process, Mr. Speaker, the city of Calgary believed that they had acted responsibly in the notification to affected landowners, and furthermore they acted responsibly by responding to the legitimate concerns which were raised by some of those interventions.

Now, some might argue that more extensive notification should have been followed once it was decided to proceed with a private Bill. I hope members of the Assembly will not make a mistake on this point. The city of Calgary followed all the requirements laid down for the notification under a private Bill. There were no shortcuts taken; nothing less than that which was required was followed. Now, there might be some who feel that the requirements in this particular instance were inadequate, and that might be. But the difference of opinion is with the requirements, not with the city of Calgary, and it seems to me that the city of Calgary should not be penalized or misjudged because they followed the rules which were set down. I think that in this instance, if there are objections, those should be more properly focused towards the rules and the minimum requirements, not towards the city of Calgary's application.

Now, while it might be desirable to renotify people that are affected by Bill Pr. 19, circumstances are such that to change the rules and impose a new requirement so late in the day might well jeopardize the city's legitimate interest in the matter and would therefore be unfair. Indeed, Mr. Speaker, I understand that the Private Bills Committee considered this very suggestion and decided that such a change in the rules was unwarranted at that point in time and did not add that requirement to this particular process.

I'd like to turn my attention, Mr. Speaker, to the second question: whether this should more properly have been introduced as a public Bill. I believe there are strong arguments, actually, in favour of this being a public Bill instead of a private one, its incorporating, as it does, certain decisions which have been taken by the Lieutenant Governor in Council. And with that sort of as a background, I think there are very strong arguments that this should be a public Bill and not a private Bill. I also believe that this was the first preference of the city of Calgary. This is the way they would have preferred to have had this matter dealt with by the Assembly.

But I will only observe, Mr. Speaker, that there would have been absolutely no public notification required had this been a public Bill, and there would have been absolutely no requirement for public hearings had this been a public Bill as opposed to a private Bill. So while some might have reservations about the consultation process surrounding the review of this Bill as a private Bill, there would inevitably have been far less public input had it been conducted through the Assembly as a public Bill.

The third question, Mr. Speaker: are any rights being denied retroactively by this particular piece of legislation? In moving this Bill, the Member for Calgary North Hill referred to two individual actions, but as he pointed out, those actions and the situation of those two individuals apparently are not directly affected by this Bill, although by proceeding with these actions,

they might well open a door which others could walk through. There may also be speculative rights which are being quieted by Bill Pr. 19, and some might argue, as we've heard some reference to tonight, that it would be unfair to proceed to requiet those rights.

Well, I'd like to briefly consider this situation. Section 30 of the Tax Recovery Act, as others have already pointed out, has a six-month limitation period in which people can seek to recover taxes which they have already paid. This compares to a six-year limitation period for debt recovery. The concern is whether those two differences in time limitations could be viewed by the courts as discriminatory, and if this were subject to a challenge in the courts by an appeal, for example, to the Charter of Rights, there is a possibility that this discrepancy would be noted and that section 30 might be struck down. If that were in some future event to occur, one could argue tonight that Bill Pr. 19 is reducing those rights, but equally one might argue that section 30 could be upheld by a court. In such an event, Bill Pr. 19 could not be construed to affect in any way the rights of landowners as far as it comes to the collection of taxes previously paid. This is why I say that rights that might be construed to be affected by Bill Pr. 19 are speculative. The rights have not been established by the courts, although one can speculate that they might be, were an individual to pursue the matter.

But as I read it -- and again I'm not a lawyer -- this Bill does not prevent anyone from pursuing the matter through the courts. I acknowledge that this Bill strengthens the position of the city of Calgary in the event that section 30 of the Tax Recovery Act is challenged in the courts, but I don't feel that we should be mistaking that with the notion that rights are being taken away retroactively. If any rights exist, Mr. Speaker, they exist because of sloppy wording in the Public Utilities Board orders dating back almost 30 years. It's clear that wording has been interpreted in ways which were never intended, and the city of Calgary is attempting to correct that situation and re-establish the original spirit and intent of those board orders. Indeed, these what have been referred to as speculative rights have not been exercised by the vast majority of those landowners.

So I do not believe that the Assembly is acting unfairly by proceeding with this Bill. Indeed, as I said earlier, Mr. Speaker, our prime concern, given the unique circumstances surrounding this particular Bill, ought to be to re-establish equity and fairness in the city of Calgary property tax system. I'm not one to advocate the retroactive removal of rights by any legislative body, but given the unique circumstances surrounding matters dealt with by this Bill, I believe the greater public interest of a fair and equitable tax system must govern our actions in this Assembly. I believe the greater unfairness would be to leave in place a clearly unfair property tax system. Therefore, I would urge members to speedily pass Bill Pr. 19 in order to re-establish a fair property tax system in that city.

Thank you.

MR. DEPUTY SPEAKER: Are you ready for the question on Bill Pr. 19?

SOME HON. MEMBERS: Question.

[Motion carried; Bill Pr. 19 read a second time]

MR. YOUNG: Mr. Speaker, I move that you do now leave the Chair and the Assembly resolve itself into Committee of Supply.

[Motion carried]

head: **COMMITTEE OF SUPPLY**

[Mr. Gogo in the Chair]

1987-88 Alberta Capital Fund Estimates

Environment

3 — Construction of Water Development Projects

MR. CHAIRMAN: Members of the committee, Department of the Environment, vote 3, on page 13 of the Capital Fund estimates. Are you ready for the question?

Hon. Member for Edmonton Beverly.

MR. EWASIUK: Thank you, Mr. Chairman. I just want to say just a few more words relative to this particular Bill. I was just going to conclude my comments when we adjourned at 5:30. I want to say that the community wants the least possible disruption as possibly can happen as a result of development of the Oldman River dam. We feel that the government shouldn't change its rules and frustrate the landowners in a particular area as a result of taking away the land and the opportunity for people to farm the land they've had for many years just because of a change in policy.

So, Mr. Chairman, I'll conclude my remarks with that statement.

MR. CHAIRMAN: Hon. Member for Edmonton Kingsway.

MR. McEACHERN: Yes, Mr. Chairman, just a very small point. I did raise some general questions about the Capital Fund estimates the other day and didn't really feel that I got an answer. It's part of the problem, I guess, of having sort of three specific votes on very specific topics when I asked my questions generally about the Capital Fund. But they are already in the *Hansard* record, so I would just appreciate it if we could get the Treasurer or someone to look back at those and maybe give us a written reply or something like that, rather than hold up the Assembly and ask him again.

MR. CHAIRMAN: Hon. Member for Edmonton Kingsway, perhaps you could direct that to the Acting Government House Leader, if that's a question. You can't put a question to the Chair. Perhaps, Edmonton Kingsway, you could raise that now with the Acting Government House Leader.

MR. McEACHERN: I'm sure he heard me.

MR. YOUNG: Mr. Chairman, if I understood the question correctly, which is the relationship of these estimates, then I think I've heard the Provincial Treasurer go through that several times.

MR. McEACHERN: Well, I put some very specific questions on the record the other day, when we were talking about education early in the debate, and no one really did reply to them in detail. So I'm just asking if perhaps someone could look back at that record. It wasn't about education; it was about the general fund. As you know, there are sort of three specific parts to the fund, and I didn't want to ask questions about the individual parts; my colleagues were doing that. I wanted to ask some gen-

eral questions about the fund and the numbers, the dollars: that sort of thing. I would appreciate it if perhaps the Treasurer or the House leader would take a look at those questions. Rather than repeating them now and asking you to go through it again tonight, would someone would look at the record, or perhaps the Treasurer could, and give me something in writing in reply?

MR. YOUNG: Mr. Chairman, in those circumstances I will ask the Provincial Treasurer to take a look at those questions and respond with a brief note.

MR. McEACHERN: Thank you.

MR. CHAIRMAN: Minister of the Environment.

MR. KOWALSKI: Thank you very much, Mr. Chairman. There were a number of important questions raised by hon. members this afternoon and this evening with respect to the Capital Fund, the Oldman River dam. I appreciate the input from my colleague from Pincher Creek-Crowsnest, and I very much appreciate the input he provided to the fund and the item we were discussing this afternoon.

With respect to a couple of the questions raised by the Member for Edmonton Glengarry, the figure I gave of about 77 percent local input and local content in fact related to manpower hours rather than positions. So in fact we are doing exactly what the Member for Edmonton Glengarry was hoping we were doing this afternoon, and I appreciate his raising the question for clarification. He can be assured that the Assembly will be provided with an accounting annually as we go through the estimates for the Oldman River dam, as we get to 1991 and the fill of the reservoir. He can be assured once again that this is not a plot conceived by someone, that somehow we're going to take water from the high Arctic and move it down through Alberta, through a series of conduits that will not become a reality and all of a sudden somebody pulls a plug or issues a press release saying that this is happening. He can relax with respect to that matter.

In terms of the question from the Member for Cardston, I draw his attention to the update I circulated this afternoon. The last paragraph on the first page indicates that I'm going to be opening the dam for visitation, and it will serve as a new tourist attraction beginning in 1987 as well.

The Member for Cypress-Redcliff: thank you for making no comments other than your interest in the goings-on with respect to this particular project.

The Member for Westlock-Sturgeon unfortunately was once again on the wrong topic on the wrong day -- I guess in the right Assembly -- so I simply can't respond to questions he raised. They were completely off base once again.

To the Member for Edmonton Beverly: I very much appreciate the comments he made with respect to land acquisition. I would like to point out to him that we've now obtained really some 81 percent of the land, and we're attempting to bend over backwards to try and accommodate local requests to this.

The hon. House leader has responded to the question from the Member for Edmonton Kingsway.

So, Mr. Chairman, that just about sums it up, and I'd appreciate being in a position to move that the vote be reported.

MR. CHAIRMAN: Are you ready for the question?

SOME HON. MEMBERS: Question.

Agreed to:

Total Vote 3 -- Construction of
Water Development Projects \$36,800,000

MR. KOWALSKI: Mr. Chairman, I move that the vote be reported.

[Motion carried]

MR. YOUNG: Mr. Chairman, I move that the committee rise, report, and beg leave to sit again.

[Motion carried]

[Mr. Speaker in the Chair]

MR. GOGO: Mr. Speaker, the Committee of Supply has had under consideration the following resolutions and reports as

follows.

Resolved that there be granted to Her Majesty for the fiscal year ending March 31, 1988, a sum from the Alberta Capital Fund not exceeding the following for the department and purpose indicated. The Department of the Environment: \$36,800,000 for construction of water development projects.

MR. SPEAKER: Having heard the report, do you agree?

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed?

SOME HON. MEMBERS: No.

MR. SPEAKER: Carried.

[At 11:25 p.m. the House adjourned to Tuesday at 2:30 p.m.]