

Legislative Assembly of Alberta

Title: **Monday, May 15, 2000**

1:30 p.m.

Date: 00/05/15

[The Speaker in the chair]

head: Prayers

THE SPEAKER: Good afternoon.

Let us pray. On this day let us be guided by Your eternal wisdom and confidence that You believe in all of us. Amen.

Hon. members, would you please remain standing now for the singing of our national anthem.

O Canada, our home and native land!
True patriot love in all thy sons command.
With glowing hearts we see thee rise,
The True North strong and free!
From far and wide, O Canada,
We stand on guard for thee.
God keep our land glorious and free!
O Canada, we stand on guard for thee.
O Canada, we stand on guard for thee.

Please be seated.

head: Introduction of Visitors

MRS. McCLELLAN: Mr. Speaker, I'm pleased to introduce to you and through you to members of the Assembly a very special group of officials with us today representing provincial and municipal governments of Komi and Karelia and Novgorod Oblast in Russia. The delegation members are visiting Alberta under the Canadian International Development Agency's Canada/Russia parliamentary program. While in Alberta the delegation members are examining the Canadian model of federal/provincial relations in secondary education and health care as well as the roles and responsibilities of municipal governments. These visits and exchanges serve to increase our understanding of Russia as an important partner for Canada and for Alberta and will hopefully lead to greater co-operation in the future. I would like to take this opportunity to wish our visitors a very successful and memorable trip to Alberta.

Mr. Speaker, I would ask our honoured guests to please rise in your gallery and receive the very warm and hospitable welcome of this Legislature.

head: Presenting Petitions

THE SPEAKER: The hon. Member for Lethbridge-East.

DR. NICOL: Thank you, Mr. Speaker. It's a real privilege today to stand and present a petition from 2,003 Albertans from Lethbridge, Calgary, Taber, Fort Macleod, Coleman, Airdrie, Magrath, Coaldale, Coalhurst, Medicine Hat, Cardston, and Raymond. This petition is asking for two people on shift during dark to daylight hours in businesses in Alberta.

THE SPEAKER: The hon. Member for Edmonton-Manning.

MR. GIBBONS: Thank you, Mr. Speaker. It's my pleasure to present another petition today urging "the government to stop promoting private health care and undermining public health care." This is from 131 residents of Calgary, Edmonton, Lethbridge, and Coaldale.

THE SPEAKER: The hon. leader of the third party.

DR. PANNU: Thank you, Mr. Speaker. I would like to table a

petition signed by 72 Albertans opposed to privatization of health care. This brings the total number of signatures on this petition to 22,524 to date.

Thank you, Mr. Speaker.

head: Reading and Receiving Petitions

THE SPEAKER: The hon. Member for Edmonton-Glengarry.

MR. BONNER: Thank you very much, Mr. Speaker. I request that the petition I presented to the Assembly last week be now read and received.

Thank you.

THE CLERK:

We the undersigned citizens of Alberta petition the Legislative Assembly to urge the government to stop promoting private health care and undermining public health care.

THE SPEAKER: The hon. Member for Edmonton-Gold Bar.

MR. MacDONALD: Thank you very much, Mr. Speaker. I request that the petition I presented to the Legislative Assembly on May 11 regarding the disruptive and divisive labour dispute at the *Calgary Herald* be now read and received.

Thank you.

THE CLERK:

We, the undersigned, petition the [Legislative] assembly to urge the government to use its legislative powers to help resolve the labour disputes at the *Calgary Herald*.

THE SPEAKER: The hon. leader of the third party.

DR. PANNU: Thank you, Mr. Speaker. I request that the petition I presented last Thursday, May 11, now be read and received.

THE CLERK:

We the undersigned residents of the province of Alberta hereby petition the Legislative Assembly of Alberta to pass a Bill banning private for-profit hospitals in Alberta so that the integrity of the public, universal health care system may be maintained.

head: Tabling Returns and Reports

THE SPEAKER: The hon. Minister of Environment.

MR. MAR: Thank you, Mr. Speaker. I'm tabling the requisite number of copies, being eight, of my responses to written questions 2, 3, 4, 5, and 6.

MR. JONSON: Mr. Speaker, I'd like to table the required copies of the Schedule of Oral and Maxillofacial Surgery Benefits from the Alberta health care insurance plan Schedule of Medical Benefits Procedures List. I'm tabling these documents in response to questions raised by the Member for Edmonton-Riverview on April 17, 2000.

Thank you.

THE SPEAKER: The hon. Member for Edmonton-Norwood.

MS OLSEN: Thank you, Mr. Speaker. I have two tablings today. One is to the Minister of Economic Development asking him what activities have been suspended or canceled due to the murder, if you will, of a Canadian citizen in Vietnam as a result of an execution that

occurred while the Canadian government was still negotiating.

Another one is to the Minister of International and Intergovernmental Relations asking what sanctions her department would be undertaking in relation to the same Canadian citizen who was executed while the Canadian government was still undertaking to deal with her issue.

Thank you.

THE SPEAKER: The hon. Member for Edmonton-Manning.

MR. GIBBONS: Thank you, Mr. Speaker. I'm pleased to table the appropriate number of copies today of a ceremony we were at last Thursday, May 11 at the military base. It was the Steele barracks dedication ceremonies, and this is named after Major General Sir Samuel Benfield Steele.

THE SPEAKER: The hon. Member for Edmonton-Glenora.

MR. SAPERS: Thank you very much, Mr. Speaker. It's my pleasure today to table five copies of a document entitled Bridging Downtown and Inner City. I had the privilege of attending the 30th annual general meeting of the Edmonton City Centre Church Corporation last Friday. They are celebrating their first 30 years of providing services to the city of Edmonton and particularly to the residents of the inner city. This document, which was prepared by Kathryn Ivany and Beckie Garber-Conrad, is a real testimonial to all of the hard work they have done.

THE SPEAKER: The hon. Member for Edmonton-Riverview.

MRS. SLOAN: Thank you, Mr. Speaker. I'm pleased today to rise and table a copy of the report A Summary of the Alberta Suicide Data: Suicide and Self Inflicted Injuries, which highlights the fact that "since 1993, suicide has been . . . the leading cause of injury death among Albertans" with over 2,000 taking their lives between 1993 and 1997.

My second tabling today is the required number of copies of the program and accompanying information about the Alberta registered nurses educational trust. I was pleased to participate in the Edmonton Nightingale gala on Friday evening and to assist in raising money for nursing education and research.

Thank you.

THE SPEAKER: The hon. leader of the third party.

DR. PANNU: Thank you, Mr. Speaker. I have four different tablings today. The first one is a document from 1991 titled Your Views and Experiences Are Critical in the Development of New Environmental Regulations for Alberta, circulated by the then Minister of Environment, the present Premier. So we have those copies.

1:40

Mr. Speaker, I've got three letters. The first two are from Paulette Smith of Claresholm, and the second one is from Aileen Pelzer of Calgary, both of whom are opposed to the Genesis proposal for development of the Spray Lakes area of Kananaskis.

The last document is an e-mail from Jerry Smith of Medicine Hat, who is opposed to Bill 11.

Thank you, Mr. Speaker.

THE SPEAKER: Hon. members, there were a number of hands that went up, and I'm not sure I got them all. Any additional members?

head: Introduction of Guests

THE SPEAKER: The hon. Member for Calgary-Lougheed.

MS GRAHAM: Thank you, Mr. Speaker. This afternoon I'm very happy to introduce to you and other members of the Legislature two friends of mine from Calgary and also fellow lawyers. They are Janice Bruni of Bruni & Company. For many years in her practice Janice has acted as an agent for Alberta Justice in child welfare matters and also acts on behalf of the directors of child welfare for three First Nations. She's accompanied by Judith Park, also a lawyer but devoting herself to full-time real estate. She's with Re/Max Central in Calgary. They're both in the members' gallery, and I'd like them to rise and receive the warm welcome of this Assembly.

THE SPEAKER: The hon. Member for Clover Bar-Fort Saskatchewan.

MR. LOUGHEED: Thank you, Mr. Speaker. I'm pleased to introduce 38 students from two grade 6 classes from Pope John XXIII school in Fort Saskatchewan. They're accompanied by their teachers, Mrs. Vukovic and Mrs. McDonald. I'd ask them to please rise and receive the traditional warm welcome of the Assembly.

THE SPEAKER: The hon. Member for Redwater.

MR. BRODA: Thank you, Mr. Speaker. It gives me great pleasure to introduce to you and through you to the members of this Assembly Ms Melissa VanderLeek. Melissa is a home schooling student in grade 7 from Bon Accord. Her dad, Dave Linden, is the president of the press gallery. I would ask her to please rise and receive the warm welcome of the Assembly.

THE SPEAKER: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

MRS. SOETAERT: Thank you very much, Mr. Speaker. It's my pleasure to introduce to you and through you to members of the Assembly 43 students from Queen Street school in Spruce Grove. They're here with seven adults: their teachers, Mrs. Shannon McGann and Mr. Les Korn, and parent helpers Mrs. Edith Fehr, Mrs. Karina Beaudoin, Mrs. Barb Hawryluk, Mrs. Patricia Hamilton, and Mrs. Darlene Little. They're a great group of students who have had a good tour today, and I would ask all of them to please rise and receive the warm welcome of the Assembly. They are in both galleries.

THE SPEAKER: The hon. Member for Edmonton-Calder.

MR. WHITE: Thank you, sir. It's a fine day in May when I have the distinct honour and privilege to introduce to you and through you to the Members of the Legislative Assembly 15 students from McArthur elementary school that are here for a School at the Legislature week, which is a wonderful opportunity for them to learn about what we do and precisely how it's done. They're here today with their teacher, Nellie Puim, and teacher assistant Terri Schlader, and the helper is Marie Callihoo. They're in the public gallery, sir, if they would please rise and receive the warm welcome of the Assembly.

Thank you, sir.

MR. SHARIFF: Mr. Speaker, I have the great pleasure of introducing to you and through you to members of this Assembly Twila Tayfel. Twila is a constituent of Calgary-McCall, a fourth year

University of Calgary anthropology student, who is going to be spending a great deal of time in our office in Calgary. I request Twila to please rise and receive the traditional warm welcome of this Assembly.

THE SPEAKER: The hon. Member for Livingstone-Macleod.

MR. COUTTS: Thank you, Mr. Speaker. It gives me a great deal of pleasure today to introduce to you and through you to members of the Assembly a good friend of mine from Fort Macleod, a longtime businessman from that community, and now chair of the Chinook health region, Mr. Frank Eden. Accompanying Mr. Eden today is the senior vice-president from the Chinook health authority, Pam Whitnack. They are in the city today for some meetings. They're seated in the members' gallery. I ask them to please rise and receive the traditional warm welcome of the Assembly.

THE SPEAKER: The hon. Minister of Gaming.

MR. SMITH: Thank you, Mr. Speaker. Economics has been often referred to as the dismissal science, and it's my pleasure today to introduce to you and through you to members of the Assembly someone who brings light to the dismissal science, and that's a professor of economics at the University of Calgary, Dr. Kenneth McKenzie. Dr. McKenzie's research focuses on all aspects of public finance with an emphasis on tax policy. He has won several prestigious awards for the research, including the Harry Johnson award for best article in *The Canadian Journal of Economics* in 1996 and with co-author Ron Kneebone will be awarded later this year the Douglas Purvis memorial prize for excellence in a Canadian policy publication. As Bismarck once said: those who like sausage and those who like public policy should not watch either being made. I would hope that Dr. MacKenzie has made good sausage out of the public policy works that he's done, and I would ask him to rise and receive the warm welcome of the Assembly.

head: Oral Question Period

THE SPEAKER: First main question. The hon. Leader of the Official Opposition.

Edmonton-Highlands By-election

MRS. MacBETH: Thank you, Mr. Speaker. The people of Edmonton-Highlands have been without a representative in this Assembly since February 2 of this year. Certainly we in the Official Opposition have heard from many of the residents of Edmonton-Highlands, in fact at their doors, about their clear opposition to Bill 11 of this Legislature. My questions are to the Premier. Why has the Premier been afraid to call a by-election in Edmonton-Highlands until he had slammed the door shut on Bill 11 debate?

MR. KLEIN: Mr. Speaker, June 12 is hopefully going to be a good day for an election. It doesn't matter what issue is before this House or what issue is not before this House. An election is called when it's the right time to call an election. I could have waited until early September. This is two months earlier than the law requires us to call an election. I can't understand what the opposition leader is complaining about.

THE SPEAKER: The hon. Leader of the Official Opposition.

MRS. MacBETH: Thank you, Mr. Speaker. Can the Premier explain to the people of Edmonton-Highlands why he felt their voices were unnecessary in the debate on Bill 11?

MR. KLEIN: Mr. Speaker, as we speak, the campaign has begun, and if there are constituents in Edmonton-Highlands who want to express a view to the Liberal candidate from Leduc or the ND candidate from city council or our candidate, I'm sure that they will express those views.

THE SPEAKER: The Leader of the Official Opposition.

MRS. MacBETH: Thank you, Mr. Speaker. Given the Premier's admission in recent days that Bill 11 could result in higher costs and longer waiting lists, will the Premier come out to the Edmonton-Highlands constituency and debate with me his health policy before he signs a single contract for private operators?

MR. KLEIN: Mr. Speaker, this is not the leader of the Liberal opposition's by-election. This is not my by-election. This is not the leader of the third party's by-election. This by-election belongs to the candidates, and I look forward to their debate of that issue and all the other issues, particularly the issue of taxation, where the Liberals do not want to give 192,000 low-income Albertans a tax break. I would like to see them debate that.

THE SPEAKER: Second main question. The Leader of the Official Opposition.

Health Care Facilities Utilization

MRS. MacBETH: Well, thank you, Mr. Speaker. The current crisis in our public health care system was created by this government, which made its cuts without a plan. Even worse, in the eight years of this government's mandate there has been not a single accurate study on patient capacity in the health care system. In fact, this government admitted that there were no studies at all of patient capacity in the health care system in a letter to the MLA for Edmonton-Glenora in December of last year. My questions are to the Premier. How does the government propose to meet the requirements of their own Bill 11, section (8)(3), that requires full utilization of public facilities, before contracting out to private facilities when they don't have any measure of it?

1:50

MR. KLEIN: Mr. Speaker, I'm going to have the hon. Minister of Health and Wellness answer that question, but relative to the preamble, the crisis was created by the leader of the Liberal opposition when she was minister of health. It was this government that had to clean it up and to do all the fundamental reforms, but the crisis was created by a person by the name of Nancy Betkowski when she was the minister of health.

As to the question I'll have the hon. minister respond.

MR. JONSON: Mr. Speaker, we are able to provide fairly comprehensive data, and if I recall correctly, such data was provided recently in a reply to a letter from a member of the opposition.

We are taking a very major initiative through our utilization commission to get very detailed, very accurate information about our health care system and to be able to project the needs of the health care system very thoroughly, Mr. Speaker. That is one of the areas of work that I think we're probably leading the country in in terms of that overall comprehensive look at utilization.

MRS. MacBETH: Mr. Speaker, given that the government has finally figured out that they need a patient utilization study after we've been arguing for it for years, will this Premier assure Albertans that no existing or new contracts will be signed until a full and

accurate study of patient capacity has been completed and made public and shared with the people of this province?

MR. KLEIN: Mr. Speaker, a bill that the Liberals voted against clearly indicates that before any contract is let and I would presume renewed, a number of things have to be shown. One, it has to be shown that the contract will be cost effective, that it will serve to reduce waiting lists, and a number of other conditions. I don't know why they would be so concerned now, because they voted against all those measures that would have to be taken.

THE SPEAKER: The Leader of the Official Opposition.

MRS. MacBETH: Thank you, Mr. Speaker. I see the Premier still has no answers.

What is the contingency plan to ensure that patients will not suffer if existing private contracts are canceled?

MR. KLEIN: Well, again, I'm somewhat bewildered, Mr. Speaker. Why would she be concerned about existing contracts when the leader of the Liberal opposition has expressed her overall and her global opposition to the whole notion of surgical clinics?

THE SPEAKER: Third Official Opposition main question. The hon. Leader of the Official Opposition.

Income Tax

MRS. MacBETH: Thanks, Mr. Speaker. Albertans are looking forward to a provincial income tax cut. Certainly they need the money for new, higher utility rates, for school user fees, for fundraising, for higher property taxes, and for higher rents. We, of course, believe in tax cuts, but we believe in fair and sustainable tax cuts. Albertans are concerned that the people who will benefit from this government's tax policy changes are the same people who will benefit from this government's health privatization policy; namely, the very few with very high incomes. My first question is to the Premier. Will the Premier confirm that his tax policy means that 1 percent of Albertans with the highest income will get a 20 percent tax cut, while nearly 40 percent of Albertans in the middle-income category will see only a 13 percent tax cut? Will he confirm this?

Speaker's Ruling Anticipation

THE SPEAKER: Hon. the Premier, before I call on you, I just want to remind all members that we do have an Order Paper, and up for debate on this Order Paper this afternoon for second reading is something called Bill 18. If we're going to use the question period again to continue to debate, this sort of violates all the rules that we have.

I'll recognize the Premier.

Income Tax (continued)

MR. KLEIN: Well, Mr. Speaker, relative to policy, first of all, there is no privatization policy in health. There is a protection of health care policy, which the Liberals voted against. They voted against protecting the publicly funded system as we know it today.

I look forward to observing the debate on Bill 18 and the taxation policy of this government. Speaking to the policy, Mr. Speaker, the policy, which again purports to become law, would take about 192,000 low-income Albertans off the tax rolls completely as it pertains to provincial income tax, and they're going to vote against it. Watch them.

MRS. MacBETH: Mr. Speaker, will the Premier confirm that 1 percent of Albertans earning the highest incomes in this province will get an average tax reduction of nearly \$1,100 while 40 percent of Albertans in the middle-income category will get an average tax saving of only \$550?

MR. KLEIN: Mr. Speaker, I'm going to have the hon. Acting Provincial Treasurer respond, but just before he does, there are so many matrixes involved with this particular situation that it all depends whether the person is single, whether the person is married, depends on the deductions as to how much money will remain in the individual's or the family's pocket.

I'll have the hon. minister supplement.

THE SPEAKER: The hon. Acting Provincial Treasurer.

DR. WEST: Yes. I can confirm to the hon. Leader of the Official Opposition that the top 10 percent wage earners in this province pay 52 percent of all the tax in this province. If they believe over there that the progressivity of a tax system should penalize those aggressive people that started out at the lower incomes and worked themselves up, then they'd better state that to the people of Alberta emphatically.

The other thing I will point out is that they are misleading a bit of the people of Alberta by using total dollars when there are so many factors involved in the single-rate tax. They keep talking about the flat tax bill; it's actually a single rate of taxation. If you look at the categories and those percentages that they talk about, a single individual making \$20,000 would receive a 38 percent tax cut, whereas a dual-income family making \$100,000 will only see a 12 percent tax cut. A single individual making \$55,000 will get a 12 percent tax cut. That's a single individual without any children and that. A single-parent family making \$30,000 will see a whopping 276 percent tax cut. A single-income family making \$55,000 will see a 41 percent tax cut, and a single senior making \$20,000 will see a 62 percent tax cut.

I'm ashamed at where these people are trying to take this massive tax reduction in the province of Alberta.

MRS. MacBETH: Mr. Speaker, this question goes back to the Premier. Given that this government's cousins in Ontario's Queen's Park have rejected a flat tax, presumably because they realize it's unfair to middle-income earners and to working families, why does this government persist in pushing an unfair flat tax?

2:00

MR. KLEIN: Well, Mr. Speaker, you know, maybe in Ontario they're waiting to see what we do, because most of their fiscal reforms have all been a page out of our books. So I think that they'll see the flat tax. They'll watch it for a while, and they'll say: "Oh, my gosh, is that ever a good idea; is that ever working well. I think we'll do it too." I enjoy the competition with Ontario, particularly because they keep taking pages out of our books. They keep doing what we're doing relative to fiscal reform, and that's why Ontario and Alberta are the most economically vibrant provinces in Canada. And you know what? They're both Conservative provinces.

THE SPEAKER: The hon. leader of the third party.

Bill 11 Regulations

DR. PANNU: Thank you, Mr. Speaker. The Edmonton-Highlands by-election will be the first opportunity Albertans have to express at the ballot box their frustration and anger with this government's

health care privatization agenda. The government's heavy-handed approach is now extending to drafting regulations for Bill 11. Instead of doing a broad public consultation prior to finalizing regulations, the Minister of Health and Wellness said last week that there will only be closed-door consultations with a few affected stakeholders. My questions are to the Premier. Will the Premier confirm that in developing draft regulations for Bill 11, the government plans to consult only with regional health authorities, the College of Physicians and Surgeons, and private health care interests while excluding ordinary Albertans from the process?

MR. KLEIN: Mr. Speaker, the meat of this particular piece of legislation is in the legislation itself. As I understand it from the hon. Minister of Health and Wellness, the regulations are in nature mechanical, and that is the mechanics of implementing the legislation.

I'll have him respond.

MR. JONSON: Well, Mr. Speaker, first of all, as the Premier has indicated, this is very specific and detailed legislation as legislation goes, and yes, in certain sections there will be regulations that need to be established. They deal with, for instance, the College of Physicians and Surgeons and their concerns and the need to make sure the legislation meshes with their bylaws and their policy and decision-making process. Certainly we are committed to discussing the development of the regulations with the College of Physicians and Surgeons. I could go down the list of the four or five other groups that are key to the development of these regulations.

THE SPEAKER: The hon. leader of the third party.

DR. PANNU: Thank you, Mr. Speaker. I'm puzzled as to why the Premier is refusing to allow the same kind of broad-based public consultations in developing Bill 11 regulations as he allowed nine years ago when he was Environment minister.

MR. KLEIN: Mr. Speaker, that's a very interesting question, and I'm very happy that the hon. leader of the third party would allude to the Alberta Environmental Protection and Enhancement Act. The two pieces of legislation cannot be compared in any way, shape, or form. The environmental legislation that I had the pleasure to introduce and see through when I was minister of the environment involved the consolidation of nine different environmental acts, and those acts were highly regulatory. Unlike Bill 11 the acts set the framework, but really the meat was in the regulations.

In Bill 11 the meat is in the legislation, and the mechanics are in the regulations. So the two pieces of legislation and the regulations associated with them are totally and absolutely different. This is like comparing apples and oranges and grapes and bananas.

THE SPEAKER: The hon. leader of the third party.

DR. PANNU: Thank you, Mr. Speaker. While Albertans think Bill 11 will irreversibly damage the health care system, why does the government no longer care to listen to the concerns of Albertans as evidenced by ramming Bill 11 through the Legislature and now the refusal to broadly consult on the drafting of regulations?

MR. KLEIN: Mr. Speaker, I take great exception to that statement, because what the hon. leader of the third party fails to recognize is that there are now 52 surgical clinics operating, as I've pointed out before, performing some 152 different procedures and some 20,000 procedures a year. That has not had the kind of effect on the health

care system to which the hon. member alludes. This has been operating for some time.

I understand completely where this member is coming from. He would like to see and he has stated publicly – and the position is the same, I'm sure, as the Canadian Union of Public Employees and the Alberta Federation of Labour, who back the Friends of Medicare. Their position is quite clear. They would like to see the elimination completely of all surgical clinics, including the Morgentaler abortion clinics, and have those clinics put back over a three-year period into conventional full-scale public hospitals. That is their position, and I can understand why he would be concerned.

I don't think the majority of Albertans agree with that position. I don't think the majority of the medical profession agree with that position. As a matter of fact, the Alberta Medical Association has stated quite clearly that there will be always be contracting out. There is contracting out now, and there will always be contracting out. That of course is contrary to the position of the ND Party, and I accept that.

THE SPEAKER: The hon. Member for Edmonton-Beverly-Clareview, followed by the hon. Member for Edmonton-Mill Woods.

Hearing Aid Implants

MR. YANKOWSKY: Thank you, Mr. Speaker. A constituent of mine who has severe hearing loss attributed to childhood illness requires a bone-attached hearing aid, also known as the BAH system. Even though he needs this implant to continue his employment effectively, he is looking at a wait of a year or more for an interview and possibly another two- or three-year wait for the implant if he is accepted. Dr. John Di Toppa is the only specialist qualified to do these implants provincially and I understand, in fact, in western Canada. My questions are all to the Minister of Health and Wellness. Could the minister explain why Dr. Di Toppa is limited to 22 implants per year?

MR. JONSON: Mr. Speaker, the bone-anchored hearing aid, or BAH system, is a very new procedure. It involves a hearing aid being connected with a small titanium implant device, and that in turn adheres to bone behind the ear. This has been successful in restoring the hearing of individuals. It is still to some degree in, I guess you'd say, the experimental stage, but there has been a great deal of success. The priority currently for the program is children who have this condition, particularly those who are born with an incomplete ear canal or a congenital deformity.

Limited budget and limited capacity are involved here, Mr. Speaker. We're doing about 20 to 22 implant procedures per year, and over the life of the program thus far there have been about 150 people that have received the operation. We acknowledge that there are waiting lists, but there is a careful look taken at the priorities of individuals who come forward for the procedure, and the physicians manage the list accordingly.

THE SPEAKER: The hon. Member for Edmonton-Beverly-Clareview.

MR. YANKOWSKY: Thank you, Mr. Speaker. Could the minister say if he is planning a review of this 22 implant limit?

MR. JONSON: Well, Mr. Speaker, as I understand the history of the program, we have increased the funding for it. It is a procedure which on average costs \$18,000 per case. As I look at the years involved, tracing it back to 1998, there has been a modest increase

in the number of procedures done each year, and I expect that in the coming year's budget there will be more procedures done, although I cannot indicate at this time that every single person that might want or qualify for this procedure will be covered.

THE SPEAKER: The hon. Member for Edmonton-Beverly-Clareview.

MR. YANKOWSKY: Thank you, Mr. Speaker. Could the minister tell this Assembly if there is anything he can do to ensure that a replacement is trained to replace Dr. Di Toppa should he ever choose to leave his practice for whatever reason, leaving Albertans with no BAH system specialists?

2:10

MR. JONSON: Mr. Speaker, Dr. Di Toppa is, of course, a special specialized doctor. We're very fortunate to have him working in this province. We do, however, have vehicles in place for the recruitment of physicians. We work with the College of Physicians and Surgeons and the AMA but particularly the college through our overall physician resource plan in this province, the one through which we have been able to recruit doctors very successfully for rural areas and where also we've had considerable success in recruiting people for combined research and patient practices in our major centres. Certainly the structure, the mechanism is in place to go out when we have a need and endeavour to recruit specialists that are needed and in very limited supply.

THE SPEAKER: The hon. Member for Edmonton-Mill Woods, followed by the hon. Member for St. Albert.

School Fund-raising

DR. MASSEY: Thank you very much, Mr. Speaker. In an e-mail to the Premier a Calgary parent wrote in part:

My daughter recently came home with a letter from her school, attached to a Casino Volunteer Worker Application . . . At the bottom . . . was the following . . .

Prizes will be given to each student returning a completed application form from their parents!!

My questions are to the Premier. How widespread is the practice of bribing children to get parents involved in gambling to raise school funds?

MR. KLEIN: Mr. Speaker, as to how widespread it is, I really don't know. I don't believe that it is widespread.

Relative to the specific matter that was raised by the hon. member, I'll have the hon. minister respond.

THE SPEAKER: The hon. Minister of Learning.

DR. OBERG: Thank you very much, Mr. Speaker. That kind of behaviour, that kind of issue from the school is completely intolerable, and if the hon. member will pass the name of the school and the child on to me, I will certainly take a look at it. I will also get the e-mail from the Premier and take a look at it, because that is not acceptable.

DR. MASSEY: Mr. Speaker, to the Premier: when can Albertans expect to see an end to user fees, to fund-raising, and to casinos and to have their schools adequately funded?

MR. KLEIN: Mr. Speaker, relative to the fundamentals of education schools are adequately funded. We have a tremendous commitment

in this province to education, both at the secondary level and at the public and primary level.

Mr. Speaker, relative to the nice to haves and the extras it has always been the custom of schools to enter into fund-raising campaigns.

Again, I'll have the hon. minister respond.

THE SPEAKER: The hon. Minister of Learning.

DR. OBERG: Thanks very much, Mr. Speaker. I raised this exact issue with the Alberta School Boards Association back in the fall, and they assured me at that time that school fees, school fund-raising were also of concern to them. They essentially said: leave it to us; we will come forward with a plan that will stop this. I said that it is completely unacceptable for students in Alberta to fund-raise for textbooks. Consequently what you saw in the last budget was an 8.8 percent increase to the schools. To put that in comparison, the New Democrat government in Manitoba recently increased their budget for education by 4.5 percent. We are a good 4 and a half percent higher than that.

Mr. Speaker, fund-raising is something that I take seriously. I take the issue very seriously when parents are being told that they are fund-raising for textbooks, because that should not be happening at any school board in Alberta today.

DR. MASSEY: Mr. Speaker, my third question is to the Premier. In spite of the government's claims of adequate funding schools are increasingly turning to gambling. Why?

MR. KLEIN: Mr. Speaker, basically schools are under a new governance system. We have throughout this province now school councils. Those kinds of decisions relative to raising funds for extracurricular activities are really the responsibility of the school councils. The change in governance was made so that parents and teachers and, yes, the students could have more of a say in how their school is run, particularly as it relates to the optional and the extracurricular activities.

I'll have, again, the hon. minister respond.

THE SPEAKER: The hon. Minister of Learning.

DR. OBERG: Thank you very much, Mr. Speaker. I would just like to echo what the Premier has said. When it comes to things such as uniforms for the football teams, when it comes to rock walls, when it comes to the extras that are out there, they can fund-raise for that if they so choose. When it comes to the basics of education, we do not expect, we do not condone parents fund-raising for that. That is our responsibility and a responsibility that we take seriously.

THE SPEAKER: The hon. Member for St. Albert, followed by the hon. Member for Edmonton-Glengarry.

Auxiliary Nurses' Collective Bargaining

MRS. O'NEILL: Thank you, Mr. Speaker. I understand that the mediation between the Provincial Health Authorities of Alberta and the AUPE on auxiliary nursing adjourned last week. So my question is to the Minister of Human Resources and Employment. Could he tell us what is the status of the auxiliary nursing bargaining?

THE SPEAKER: The hon. Minister of Human Resources and Employment.

MR. DUNFORD: Yes. Thank you, Mr. Speaker. Nursing bargain-

ing is taking place. The parties involved in the collective bargaining process are the Provincial Health Authorities of Alberta – they represent 17 regional health authorities and eight voluntary organizations – and of course the Alberta Union of Provincial Employees. AUPE represents in this particular case 6,700 licensed practical nurses, nursing attendants, and other auxiliary health care staff from across the province.

Yes, in fact the parties met last week with the mediator, and talks adjourned on May 11. Now, I understand that both parties are of course committed to the process, to continue to work with the mediator, and it's my understanding that the mediator will be contacting the parties to set additional dates.

MRS. O'NEILL: Mr. Speaker, to the same minister: how long have the parties actually been without a collective agreement?

MR. DUNFORD: The collective agreement expired on March 31 of the year 2000. Bargaining started on February 9, and a mediator was appointed to the dispute on March 17. The parties began meeting with the mediator on March 28. Now, the mediator's recommendations for settlement were rejected, and the parties returned to mediation, and I can provide the dates: April 25, 26, and 27. The mediator then proposed a break in the talks, and mediation resumed May 9, 10, and 11.

MRS. O'NEILL: Also, what role is your department playing, if any, in these negotiations?

MR. DUNFORD: Well, our focus is on continuing to support the parties by making mediation services available without the minister intervening. We believe the best solutions are those made by the parties themselves, and we encourage them to make every effort to resolve their issues at the bargaining table.

Workplace Health and Safety

MR. BONNER: Mr. Speaker, today marks the first day of North American safety and health week, a reminder to all of us that workplace injuries and deaths are unacceptable and preventable. Alberta has already had 19 workplace fatalities in the first four months of 2000, a rate of approximately one per week. In 1998 there were only 34 workplace deaths, and this increased to 54 deaths in 1999. Can the Minister of Human Resources and Employment tell this House why the rate of workplace fatalities in Alberta has increased to approximately 59 percent when the size of the workforce has only increased by 11 percent?

MR. DUNFORD: Well, first of all, I'd like to thank the hon. member for the question. I appreciate the fact that maybe the health issue might be behind us.

SOME HON. MEMBERS: No.

MR. DUNFORD: No? Okay. Well, one can always hope.

THE SPEAKER: Actually it would be really helpful to address the comments through the chair, and then we'll have less debate.

MR. DUNFORD: Okay. All right. Thank you.

There's no question, Mr. Speaker, that we've started out in the year 2000 with a lot of activity in the workforce, and one of the unfortunate aspects of that has been an increase thus far this year in our workplace fatalities.

2:20

As minister I receive a report on each and every fatality that takes place. I, like members of my staff, look to see if there's any pattern. Is there something that we're overlooking? Is there some way in which to approach this? I have to say to the hon. member that certainly we need to extend our sympathy and our empathy to all of the families out there that have been affected by these workplace fatalities. We have a staff that is right at the work site investigating the particular circumstances of the fatality or the injury.

Thus far there are no apparent patterns that have started to evolve, and all we can do is continue to try to enforce as best we can the law and regulations that we have but also to ask everyone within the sound of my voice today to focus on not only their own individual safety but of course the safety of their fellow workers.

MR. BONNER: Mr. Speaker, given this alarming trend of increasing workplace fatalities, will the Minister of Human Resources and Employment reallocate the \$4 million a year the government currently spends to subsidize industry-sponsored safety associations to more rigorous enforcement of safety regulations?

MR. DUNFORD: No, I'm not prepared to make that reallocation at the present time. I'm a believer in education. I believe that the record in Alberta since the inception of the partnership program speaks for itself. Since 1992 we've had a steady decrease in the statistics as they relate to workplace incidents and workplace injury. We believe that education is the way to go. I look for our department to be educators, but certainly as a last resort we can be enforcers.

I don't want anyone out there to consider that we're not taking the situation seriously, but in terms of a full-scale policy change at this particular point in time, no, we're not going to do that.

MR. BONNER: Mr. Speaker, given that one of the prime goals of unions is to help protect the health and safety of working men and women in Alberta, shouldn't this government be supporting unions instead of trying to break them?

MR. DUNFORD: Well, all I could say to the hon. member is that certainly I've been following the pattern that has been set by ministers responsible for labour before me in the sense that we try to provide as best we can a level playing field here in the province. As far as a jurisdiction, we think that in Alberta unions are free to collectively bargain. They're certainly free to offer advice to the government. I see the Alberta Federation of Labour, who I believe to be the chief spokesperson for the unions within our province, on a regular basis.

Certainly someone like myself who has a background in labour relations knows and appreciates the tremendous opportunities that unions can provide and have provided in our province as far as an exemplary labour relations climate. Alberta doesn't have to take second place to any jurisdiction within this country on the ability of employers and employees through the process of collective bargaining to sit down and resolve their particular issues, Mr. Speaker. This is a tremendous jurisdiction for labour relations, and all of us, including the hon. member, ought to be proud.

THE SPEAKER: The hon. Member for Calgary-Currie, followed by the hon. Member for Calgary-*Buffalo*.

Alberta Children's Hospital

MRS. BURGNER: Thank you, Mr. Speaker. There's been a great

deal of talk in Calgary about renovating the Alberta Children's hospital and perhaps even building a new facility. It's my understanding that a report on the status of the facility is due to be tabled this week. Could the Minister of Health and Wellness explain what is happening in regard to this facility?

MR. JONSON: Well, Mr. Speaker, I am aware that for some time now there has been work going on in Calgary with respect to the redevelopment or possibly the rebuilding of the Children's hospital. There is, as I understand it, a foundation in place which is raising money to be complementary to this project when it goes forward.

As I understand it, Mr. Speaker, there are a number of different alternatives being considered, and I'm sure they're covered in a comprehensive manner in the report. There's the alternative, as I understand it, of going to a new site, possibly near the existing Foothills hospital. There's the possibility of full development on the current site. There is the possibility of redevelopment on the current site and keeping part of the current building and adding on to it and enhancing it. Certainly there are considerations being given to partnering with the volunteer and the public sectors on some aspects of that particular project.

Mr. Speaker, the report, as I understand it, has come to conclusion, and I'm sure it will be something that, first of all, the supporters of the Children's hospital and the Calgary regional health authority will want to examine in considerable detail before it is presented any further.

THE SPEAKER: The hon. Member for Calgary-Currie.

MRS. BURGNER: Thank you, Mr. Speaker. Could the minister explain his ministry's process for dealing with any recommendations that may come forward from the report?

MR. JONSON: Well, this, Mr. Speaker, is certainly a major and very, very significant project, but we have a standard overall process that we use. When proposals come in for major capital projects, they go through a set of criteria. In other words, they're screened as to the need for the facility: are there waiting time situations; will this help the overall service throughout the region, if not through the whole province? Of course, the Children's hospital in Calgary serves the whole southern part of the province if not the entire province. So we do have a criteria scale that we run our projects against, and then we work from there in terms of allocating dollars when they're available.

THE SPEAKER: The hon. Member for Calgary-Currie.

MRS. BURGNER: Thank you, Mr. Speaker. Could the minister indicate when any decisions may be made as a result of the recommendations in this report?

MR. JONSON: Mr. Speaker, I think it's important to, first of all, take note that, as I understand it at least, this report has just been completed and will first of all have to be considered by the Calgary regional health authority. The Calgary regional health authority will have to decide on what their priority for this particular project is. I assume that when they do that, they will submit that along with their other capital priorities to us, and then we will make a decision accordingly.

I cannot, Mr. Speaker, at this particular time predict when a decision will be made at the provincial level. I expect, given that it is such an important project, that the Calgary board will want to carefully consider it, but they will certainly want to get it on to us as soon as possible.

THE SPEAKER: The hon. Member for Calgary-Buffalo, followed by the hon. Member for Livingstone-Macleod.

Peter Lougheed Hospital

MR. DICKSON: Thank you, Mr. Speaker. Calgarians are concerned about 14 million tax dollars that have been spent on the new computer system at the Peter Lougheed hospital. Medical professionals have said that the system could compromise patient care, and in many cases professionals refuse to use the system. Health authority staff members are saying that the system is already obsolete, that the system is a dinosaur. That's their word, not mine. My question is to the Minister of Health and Wellness this afternoon. Why did the minister of health, the Minister of Government Services, the minister of science, and the chief information officer allow the unelected Calgary regional health authority to invest 14 million tax dollars in an obsolete computer operating system?

MR. JONSON: Mr. Speaker, I'm not quite sure that I would agree with the hon. member's assessment. I understand that there was an article in today's paper dealing with statements of this particular type. I would certainly take the topic as being a serious one, but I would certainly not from one newspaper article jump to the conclusion the member across the way has.

I think this needs to be reviewed. We'll certainly look into it and see what the issues are. I take it seriously in that regard, but I don't think it is fair at this point to just automatically agree with what is reported there.

2:30

MR. DICKSON: Mr. Speaker, there were lots of sources for information on this problem.

I might follow up and ask the minister: why is the Calgary regional health authority apparently prepared to spend a further million dollars to try and at least partially fix the problem? Isn't this a case of simply throwing good money after bad?

MR. JONSON: Mr. Speaker, I would fully expect that the regional health authority will look at that particular matter, but if we have a \$14 million system and it needs to be upgraded, that is happening with electronic information systems all across this country. The technology, the capacity, the ability in this particular area of our networks is increasing every year, and I expect that systems all across North America are being upgraded every single year. The ratio of a million dollars in improvements to a \$14 million investment is not unusual.

MR. DICKSON: Well, my final question to the Minister of Health and Wellness would be this: what will be the total cost, then, to taxpayers in this province to replace that system with one that is usable, that is safe, and that won't immediately be obsolete?

MR. JONSON: Well, Mr. Speaker, as sometimes happens from across the way, they take different directions at the same time and in almost the same breath.

If in fact there is a problem with the system – and we will certainly follow up and check on this – or if it is as the first reference seems to indicate, a situation where the system needs to be upgraded at a cost allegedly of a million dollars, I expect that that would be the action the regional health authority will take. As far as I understand it, there is no conclusion that the system needs to be replaced.

In the member's first statement he indicated that that was the case. Now he's on to replacing it. So let's just back up. We'll have our staff have a look at the situation, find out what actually is going on,

and I'm sure the Calgary regional health authority through their administration is already working hard on that.

THE SPEAKER: The hon. Member for Livingstone-Macleod, followed by the hon. Member for Edmonton-Ellerslie.

Sleep Apnea Treatment

MR. COUTTS: Thank you, Mr. Speaker. My question today has been brought to my attention by at least three constituents of mine within the last six months, and it's the issue in rural Alberta regarding the government's decision to fund continuous positive airway pressure machines for Albertans who suffer from sleep disorders. My question is to the Minister of Health and Wellness. I wonder if he can tell us why the program is only available to people that live in Calgary and Edmonton.

MR. JONSON: Mr. Speaker, the program with respect to the treatment of sleep apnea is a provincewide program. The treatment is not just available to those in Edmonton and Calgary. It is funded provincially under the provincewide services section of our budget, and we do have two centres, in Edmonton and Calgary. At this particular point in time this is sensible in terms of the strategic location of sites and the staffing and the various other items that go with the offering of this program.

However, Mr. Speaker, there is a proposal, a plan, as I understand it, in the Chinook region in Lethbridge whereby they are proposing to establish a centre there, and that is being given, as I understand it, serious consideration by the provincewide services committee that administers this and other provincewide programs.

THE SPEAKER: The hon. Member for Livingstone-Macleod.

MR. COUTTS: Thank you again, Mr. Speaker. My first supplemental is to the same Minister of Health and Wellness. Can he explain why the program is restricted to only level 1 sleep clinics?

MR. JONSON: Mr. Speaker, this decision in terms of the condition or the nature of the service that is to be provided is something, as I understand it, that has been very, very carefully considered. We are following not just national but international standards with respect to the treatment of sleep apnea. That is why only a certain stage or level of this particular condition is treated under this program with these sleep apnea devices. In this particular case I think what we're doing in Alberta is in keeping with other countries in the world let alone other provinces in Canada.

MR. COUTTS: My final supplemental to the same minister: can he tell us how much has been spent by government on this important program?

MR. JONSON: Mr. Speaker, as I recall, the expenditure is I believe about \$850,000 that is being spent right now with respect to the equipment for this particular program. There is a proposal I know to expand this particular program as the need shows itself in the province. It is a highly specialized program, one that of course is extremely important for the individuals involved. We will continue to try and provide the best level of care and keep operating with the high standards that it has had in the past.

THE SPEAKER: Hon. members, a few seconds from now we'll call on the first of seven members today to participate in Recognitions.

Before I call on the first member, might we revert briefly to Introduction of Guests.

[Unanimous consent granted]

head: Introduction of Guests
(*reversion*)

THE SPEAKER: The hon. Minister of Agriculture, Food and Rural Development.

MR. LUND: Thank you, Mr. Speaker. It's with a great deal of pleasure that I have the opportunity today to introduce a class of 16 students from Will Sinclair high school in Rocky Mountain House. They're accompanied by their teacher, Mr. Bob Walton, and a parent, Mr. Lloyd Hoetmer. They're seated in the members' gallery, and I would now ask them to rise and receive the traditional warm welcome of the Assembly.

head: Reading and Receiving Petitions

THE SPEAKER: The hon. Member for Calgary-West.

Alberta Adolescent Recovery Centre

MS KRYCZKA: Thank you, Mr. Speaker. I am pleased today to recognize the remarkable achievement of Scott, a very courageous young man who until nine months ago was a chemically dependent adolescent. On Saturday, May 20, 2000, he will become the 131st graduate of the Alberta Adolescent Recovery Centre, or AARC, program.

When Scott entered the AARC program on August 30, 1999, at the age of 20, he was extremely dependent on alcohol and drugs and was a lonely, confused, angry young man, but Scott knew he needed help and has been committed to the recovery program at AARC and has moved through treatment at a rapid pace. He was willing to do the work to change and has chosen to live his life as an honest, principled man.

Scott is currently upgrading some of his grade 12 courses in order to apply to university. His attitude and work ethic in the AARC learning centre has been excellent. Dr. Dean Vause, executive director, concludes: Scott has gone from loser to leader; I have the utmost respect for him; I have also been impressed with his family's commitment.

I challenge all MLAs to learn more about the success of AARC and to support this nonprofit organization.

Scott, I wish you all the very best in the future. Congratulations. Thank you.

THE SPEAKER: The hon. Member for Edmonton-Meadowlark.

2:40

Juvenile Arthritis Week

MS LEIBOVICI: Thank you, Mr. Speaker. This afternoon I rise to recognize Juvenile Arthritis Week, which is from May 13 to May 19. Juvenile arthritis affects many children under the age of 16. The disease causes joint inflammation, a painful condition that can result in permanent joint damage. Many people think that it's a disease that strikes only the elderly. However, it can and does affect children. It may be a chronic condition. The symptoms may come and go from one day to the next or even the course of one day, and it may go into remission for years only to return again. The cause of juvenile arthritis is still unknown, and there are no fast or simple solutions.

The goal of Juvenile Arthritis Week is to bring about public

awareness to this chronic illness and highlights the need for more research. Hopefully, a cure for this illness will be found in the near future.

Thank you.

THE SPEAKER: The hon. Member for Calgary-Cross.

Multiple Sclerosis

MRS. FRITZ: Thank you, Mr. Speaker. The month of May has been proclaimed to promote awareness of multiple sclerosis, which is a lifelong autoimmune disease that affects the brain and spinal cord. MS is probably more prevalent in Alberta than anywhere else in the world. More than one in 500 people are affected, and up to 75 percent of those are women.

Today I'm pleased to recognize the work of Dr. Luanne Metz, who is a prominent University of Calgary neurologist. Dr. Metz was chosen as the only Canadian on the North American steering committee of an international study testing the effectiveness of the first oral medication for multiple sclerosis. This is very good news, and it's welcome because today all four existing medications for multiple sclerosis are taken by injection. Having the option of taking an oral medication will be less painful and far more convenient for patients.

I invite all members of the Assembly to wish Dr. Metz the greatest success in her work with the trial of this new medication as she brings hope to over 6,000 Albertans with multiple sclerosis.

Thank you.

THE SPEAKER: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

Palliative Care Week

MRS. SOETAERT: Thank you very much, Mr. Speaker. Last week marked Palliative Care Week. Palliative care is a unique form of health care, developed to address the needs of those with terminal illness. This specialty focuses on the needs of the patient and the family when a cure for a life-threatening illness such as cancer or AIDS is no longer available.

A primary goal of palliative care is to improve the quality of a person's life as death approaches and to help patients and their families move toward this reality with comfort, reassurance, and strength. Palliative care is not focused on death. It's about specialized care for the living. Palliative care is at the cutting edge of the shift to home-based and community-empowered care, that is central to most health care reform taking place today. In fact, palliative care is critical if our society is to successfully reorient health towards the community.

Today, many terminally ill patients and their families want to be free from the frenzy of the acute care hospital, preferring instead their own home or the personalized setting of a hospice or palliative care unit. We must ensure that an appropriate infrastructure for provision of palliative care services outside the hospital is operational before this shift can take place.

THE SPEAKER: The hon. Member for Calgary-Fort.

Youth Immigrants of Distinction Awards

MR. CAO: Thank you, Mr. Speaker. Today I rise to continue speaking on the recognition of recipients of youth immigrants of distinction awards, given out by the Calgary Immigrant Aid Society.

Samir Pradhan came to Alberta from India. Recently he was a

recipient of the Alberta Great Kids award, among the 16 selected out of 380. He is an informal adviser to the Minister of Children's Services. He volunteers for many community-based organizations. He received many academic awards and trophies from school, science fairs, and Rotary clubs. When in grade nine last year, he created his own web page design company, CyberSpace Services.

Stephen Kung came to Alberta from Hong Kong when he was seven. Currently he's in grade 12, achieving marks in the top 5 percent while enjoying a high profile in track and field and football. He is also very active in many international and local community organizations.

Casey Wang came to Alberta from China in 1996 without any English language knowledge. She is now in grade 12. She is a self-taught achiever, and she is achieving 96 percent in her music class at the Royal Conservatory of Music.

Thank you.

THE SPEAKER: The hon. Member for Calgary-Buffalo.

Day of Compassion

MR. DICKSON: Thanks, Mr. Speaker. Saturday, May 20, will be recognized as the Day of Compassion, a day dedicated to the treatment and understanding of Alzheimer's disease and other dementia.

Alzheimer's disease will be the biggest health challenges for the 21st century, according to the Alzheimer Association of Alberta. The cost of informal caregiving alone is estimated to be \$5 billion. Over 15,000 Albertans are now affected by Alzheimer's disease, but this number is expected to swell to over 44,000 by 2010, and by 2031 there will be over 750,000 Canadians with Alzheimer's. It directly affects currently one in three Canadian families.

Barbara Biggs, the executive director of the Alzheimer Society of Calgary, had observed that the best way to predict the future is to create it. We've seen some encouraging recommendations in the long-term care review report and also some key findings from professors Fast and Keating at the University of Alberta, but it's going to be necessary to implement those recommendations, including the development of a provincewide plan for meeting the needs of people with Alzheimer's disease and other dementias.

Thank you very much.

THE SPEAKER: The hon. Member for Redwater.

Crime Prevention Awards

MR. BRODA: Thank you, Mr. Speaker. It gives me great pleasure to recognize two very special individuals from my constituency, Constable Laurel Kading from the Morinville RCMP detachment and Trevor Tychkowsky, a concerned citizen from Smoky Lake. These two individuals were selected as Alberta Justice crime prevention award 2000 recipients for excellence in the area of volunteer crime prevention. There were a total of 13 recipients from throughout Alberta. To all, hearty congratulations for your hard work and commitment in providing a valuable service to our communities.

head: Orders of the Day

Government Bills and Orders

head: Second Reading

Bill 18

Alberta Personal Income Tax Act

Ms Carlson moved that the motion for second reading be amended

to read that Bill 18, the Alberta Personal Income Tax Act, be not now read a second time because the Assembly believes that as a result of the tax reduction measures announced in the 2000 federal budget, the bill would not ensure that all Alberta taxpayers receive a fair tax reduction.

[Adjourned debate May 11: Ms Calahasen]

THE SPEAKER: The hon. Member for Edmonton-Mill Woods.

DR. MASSEY: Thank you, Mr. Speaker. I'm pleased to have an opportunity to speak to the amendment, which would have us look for a second time at Bill 18, the Alberta Personal Income Tax Act. I don't quite recall who it was, but there was a sage that said at one time that taxing is the art of plucking the most feathers from a goose with the least amount of hissing. It seems to me that the government with its proposal is going to have the taxpayers hissing at the government and the taxpayers hissing at each other. That's exactly what the impact of Bill 18 will be.

I can recall first hearing about the flat tax in this city when Peter Pocklington was running for the leadership of the Conservative Party. I believe that the flat tax proposal was part of his leadership platform. We also heard Forbes in the United States, an aspirant for the U.S. presidency, expound on the virtues of a flat tax. It makes one question: why would some of the richest people in our society be those that were promoting and favouring a flat tax? It raises a number of suspicions, and those suspicions, of course, are confirmed when you look at the distribution of the benefits that will come about if Bill 18 becomes law in the province.

Essentially, 4 percent of the tax filers in our province, earning over \$100,000, will benefit. The 39 percent of the tax filers earning between \$30,000 and \$70,000, who pay nearly half of the provincial personal income taxes in the province, are going to benefit too but to a much lesser extent. It's this inequality, this unfairness that is at the heart of the objections to Bill 18 and why the opposition believes it's time to step back and take a second look at the proposal and to have the kind of discussion that we think the proposal warrants.

2:50

The notion of a flat tax, the simplicity of it, is one that's very beguiling, Mr. Speaker. I was on the Internet on the weekend, and on one of the sites they had published a poll that indicated that somewhere near 95 percent-plus of the respondents to that poll favoured a flat tax. The reasons that were given for that: the notion of it being fair was one that seemed to attract people, and it was simple. Well, that may be true but not the kind of flat tax that we have before us in this Legislature.

I want to talk for a few minutes about the issue of fairness. The Centre for Social Justice in October of 1998 put out a report entitled *The Growing Gap: A report on growing inequality between the rich and poor in Canada*. That report had a number of interesting observations selected for the kinds of conclusions that it reached. It was based on some fairly solid evidence. One of the things that struck me as I read it was the shape of the income, the shape of the Canadian workforce, and the shape of the taxpaying workforce in particular.

They made some rather telling comments. They indicated that "the top 10 CEOs in Canada each brought home more than \$10 million last year." Now, you think of that: one executive earning \$10 million, and the top 10 in Canada fit into that category. "On average, the top 100 CEOs saw a 56% increase in compensation last year." A 56 percent increase in their compensation. We look at wages on the other hand. "Wages are not keeping up with inflation. Many people have had their pay frozen during the 1990s." And

"even unionized workers" find themselves in this position. In this city at this time the brewery workers are facing a proposal from the company that would, if the press reports are correct, see their wages rolled back 30 percent. That's quite a striking contrast, Mr. Speaker: the chief executive officers gaining 56 percent increases and workers being asked to take a 30 percent rollback. "Federal public servants have had one pay increase in the 1990s." Another indicator of the shape of that taxpaying labour force is that "welfare rates, welfare eligibility and/or shelter allowances have been reduced in almost every province since 1995."

I think one of the things that sort of profile indicates is the unfairness of actions and things that are going on now in the marketplace as a result of government financial policy, and we should pause and reflect before we take any action that adds to that inequality. Why would we want to do anything that would worsen what is already the case?

One of the interesting sidebars that the Centre for Social Justice has in its report is a sidebar entitled: Some people are worth more than others. They go on to indicate that most of us were fairly shocked when we found out that Bill Gates of Microsoft owns as much personally as 40 percent of the United States population. That's an astounding figure. The chief executive officer owns as much as 40 percent of the U.S. population. We dismiss that kind of information because, you know, it's south of the border, it's those Americans, and it couldn't happen here.

Quite the contrary. In Canada the owner of 68 North American newspapers, including the *Globe and Mail*, the *Winnipeg Free Press* and the *Victoria Times-Colonist*, at least until recently, in 1997, according to *Forbes* magazine, had a personal net worth of \$14.4 billion. One individual, one Canadian, has a personal net worth that's the same size as the provincial budget. Imagine that.

They went on to indicate that how wealth is spread out among Canadians – and, again, that's what Bill 18 does, spread wealth among Canadians – is really quite interesting. In 1984 – and that's the most recent evidence. It's interesting, Mr. Speaker, that we've stopped keeping track of wealth distribution in this country since 1984. That's the last report, and it's interesting that that's now being resumed. The net worth of all Canadians was estimated to be about \$3 trillion in 1997. So the owner of that newspaper chain has a personal wealth that is more than the collective wealth of a third of Canadians. One individual personally has more money than is the wealth of a third of Canadians. They have Bill Gates in the United States, and we have our own Canadians with situations that are just as unequal.

DR. WEST: Point of order.

THE SPEAKER: A point of order. The hon. Acting Provincial Treasurer.

Point of Order Relevance

DR. WEST: Under *Beauchesne* 459, relevance. I keep hearing the name Bill Gates and the American system. What relevance does that have to Alberta, Canada? We're dealing with a bill that's being presented before this Assembly. I know there's a wide range of debate that can take place in second reading, but I wish they would stick to this country so that we can at least address the laws that we have here and not somewhere in the United States.

MR. DICKSON: Surely the short answer to this is: why would we be so narrowminded and so foolish in this Assembly to ignore evidence that comes from other jurisdictions? It would seem to me

that the only responsible way of debating legislation is to draw lessons. Now, it may be that the government chose to ignore the lessons around Bill 11 from Australia and the United Kingdom and other places. That may be one of the reasons we had a flawed piece of legislation passed last week.

With respect, I'd like to hear more comparisons. I think it's completely and totally relevant that we look at what's happening in other jurisdictions. It would be perilous in the extreme for us to proceed blindly over the cliff. This isn't a buffalo jump we're witnessing. This is a debate about a major, fundamental change in our tax structure. That's what this reasoned amendment is about, and that's the debate I've been hearing.

I think the point of order is completely off base, Mr. Speaker, with respect.

THE SPEAKER: Hon. members, we do have a reasoned amendment before the House. That is what has been recognized. The hon. Member for Edmonton-Mill Woods has been given the floor, and the hon. Member for Edmonton-Mill Woods is making his contribution to the debate at hand. He has not restricted his examples, at least to the ear of the chair, to individuals living in another country. He certainly seemed to indicate that there was some individual in Canada who was equal to another individual in the United States, by way of an example. The chair would like to remind hon. members again that the proposal we have in front of us basically is for the reform of the taxation system, and the examples being utilized by the hon. Member for Edmonton-Mill Woods basically deal with individuals who are taxed under a different proposal than the one before us.

The chair is going to listen very attentively to find the relevance because the chair surely appreciates that there will be relevance.

3:00

Debate Continued

DR. MASSEY: Thank you, Mr. Speaker. The case I was trying to make was that we need to pause and look at Bill 18 a second time because I believe that Bill 18 contributes to inequalities that already exist, and I was drawing on examples of inequalities elsewhere and in Canada and trying to use those examples. I would like to use further examples in terms of what's happened in our country and what's happened to families as a result of government fiscal policy and government taxing policy. I apologize to the minister if I was a little slow getting to the point.

I believe firmly and I think the evidence is rather clear that Bill 18 favours high-income earners at the expense of middle-income earners, and it shifts the tax burden from upper-income earners to middle-income earners. I think the evidence supporting that is very clear. When you take that proposal and layer it on top of conditions that already exist in the country, then I think Bill 18 is deserving of a second look.

If you look at the 85 percent of Canadian families, those people that are raising children under 18 – in 1973 the richest 10 percent of families with children under 18 made 21 times more than the poorest 10 percent of Canadian families. So here you have the top 10 percent with children under 18 and the bottom 10 percent with children under 18. That top group made 21 times more than that bottom group. In 1996 the richest 10 percent of families, that top group again, made 314 times more than the poorest 10 percent of Canadian families.

So you take that and you apply it to Alberta. Here you have a group of taxpayers already making hundreds of times more than the lowest taxpayers in the province, and they are going to be given additional benefits if Bill 18 becomes the law. I think that, Mr.

Speaker, should give us pause to take a second look at Bill 18.

If you look at 1973 across the country, 60 percent of families with children under 18 earned between \$24,500 and \$65,000. So 60 percent of the families sat in what was then considered the middle class. By 1996 that same group, that middle class, had shrunk, and only 44 percent of the families with dependent children made between \$24,500 and \$65,000. The middle class has already shrunk dramatically over the last 25 years, and Bill 18 contributes again to a burden on that middle class. I think that's wrong-minded government policy when that happens.

Most of the change that happened in the past 25 years has happened to the middle class. The earning equivalent of between \$37,600 and \$56,000 in 1973 accounted for 40 percent of the population. A generation later only 27 percent of the population found themselves in the middle. So there's been an attack on the middle class, and Bill 18 continues that attack, I believe, Mr. Speaker.

I think we need to look at the kinds of economic principles that Bill 18 seems to support. Again, it seems embedded in those old trickle-down policies which were so widely adopted abroad years ago. The argument goes that if you remove the restrictions on the already wealthy so that they can accumulate more wealth, then they'll make more investments and the wealth in itself will trickle down to those at the bottom. This is supposed to mean that more people will be working and everyone is going to be better off. Well, that kind of economic policy has been questioned, Mr. Speaker, and to have that sort of notion underlying the bill and used as the defence for greater benefits being given to high-income earners seems to be the height of unfairness.

I think there has to be a very deep and thoughtful look at the relationship between equity and economic growth. What happens when a society chooses to open the gap between the rich and the poor, and what is the impact on the economy? Again, we can look outside the borders of our own country and find examples of where that happens. We can also find examples of where that doesn't happen, where there is concern with equality, where there is concern that the gap between income groups is not widened but is in fact lessened.

I'd like to just finish, if I might, Mr. Speaker, with a couple of comments about the shape of the tax system across the country and the kind of context that is out there that Alberta changes will become part of. There's been a marked shift in who pays the bills in Canada from the corporate to the personal income tax, shifting the profile of tax revenues towards more regressive forms of taxation. I think everyone agrees that a flat tax is regressive. For example, corporate contributions to paying for Canada represented 25 percent of all federal revenue in 1955. In 1973 they were paying 17 percent, and in 1996 they accounted for only 12 percent of federal revenues. It's within that context that the changes to Alberta's taxing system are being considered.

So for those reasons, Mr. Speaker, I think we would be wise in this Legislature to pause and take a second look at it. I think that the government itself has to admit that it hadn't thought through the whole situation that carefully. They came out with 11 percent, and that was quickly changed to 10.5. I'm still waiting to see the kinds of predictions down the road to 2004, 2005, and 2007 in terms of its impact on Alberta and the kinds of revenues that will be secured from the taxing system. The whole exercise to this point seems to have been one that was hurriedly put in place and not that carefully thought through, and because of the great impact that it has for Albertans, I believe that the Legislature should support the amendment before the House.

Thanks very much, Mr. Speaker.

THE SPEAKER: The hon. Member for Edmonton-Norwood.

MS OLSEN: Thank you, Mr. Speaker. I'm pleased to rise and support this amendment to Bill 18. It's a reasoned amendment, and I think it makes a lot of sense. Basically what the amendment is stating is that given the implications of the federal budget, this bill cannot ensure that Alberta taxpayers will receive a fair tax reduction. I think that's very true. I know that the Treasurer has adjusted his numbers now and dropped down the percentage points and moved up the exemptions, but it becomes a game. It's one government trying to out-tax-cut the other government, and that is not good for Albertans.

3:10

I want to make myself perfectly clear. This is a change in tax structure. It is not the only way that exists for this hon. Acting Treasurer to give Albertans a tax cut. It's a fundamental shift in the structure as it exists, and it's being touted as the only way to give tax relief. That's just simply not true.

I want to point out some of the issues I have with the notion of going to a flat tax. A tax structure should have three goals: simplicity, growth, and equity. The only thing that this government's flat tax structure will achieve is simplicity, and that's not good enough, Mr. Speaker. We need to have growth and equity along with that. The notion of putting more money into the pockets of Albertans is one that we all would like to see. However, this particular tax policy isn't going to do that. This is basically shifting the tax burden. That's what it's designed to do. It's certainly not accompanied by overall tax reform. It is one piece of the puzzle. When you start looking at changing structures piece by piece, they don't become systematic, so Albertans will not see the greatest overall effect of this by going to a flat tax.

It's also an ideology, and it's an ideology that is certainly bought into by some people on the very right side of political issues, but it's not one that has been adopted wholeheartedly by many other political parties, be it one group of Republicans in the U.S. — it certainly hasn't been adopted by the Democrats. It hasn't been adopted by the Conservative government in this country, certainly not by the Liberals. The only people we see actually looking at this as a potential tax reform is a party that's on the most extreme right side of politics in this country, and that would be the Canadian Alliance, or Reform Party. Now, given the meld in this Assembly across the other way, I guess that would fit. But is ideology a reason to make policy? No. Is it the best policy? No. It has to be for the collective good, and this particular tax policy is not for the collective good at all.

Also, in order to achieve the benefits of a flat tax, the taxes have to be kept low and the revenues have to be high. Well, we know the economy in this province. We know that even with the diversification that has occurred, the peak and the wave that we're riding right now is not going to last. At some point it's going to crash. Then I ask the question: is this flat tax structure going to be able to continue to exist for Albertans? No, not likely, not very likely at all. So that's another concern I have.

The whole issue of real income in this province and in the country in general. At the bottom end, the low end, we have seen the real income fall. In the middle we've seen a stalling, or a stagnation, of real income. The only growth we've seen is at the top end on the income scale in this country and in this province. My fear, Mr. Speaker, is that this type of flat tax will only increase the tax burdens that exist already. It will worsen the existing drift of greater economic disparity or equality in this province. What we see happening now, where we have that gap growing in the middle

income, is not necessarily the answer, quite frankly, to bringing that gap closer. This will only serve to make that gap broader. So I think that's something we have to consider. A progressive tax system will do that.

There's no question about the issue of: should Canadians, should Albertans get a tax break? Yes, they should. But do we do that by creating this false structure, if you will, or should we be looking at an overall progressive change? That's not what we see here.

I want to talk about the issue of fairness. We've brought that up several times. My colleagues have brought that up, and I think that's something that's a big part of the system we have now. I'm going to quote a fellow. His name is Dr. Robert Shapiro. Dr. Shapiro is a professor at Harvard. He's been an economic policy adviser to the Clinton campaign, and he has some comments that I think are important to share in relation to the flat tax system. He states:

Fairness in the tax system matters because tax collection depends vitally on voluntary compliance. Paying taxes is also most [Canadians' in this case] chief point of contact with their government, and probably their closest approximation to a common civic experience. Yet, some analysts today dismiss equity issues and, with increasing boldness, insist that regardless of their effects on fairness, all tax cuts are desirable because government's right to tax is less than fully legitimate.

That would be an argument that I could see maybe this Treasurer buying into, you know, that governments don't have a right to tax. Well, if that's the case, then how do we continue in society and provide the services governments are supposed to provide, and how do we look after all of those people in society? That, Mr. Speaker, includes those people who are least able to look after themselves or at least need the government's assistance. That goes to all of those folks who live in poverty. Those folks aren't paying taxes, but they certainly rely on their government through a network of social programs to assist them. That's what governments should be doing. We should not be abandoning those folks who need our help most, and that's what I believe this government would like to do with this type of tax policy and, furthermore, reduce every single Albertan to an economic unit. Well, that's not what we expect from governments, and that's not where I would like to see this government or any government go.

Dr. Shapiro further states — and we'll all agree with this statement:

Without a doubt, most people don't enjoy paying taxes. But in an democracy like ours, people contribute private resources to provide the public goods they deem appropriate as a community, including helping those unable to make their way by themselves. . . . paying taxes embodies a civic relationship of mutual responsibility, and people's obligation to pay them is as legitimate as any other public duty.

So while we may not like paying taxes, we as citizens of a province and of a country do understand that the role of government is to provide for services and to help those who are less fortunate and need the government's help.

3:20

You know, Mr. Speaker, not long ago tax reductions were probably the number one issue, maybe not the number one issue but certainly in the top three, I believe, in terms of top-of-mind issues for Albertans and Canadians. Now we see that has moved dramatically closer to the bottom, if you will. It's not a top-of-mind issue, not like health care — and we've seen how that debate has unfolded in this province — and not like education. That's a top-of-mind issue for Albertans and Canadians. Homelessness trumps tax cuts because Albertans still believe and Canadians still believe that we have to look after those who are less fortunate, and our democratic system allows for that to happen.

If we look at where public opinion is, yes, we all like to see tax

reductions. Yes, we need to look at the overall tax structure. We don't need to look at a flat tax, that is only a purported tax reduction. It becomes a tax-trumping game.

You know, let's face it. The federal government has far more taxes to reduce than does this government, and if you get into that game, this government will lose. We have to remember that Albertans still want a fiscally responsible government, and when you play that kind of game and you lose, you're going to find yourself in a little more trouble with the voters, in a little more trouble than you probably already are.

Progressive taxes are a reasonable price for high-income people to pay, and it's a reasonable price to have a civil society. I find it difficult to understand how the whole notion of a flat tax can be seen as anything but a windfall for the elite. We have a tax structure right now where Canadians essentially believe that people with similar total incomes pay similar amounts of taxes. Higher income people pay more, and the tax burden is shared. So everybody pays their portion of the tax burden based on what they earn. That, Mr. Speaker, is part of having a progressive, sound tax structure.

Now, if you want to talk about where we can make some changes in this province, some real tax changes, let's look at things like user fees, and let's look at things like the Alberta health care premium. That, in fact, is a tax. Let's look at what the government has been doing over a number of years. In fact, the Supreme Court of Canada's *Eurig* decision spoke to the very issue of user fees, premiums, and other fees and said, basically, that if you're collecting more than the cost of service, then you have to call it a tax. So this government has had to drop many of its fees, premiums, and user fees that are associated to some of the services in this province. That came out of a probate issue, but that falls right down the line.

I think that if you recall the earlier debate we had with the previous Treasurer, the wanna-be leader of a party, the absolute only reason that Treasurer undertook a review of the user fees was because of the Supreme Court decision. That is the absolute only reason. He was compelled to do that, and there was no other way out of it for him. So, you know, a few forced tax reductions there by the way of user fees and quite frankly . . .

MR. DUNFORD: How many did it voluntarily?

MS OLSEN: Well, you know, hon. minister from Lethbridge-West, you may think it was voluntary, and so be it. I quite frankly don't think it was voluntary. Without a Supreme Court of Canada decision it would not have happened in this province, and that's the way it is, Mr. Minister. Like it or not, you can stand up and say your piece on this if you wish, but that's the reality of it, and to say anything else is wrong, quite frankly.

Now, another issue, Mr. Speaker, that I'd like to bring forward is – and I think the hon. Member for Edmonton-Gold Bar spoke to this – the issue of the third party supporting a flat tax system. Indeed, there was an article by the previous leader of that party saying that Canada needs a flat tax system and absolutely she supported that notion. I find it very interesting that this is the party that suggests that they support the issues of poverty and they support the issues of lack of equality and those kinds of things, yet they feel that a flat tax system is something that people will benefit from.

Well, I'm not sure that's the case, and I think that probably their party members are glad they're going to be having a leadership race at some point, because it doesn't serve them well to be in support of the flat tax. I suppose they could use the argument: that was then, and this is now. But we haven't heard them use that argument, so it'll be interesting to see what happens down the road.

Mr. Speaker, I think I've made all the points that I'd intended to

make. I absolutely support tax reductions for Albertans. That is a good thing, but I don't support the introduction of a flat tax. I think we need to do an intensive overall review of the tax structure, and I know that's occurred. I think one of the right-wing research groups has suggested, you know, a consumption tax. We've heard actually the Acting Treasurer and the former Treasurer or whatever his position is now – I'm not clear on that – talk about a sales tax.

I believe my time is coming to an end, and I'm sure I'll be able to speak again. Thank you.

THE SPEAKER: The hon. Member for Calgary-Currie.

MRS. BURGNER: Thank you, Mr. Speaker. I rise today to speak to the amendment on Bill 18 with a particular focus in mind, and that is the positive effect of this new and innovative tax policy on our families. Recently an international credit rating agency reported that the after-tax income of Canadians is the same as residents of Mississippi, the poorest state in the union.

[The Deputy Speaker in the chair]

Of the 28 countries that comprise the Organization for Economic Co-operation and Development, or the OECD, only five tax incomes at a higher rate than Canada. High levels of taxes not only affect the credit rating of a country or a province; they have a profound effect on the families that live and work and raise their children there. It is high personal income taxes that are far more damaging to our economy. For one reason, they reduce the overall standard of living for our families, and when the economy suffers, it is families at the bottom of the income scale who pay the highest price through job loss, lower wages, and lost or shrinking savings.

3:30

Another effect of our personal income tax regime is that it penalizes some families and rewards others. Families who choose to have one parent stay at home are taxed at a higher marginal rate than those with two earners who receive the same total family income. The single-rate tax system proposed by this government would not only reduce the overall tax burden for all families; it would also remove this discrimination in the tax system. This was identified as an issue by the Tax Review Committee in their final report.

Families with one income earner can claim the basic personal exemption, while families with two income earners can each claim the higher basic personal exemption. Not only are single-income families taxed at a higher marginal rate, but their exemptions are lower. Therefore, they are hit sooner and begin paying taxes at a lower level than dual-income families, leaving them with even less money in their pockets after they pay taxes. If two-income families claim a deduction for child care expenses, those two-income families are even further rewarded by the tax system. Mr. Speaker, these are powerful incentives when young families are facing the decision of whether or not one parent should stay at home with their children. This government believes that families should be left to make these decisions on their own without the tax system either rewarding them for both going to work or punishing them if they choose to have one parent stay at home.

So what do we propose? We'll start by treating everyone equally. Under this bill the basic exemption will be raised to \$12,900 and the spousal exemption will be raised to \$12,900. Not only will this end the discrimination between single- and dual-income families. It will also put more money into all families' pockets because of the larger increase in the exemptions. The basic exemption will be increased

by \$5,769 from \$7,131, and the spousal exemption will be increased by \$6,845 from \$6,055. It will be more than doubled, Mr. Speaker. These greatly enhanced personal exemptions will assist those families most in the lower income brackets by putting more income in their pockets.

The tax system also discriminates against single-income families by levying many tax rates which push them up through the tax brackets faster than dual-income families. This is the much talked about bracket creep. Mr. Speaker, we are not only going to end the discrimination against single-income families by equalizing the basic and spousal exemptions. We are also going to end the bracket creep with our single rate of personal income tax.

The proposal of a single tax rate of 10.5 percent will result in lower taxes for all families. While both single- and dual-income families will see their taxes go down, single-income families, including single parents, will have their tax rates reduced by more. For example, a single-income family with two children earning \$55,000 a year paid \$3,349 in provincial taxes in 1999. A dual-income family with two children earning the same paid \$2,479. That's a difference of \$870. When our new system comes into place on January 1, 2001, the single-income family will pay \$1,968, while the two-income family will pay \$1,867. Both families will get a sizable tax break, and the difference in what they pay will be dramatically reduced, from \$870 to about \$100.

Single parents will also be big winners as they will be able to claim the spousal exemption for their first child. This will mean that a single-parent family making \$30,000 a year will receive a 276 percent tax cut, and a single tax rate combined with greatly enhanced personal exemptions will assist most those at the lowest income range. In 2001 families with children who earn less than \$33,500 will pay no provincial income tax whatsoever. This will take approximately 190,000 people off the provincial tax rolls, giving those families more money for food, clothing, and other family needs. We believe this is the way to treat families starting out in life: giving them a break and giving them a choice.

Our single-rate tax system will do something else. It will remove the massive disincentive to work, save, and invest, which is encouraged by the current tax system. Lower taxes will bring people into the workforce by making more entry-level jobs. This will help families, perhaps, who are bringing in a second income. It can also encourage some people to obtain these jobs if it can be demonstrated that they will make more money to take home in their pockets than if they were to receive government assistance. This will also remove the disincentive to work harder, get a raise, or work at a part-time job. Who of us hasn't heard: why should I work overtime when it will just put me in a higher tax bracket?

Mr. Speaker, families have dreams and plans for the future, and Albertans are prepared to plan and work to realize these dreams. These new tax cuts will help many families during the various stages of their lives: as they enter the workforce in their early years, when they have finished their education and perhaps have student loans to repay from jobs that are associated with building a career plan, through to the next stage when they are paying for their young children or when they have to incur child care expenses or the loss of one income, when they are trying to put more savings together for a mortgage, and when they have expenses like hockey, braces, and home renovations – at the very time they are trying to put more money into their family, we are taxing them more and more – and again as they get older, when they are trying to refinance to find a few more dollars each month to help put funding into their RRSP contribution, which they've had to put off while they raised their families. The goal is for discretionary dollars to be met with personal financial obligations. People are willing to put money aside

to meet their own personal obligations, but our current tax regime inhibits that ability.

Remember that two-income family with the two children earning \$55,000 that I talked about who will receive a 25 percent tax break? They will know where to put those extra dollars. And the single-income family with the two children earning \$55,000 that I spoke about? They will have \$1,376 more in their pockets as a result of our tax reforms. That family will know where to put that. They can spend it where their needs will best be met.

Mr. Speaker, our tax reform program will stimulate economic growth and create more and better jobs. This is good news for all Alberta families, and it will increase tax revenues, which will go toward government programs and services that Alberta families want and deserve. This tax reform measure is part of government's platform started in 1993 to reduce the size and shape of government, reduce the tax burden on Alberta families, and put that money where it best can be spent: into the hands of Albertans. That's \$1.3 billion that Albertans will have to spend as they like, a choice of their own.

Since we turned the corner on this deficit, this province has been attracting incredible attention. In fact, we are writing the book with black ink. Still, Mr. Speaker, today taxes for Alberta's families have never been higher largely because of ever increasing federal government tax grabs over the past few years, and thanks largely to this government's responsible fiscal policies over the same few years, projected surpluses have never been bigger. We believe it is time to give some of this money back to the Alberta taxpayers and to eliminate the unequal treatment of families in the tax system.

Mr. Speaker, I am strongly in favour of this legislation, and therefore I will not be supporting this amendment. I look forward to voting on Bill 18.

Thank you.

3:40

THE DEPUTY SPEAKER: The hon. Leader of Her Majesty's Loyal Opposition.

MRS. MacBETH: Thank you, Mr. Speaker. I'm pleased to rise to speak to this amendment on second reading of Bill 18, the Alberta Personal Income Tax Act. I want to address the whole issue of the unfairness, which I think is really at the heart of the amendment that's been proposed by the Member for Edmonton-Ellerslie. The whole issue of fairness is one that we think is very much at issue in this debate. The government has tried very hard to make our belief in a progressive system of taxation and tax cuts within a progressive system of taxation as something other than what it is.

It would be interesting if we could hear the government, instead of just talk about the tax cut, which I think most people would say would be a welcome thing, talk about and address the much more fundamental issue of what's going on in Bill 18, which is a restructuring of the tax system away from a progressive income tax system towards a regressive one, where the greatest benefit, of course, falls on those with the highest income. Instead, we believe very strongly in tax cuts within a progressive income tax system. We believe in fair tax cuts, and it is for that reason that we believe that the tax cut as proposed by this government and the restructuring in flat tax needs to be delinked and addressed in a much fairer structure, which we would say was the progressive tax system structure.

Now, Mr. Speaker, it's perfectly all right for the government to agree with regressive tax. They have every right to do that and to argue that in the House, but I've heard very little argument on the debate on the bill so far with respect to the flat tax as opposed to a piece of the act, which of course the government brought in as well, which is the tax cut. So let me look at this whole issue of progres-

sive versus regressive and to respect the government for wanting to propose regressive tax cuts and regressive taxation, but we believe in a progressive system for the reasons that I hope to address within the 20 minutes that are available to me.

There have been some excellent discussions. One of the very fine papers that we've quoted from on the opposition benches here is the Robert Shapiro paper. I think the argument for progressive taxation is a very sound one that has been made within an American context, but I think it's very applicable given the free trade and the opening up and globalization of our trade and the impact on markets under free trade.

In the paper Dr. Shapiro says:

Throughout this analysis, we maintain a clear preference for progressive taxation. In our view, progressive taxes are particularly appropriate for a society that cares about free markets. The more free markets there are, the larger the rewards people can secure by leveraging their talents, resources, or just good fortune. America's markets are generally more free than those in other advanced countries. The happy result is that Americans who start with more talent, resources, or luck than others can prosper more here than elsewhere, and to a greater degree than those who start with less. Progressive taxes are a reasonable price to pay for the privilege of prospering more in such free markets, and a way of limiting the burden on the vast majority who have relatively less to leverage. And this is especially so in the present period, when America's markets are producing growing economic inequality.

It is that issue of inequality that we think is so germane to the whole issue of unfairness of the flat tax. We know that the gap between rich and poor is growing in our nation as well as in North America. I think one of the very wonderful things, actually, that Canada has been able to achieve really since we started out as a country back in the mid-1800s was to take the collective wealth of our nation and use it to build systems of public education and public health care, which were available for all.

Under a progressive model of taxation someone who was in the middle-income level, say around the \$50,000 mark, would not be able to purchase on their own, given everything else they have to purchase, the level of education and health care that we as a nation have committed to and that we as a province, or at least the province that I believe in, has always believed was very important. So when the province moves from a progressive tax structure to a regressive tax structure, that notion of sharing, of having those with a higher income pay not just a higher amount of tax but a higher portion of their income in tax, allows us to spread that wealth and to ensure that we are able to support the level of education and health care that I think all Canadians deserve, regardless of their ability to pay as an individual.

What we are seeing with the restructuring which the government has put in place with this flat tax proposal is that the biggest cut, at least in the marginal rates and in the impact on taxes, the greatest cut, the greatest benefit flows to those at the highest income level. We believe that certainly all Albertans should be able to benefit from the tax cut proposed by government. However, those at the highest level should certainly not benefit at a greater rate than those at the middle-income level, and we would like to see a larger tax cut proportionately on the middle-income group than on the higher. Is it a question of perspective on how we view fairness? Yes, absolutely, but we believe that the people in the middle-income group should have a better advantage under a tax cut than has been given to them by the proposal under Bill 18.

Secondly, I think we need to look at the whole issue of education and health costs, as I have mentioned. The need for us as a province and as a country, I would say, is to get on with some of the solid restructuring that is needed in certainly the health care system and

probably the education system but that it be a restructuring that ensures that families in our province aren't worrying about whether or not they can afford to send their kids to postsecondary education, as we know is happening now, as tuition rates go up higher and higher and as government support for public education stays reduced at a level far less than was available in the past. It's interesting that part of the impact of those cuts is what has created the budget surplus in this province, and it is the reallocation of that service, now to the greatest benefit of those at the higher income level, which will in fact exacerbate the gap between rich and poor, which we are trying to improve upon or at least protect the middle-income earner rather than have them have the brunt and the off-loading of the tax cut being given at the high level not onto them.

We have spoken frequently about the need for a full tax review. This, of course, the restructuring and moving to the regressive tax system that the government is proposing, only touches upon the income tax, and the income tax is only one of the taxes paid by Albertans. We of course have the issue of property taxes and business taxes, which are of course levied on property, health care premiums, and many, many user fees substantially increased under the current government. Our view is that not only income tax needs to be looked at but the fees that people pay either through taxes or fees to cover off the services they are provided. Bill 18, of course, does not address that issue.

3:50

Instead, Bill 18 really is a full admission by government that the rich get richer and the burden is shifted onto that middle-income group. I think it's important to look at that middle-income group with the combined effect not only of bills 18 and 19 but also of Bill 11 and Bill 40. If we look at Bill 18, of course we know that Bill 18 gives the greatest reduction in the marginal tax rate to the highest income level group, the group that's paying a 29 percent rate on the federal marginal tax rates, the highest rate. Of course, the Alberta marginal tax rate, the 44 percent of provincial tax on the 29, means that individuals in that high-income group that are paying at the 29 percent level will have their marginal tax rates go from 12.76 percent down to now 10.5 percent.

That is very different than for those people in the middle-income tax group who are paying 26, then 25, then 24, then 23 percent, according to the tax cuts already instituted by the federal government. Their tax rate will either go down slightly or go up slightly as that progresses through the system. We believe, in fact, that that middle-income group, that group with the 26 percent moving down to 23 percent on the marginal tax rates, should get a better break under this tax cut than those at the 29 percent level, as this government is doing.

Let's look at who benefits to the greatest degree: certainly those at the low-income level. No argument on that. No argument with respect to raising the basic and the spousal exemption portions. Relatively little argument about delinking, if the government has made that decision with respect to the federal income tax and not to make it a tax on tax but a tax on income. Even if those are givens, even with that, the new tax on income can still be based on a more progressive model than this government is proposing and one that we would support as a much fairer tax cut than the one that's coming forward.

Let's look, then, at who benefits in Bill 18 at the high-income level. Those who benefit greatly, certainly in terms of the effect on their taxes, are those in the highest income level group. That's who benefits. [interjections] As I said in question period today, 1 percent of Albertans with the highest income . . .

Speaker's Ruling Decorum

THE DEPUTY SPEAKER: We seem to have a debate by two people who've already spoken on this amendment. So if the two front bench members on either side would desist or go out to the back chamber and carry on their debate there, we'd like to hear just from the Leader of Her Majesty's Loyal Opposition.

MRS. MacBETH: Thank you, Mr. Speaker. It is difficult to speak over the voice of the minister of energy and resources.

Debate Continued

MRS. MacBETH: Anyway, as I noted in question period today, the 1 percent of Albertans with the highest income level will be getting a 28 percent tax cut while nearly 40 percent of Albertans, in that middle-income category, see only a 13 percent tax cut. So when you ask the question about who gets the greatest tax cut, well, it's those at the high-income level.

Then let's look at the combined effect of Bill 18 and Bill 19, which will follow on its heels. Of course, Bill 19 gives further benefit to the high-income group. Bill 19 gives an elimination of the 8 percent surtax, which of course only applies to the high-income level group. We will be arguing that the .5 percent deficit elimination tax that's on all taxpayers should be eliminated before yet another benefit to the highest income earners.

Now, I accept that members of the government and the Acting Provincial Treasurer – or whatever it is his office is called. I can understand that he wants to make sure that only the highest level income earners will get the greatest benefit. [interjections] He has every right to argue that, but, Mr. Speaker, what we're saying is that the middle-income group should be able to get at least as great . . .

Speaker's Ruling Decorum

THE DEPUTY SPEAKER: The hon. Acting Provincial Treasurer is sharing with us all kinds of information at the same time that someone else has the floor. Should there be an opportunity for you to debate this at a later time, we would certainly welcome it, but debate is not correcting everything that an hon. member is saying. Debate is where an hon. member is allowed to lay out their case, as much as we like it or don't like it, and then other people can stand up and debate that. So, hon. minister, if we could keep that in mind, that would be helpful.

The Leader of Her Majesty's Loyal Opposition.

MRS. MacBETH: Thank you, Mr. Speaker. I will look forward to listening to the minister of energy and Acting Treasurer when it's his turn to speak.

Debate Continued

MRS. MacBETH: Anyway, on the combined effect of Bill 18 and then Bill 19 coming on its heels with the elimination of the 8 percent surtax – of course, it too only applies to the highest level group.

You know, Mr. Speaker, there's been an interesting development over the past several days. The past several days have seen the Premier of our province make known his new commitment to the Canadian Alliance, and he has indicated that he is going to support the former Provincial Treasurer in his bid for the leadership of the Canadian Alliance. It's interesting, you know. There are many people that I have spoken to since that announcement was made who are people who have been members of the Progressive Conservative

Party of Alberta for some time and who felt hurt by the Premier's decision to now move his allegiance to the Canadian Alliance party. Many of those that I've spoken to over the last several days and who have called me have said: "You know, I may be a Progressive Conservative provincially. I'm reassessing that on the basis of how this government conducted itself on Bill 11 and some other things. But I have never been and will never be a member of the Reform Party or a member of the Canadian Alliance." They find the positions of that party to be inconsistent with the unfairness issue of the tax . . .

THE DEPUTY SPEAKER: The hon. Minister of International and Intergovernmental Relations is rising on a point of order.

Point of Order Relevance

MRS. McCLELLAN: Under *Beauchesne* 459, Mr. Speaker. I've been listening I think quite diligently, and this debate seems to be going off on a tack about political leadership and so on. I think that the debate on Bill 18 is important to everyone in this province, and this Legislature is dealing with it rather than with a federal leadership or who aligns with a federal party. This is a provincial Legislature. So I would simply, with greatest respect, ask the hon. member to contain her comments to Bill 18. I know I am most interested in hearing her debate and her arguments against this bill that would lower taxes for the majority of Albertans.

THE DEPUTY SPEAKER: The hon. Member for Calgary-Buffalo on the point of order.

4:00

MR. DICKSON: I always appreciate hearing the comments from the minister of intergovernmental affairs, who is probably one of the best listeners in the entire Assembly, but I must take issue. What we have seen is a full and robust debate on an important reasoned amendment. [interjections] Well, certainly on the part of my colleagues we've seen a full and robust debate. [interjections] Mr. Speaker, I'm trying to get to the point of order. I keep on getting distracted by the help from colleagues across the Chamber.

Let me make this observation, if I might. I think that an individual . . . [interjections] Well, I'm responding to a point of order. If people don't want to hear that, you might want to consider that when you raise points of order, you provide opportunities for members to talk about the bigger question of relevance. It seems to me, with respect, that the Leader of the Official Opposition is making a number of key points that are directly salient to the question of the reasoned amendment. In fact, if you look at the reasoned amendment, we see a reference to action at the federal level.

It seems to me perfectly appropriate to recognize that we're not making tax policy or purporting to remake tax policy in a vacuum; we do it in the real world. As the former Provincial Treasurer always used to tell us, there's only one taxpayer. That means that it is perfectly relevant to look at what the impact is of federal tax legislation as well as a provincial initiative. As long as we're confronted with a single taxpayer with two tax regimes, it would be foolish of us not to discuss the impact of what's happening federally while we debate this.

I've been enjoying the debate. I look forward to the comments of the Minister of International and Intergovernmental Relations when she has her opportunity, and I'm hopeful we're able to get on with the debate.

Thank you, Mr. Speaker.

THE DEPUTY SPEAKER: Certainly some people had been making signals to me with regard to relevance on this thing, and my invitation is to stand up if they feel that the speaker is straying from what is relevant.

All that the hon. Member for Calgary-Buffalo said would truly be correct. However, what the chair and, presumably, the minister heard was a discussion about the Premier's federal alliance membership and that kind of thing. One begins to wonder how that is in any way what the hon. Member for Calgary-Buffalo was asserting. To the extent that the federal government is involved – certainly they have the personal income tax – and there's a linkage or a delinkage and all that kind of thing, that's perfectly fine, but the chair was finding some difficulty and wondering what the relevance was about the Premier and whether he belongs to this party or that party federally. Without belabouring that point, perhaps we could return to the debate at hand.

The hon. Leader of the Opposition.

MRS. MacBETH: Thank you, Mr. Speaker. In fact, I think the Premier's membership now in the Canadian Alliance is quite germane to the debate, because all of the leadership candidates for that party are talking about a platform of flat tax and private health care. I mean, the issues are out there. I think that while the government has tried very carefully to apportion this debate off in pieces, being Bill 11, Bill 18, Bill 19, and to some extent Bill 40 from the fall, in their totality they show the issue of fairness and the best benefit to those at the highest income level to be something that concerns us. We think that the threads of those work all the way through all of these pieces. Nonetheless, I will take your guidance, and I will just make a couple of other points about the amendment and about how we are in favour of fair tax cuts rather than the flat-tax proposals the government has come forward with.

Debate Continued

MRS. MacBETH: I think it was interesting on the weekend, as well, to see the federal Progressive Conservative Party reject the call for a flat tax, as did the province of Ontario. We have asked this government on several occasions, in question period and also earlier in second reading on this bill, for an analysis as to why they came to this conclusion. Again, the same roadblock that we hit on Bill 11, where the government refused to bring forward the reasons as to why they felt that expanding private, for-profit care was going to do anything other than benefit the very same people who will benefit under a flat-tax proposal, with the greatest benefit going to the high-income group. Those answers have not been forthcoming. The government has only talked about the tax cut, presumably because they want to cloud the issue of unfairness that flows from their flat tax. We think the amendment is very, very sound.

Mr. Speaker, I think I'm going to leave my discussion on the amendment there. I would hope that we might see some more discussion as to why the government has decided they want to build a regressive tax system in this province. It certainly isn't clear to the people of this province, nor is it clear – in fact, it's a big question – to people in the Edmonton-Highlands constituency, who have certainly raised this question with me at the doors. Now that the by-election has finally been called, now that the government has got Bill 11 shoved through, I suspect that this will be another issue that will be on the plate then.

Nonetheless, I look forward to the discussions on the bill. We will certainly be bringing forward a proposal which could see a tax cut but one that would still address the issue within a progressive tax system, which we believe is consistent with what most Albertans and

most Canadians want, and that is a sharing of our resources in order that we can continue to uphold and protect and modernize our education and our health systems so they will be available for all.

Thank you very much, Mr. Speaker.

THE DEPUTY SPEAKER: The hon. Member for Edmonton-Calder.

MR. WHITE: Thank you, Mr. Speaker. It is indeed a pleasure to speak to this amendment at this stage of this bill. This reasoned amendment does intend to postpone the vote and for a very, very good reason. This particular jurisdiction is, to my knowledge, the only place in the western world where this is being proposed, this massive experiment. It doesn't seem to have the well-founded, documented proof that it could in fact work. I think this massive change is putting particularly the lower income earners, the lower 10 to 30 percent of wage earners, at risk. There doesn't seem to be the kind of debate that should go on across the province on this particular matter.

You'll notice that this particular change does nothing but wonderful things for those that earn \$50,000 or \$70,000 or \$100,000 and up. They're in good stead. The lower portion – that is, the 10 to 30 percent of wage earners that I'm talking about – have an exemption level that is raised, and temporarily, yes, there is some relief, but we're talking about a massive change here, a change for a long, long time to come. There are some benefits, of course, which we'll get into a little later, but I just want to first speak of the timing of this matter.

Certainly it should be no surprise to taxpayers that this government happens to favour those that are well to do, and for a government that's been in office for almost 30 years, it's only natural that those with influence would influence the government. That goes without saying. In fact, that has been the history of elected governments for a long, long time, and it needn't be expressed any further than that. As proof of that, the very first thing the government did that in fact changed the income tax was to drop an 8 percent surcharge on the tax starting in January 1 of 2000, of this year. Who did that affect? The answer simply is those same people that this entire bill affects in a major way and to the affirmative. I mean, they get a massive, massive increase in their after-tax dollars. That's one reason one should suspect the timing of this bill.

4:10

The other reason. Look; here we have just finished, I think in the Premier's words, the largest single political fight that he has ever, ever fought, that being Bill 11. Now we have a good-news story – they're trying to paint it in that way – entirely good news. Well, it isn't all good news. In fact, it is only good news because this province can afford, by reason of higher revenues from oil and gas – it certainly isn't higher revenues from anything other than that. It certainly isn't higher revenues from the agriculture business. That certainly is not the case. It's a struggling business right at the moment. Certainly the only reason we in Alberta have this opportunity to experiment with a tax system – and I say "experiment" unguardedly – is that we do have this right that is coming up out of the ground and, in fact, the royalties that fall from that.

Let's just review, for the moment, the long-held belief that tax cuts were on the way for the citizens of Alberta and why. Back in July of last year, of '99, the Premier mused about accelerating that single-tax rate scheme from '99 to the year 2000 by means of increasing personal exemption and spousal exemption. Well, he mused about that, only mused. There was no movement at all. In November of that same year the Premier then dismissed, or at least spoke of and then dismissed, a 9-cent gasoline tax reduction.

Nothing occurred with it. The carrot is still out there on the gas rebate plan. Three days later he mused again about a reduction of it publicly, and nothing.

This member, by way of note, asked the minister in charge of that particular rebate plan if he was contemplating it. No response. This member even gave him an opportunity to show how it could be reduced, seeing as the owners of the asset, the people of Alberta, are paying. When the value of their asset goes up, the government benefits, and they are penalized at the pump. It doesn't seem to be a reasonable solution. This member offered a solution at that point. It was roundly rejected once more, in December of that year. Then just before the turn of the century our good Premier mused again about a tax reduction, this time a \$100 rebate, a cash rebate, a cash payment, if you will. Did anything come of it? Absolutely nothing. That was the real flat tax. There was no tax. It was so flat that it didn't occur.

In early January the then Treasurer suggested that he as Treasurer would be considering income tax cuts in the year 2000. He must have been, because it appears that with this bill, that's going to occur. On January 17, again another reduction, but this time he was musing about the reduction of health care premiums, another tax of a different form. Then the Premier again, on January 18 of this year when speaking of the surplus, was talking about paying down the debt rather than a tax cut in the year 2000. There seemed to be a lot of changes in position at that time, always talking about a tax cut and reminding the people of Alberta that a tax cut was in the works and that they were going to be the recipients of that.

Then on January 26 there was an 18-cent reduction in the mill rate to the education property tax, a most welcome relief across the province. It sounded like a great deal of money until we found out that it's an average of a \$22.50 tax cut for each homeowner. It did sound like a great deal at the time.

On February 24 the then Treasurer reannounced the 11 percent flat-tax scheme for the eighth time since the 1999 provincial budget. On February 27 the then Treasurer called on the federal government to cut taxes. You'll recall that that was just after Alberta had hurried up to file a budget and just before the federal government filed the budget there. The quote from the newspaper of the day is: "What we're saying to Mr. Martin is 'Try it – you'll like it'." Presumably he was speaking about some tax cuts, which Mr. Martin shortly thereafter did, and of course in the provincial budget for the year 2000 that did not occur. Perhaps it will occur at some time in the future, depending on the passage of this bill, of course.

Then on the same day, February 28, the Treasurer of the day said in two separate statements that the federal tax cuts don't go as far as Alberta's but that they'll be better than no tax increases. Well, that's one way of saying it, I guess. Later on in the day, when he speculated about the reductions in the 11 percent single-rate tax, he said, "Maybe if it stays up throughout the whole year, maybe we could look at an alleviation there and go to 10.5%." Here is a man that is publicly musing about a potential reduction in and a reimposition of an experimental tax rate, and it drops between 2 and 4 in the afternoon by perhaps a half percent. Well, he mused about that. He didn't say anything about it particularly.

Then we have a public story from a senior tax manager at BDO Dunwoody, who disclosed in his study that the 11 percent flat tax, combined with the federal tax cuts of the 2000 budget, would cost middle-income earners more than the current rate, which obviously must have sent the Treasurer scurrying a little, because the very next day the then minister trampled the tax cuts of the federal minister and mused further about some further changes.

It wasn't until about six or seven days later that Mr. Brad Severin showed in a subsequent report that middle-income earners in Alberta

are better off with the existing tax system than they are under the 11 percent flat tax. The then Treasurer questioned those figures and said that at first glance it may appear that the accountant didn't take into account reductions in the Canada pension plan or the registered retirement savings plans. The very next day, of course, was when the minister obviously felt that some changes had to occur and, with a certain amount of bravado, had to be the lowest rate of any province in Canada, and therefore he proposed the reduction from a single rate of 11 percent to 10.5 percent.

That's the short history up to that point and where we have it today. Still all musing about a potential – the bill wasn't then introduced until a couple or three days later, when it was introduced without those changes. It was introduced as is, with the 11 percent inclusion and with the exemption rate being \$11,620, as opposed to the amendments that are now in place to increase the exemption to \$12,900.

4:20

Now, that seems to be a reasonable short history of the coming of this bill, and it all points to but one thing: this is a run-and-gun experiment. It's shoot from the hip. It doesn't seem to be thought out. Certainly there haven't been any documents tabled in this Legislature that would say that this is proven and has been tried and tested under any conditions in any other forum at all. Being the first does have its risks. Therefore, a good deal of time should be taken to study this matter.

Now, one would think that if a province has this kind of disposable income, to the tune of \$1.32 billion, one could at least afford to open some hospital beds, as in the last debate we had, and alleviate all this pain and suffering that we heard so much about in that debate. It doesn't seem to be the case, though, and we're now looking at a massive change in taxation in the province of Alberta.

There are some upsides to this bill, of course, not necessarily the single tax rate, but certainly there's some good news, and Calgary-Currie pointed it out rather well in her description of family finance through a number of different levels. The policy change would penalize less a single-income family that wishes to raise their children on one income and have the other parent stay home and raise children on a full-time basis. That is a good start.

There are, of course, some increases in exemption rates so that the first \$12,900 of income would in fact be tax free, which is a wonderful, wonderful inclusion, but one wonders if that bit of honey and the other bit of honey or the sweetness has to be tied to a single tax rate. You'd think they could be severally put, because certainly a number of the changes in the imposition of income tax in the province of Alberta can and would be supported by this opposition wholeheartedly.

The elimination of the half-percent flat tax surcharge certainly is the right thing to do, because that is the most regressive of all taxes. That's certainly a tax or an addition of a tax that has seen its day and should not be revisited at all.

The larger question, of course – the Leader of the Opposition passed over it rather quickly, but her time did not permit her to go into it a great deal – is a full and complete tax review in the province of Alberta. That would include a full and complete discussion of the relevance of user fees. It would cover the municipal tax, including business tax, which is a horribly regressive tax – you ask any small businessperson that has to live with that tax – the health care tax, and certainly consumption tax, where a ridiculous situation occurs and occurs on a regular basis when the value of an asset increases that we the people of the province of Alberta own, whether it be natural gas or a petroleum product that is made into gasoline products that go into an automobile.

When the value of that goes up, the income stream of the province of Alberta increases, and rightly so, as agent for all Albertans. The difficulty arises when that asset is then resold through the marketing system back to Albertans, and the price is up. Now, here you have the worst of, I guess, the oxymoron of having a valuable asset: the government gets richer and the folks get poorer for an asset they own. It just doesn't seem to be reasonable. When there are some suggestions as to how to equalize that balance or how to reset the balance more in favour of Albertans, we're met with stonewalling and noncommittal answers – well, maybe – even though the Premier did muse about a reduction in one of those consumption taxes more than once.

We don't ever hear of a reduction in the health care tax, and we don't hear the argument anymore, thank goodness, don't hear the argument made at all that this is some kind of a deterrent to use of the health care system. We don't hear the arguments that are made to the effect that these taxes somehow make Albertans aware of the cost of it, for we all know that this health care tax covers but a fraction of the total cost of health care, and it does cost money. It's an increased bureaucracy, and it chases the taxpayer, the lowest of taxpayers, around the country trying to collect from them with collection agencies and the like. All the nasty things that we heard most recently about the federal tax collectors – these are the same kind of folks and the same *raison d'être* to chase the little folks until they can't run any longer. They don't chase the big fellas because, quite frankly, it's nickels and dimes for any tax lawyer or any corporation to pay for these things.

Oh, I'm sorry. I've run out of time, sir. I shall resume this discussion some other time.

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

[Several members rose calling for a division. The division bell was rung at 4:28 p.m.]

[Ten minutes having elapsed, the Assembly divided]

[The Deputy Speaker in the chair]

For the motion:

Bonner	MacBeth	Sloan
Dickson	Massey	Soetaert
Gibbons	Nicol	White
Leibovici	Pannu	

Against the motion:

Broda	Jacques	Renner
Burgener	Johnson	Severtson
Cao	Jonson	Shariff
Coutts	Klapstein	Stelmach
Ducharme	Kryczka	Stevens
Dunford	Lougheed	Strang
Fischer	Lund	Thurber
Forsyth	McClellan	Trynchy
Fritz	McFarland	West
Graham	Melchin	Woloshyn
Haley	Oberg	Yankowsky
Herard	O'Neill	Zwozdesky
Hlady		

Totals:	For – 11	Against – 37
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[Motion on amendment lost]

4:40

THE DEPUTY SPEAKER: The hon. Member for Edmonton-Meadowlark.

MS LEIBOVICI: Thank you, Mr. Speaker. It gives me great pleasure to rise in second reading on Bill 18, and I'm quite looking forward to proceeding with the discussion around Bill 18, which is in fact not about fairness and provides a window into this government's vision of our society. In fact, when I look at the parallels between Bill 18 and Bill 11, that we have just come out of, what we have seen is a government that is intent on having its own way, a government that does not recognize the democratic wishes of its citizens, and a government that continues to pick winners and losers. What we see, quite obviously, in the flat-tax structure that has been put forward by this government is a continuation of that picking of winners and losers, and now they are institutionalizing it into a structural change of our tax system that will continue to perpetuate that type of a vision. It's a vision that looks at who can afford a particular service, who can afford to access certain benefits that society presents that they should be able to get, and for those that can't, well, I guess it's tough luck for them.

So what we see institutionalized in Bill 18 is preferential treatment to the higher income earners and punishment to the middle-income earners. Now, to be fair, what we are seeing is the lower income earners being taken off the tax roll, and that in fact is a good thing. Frankly, you wonder why it has taken the government so long to recognize that and to approach that particular issue. But when we look at who is still left on the tax roll and we look at the percentages in the proposed amendment that will at some time in the future be proposed at the 10.5 percent, what we see is that there is a substantial differential between the middle-income earners and the upper-end income earners, and it's not just a few dollars that we're speaking about, Mr. Speaker. What we are looking at is that if an income earner is between the 30 to 50 percent tax rate, in fact their percentage is substantially less than what the percentages are in the 100,000-plus dollars tax rate. So is it fundamentally fair? I think if that question were put to Albertans at all income tax levels, the majority would respond back that, no, it is not fair.

What we also see is that Albertans and Canadians are seeing through the ploy that's being used by this government as well as other governments across Canada in terms of buying their votes. What in fact the governments are saying is: "We will reduce your taxes. We are therefore providing good government, so we hope that when it comes to election time" – and actually today we have a by-election called here in Alberta, so that particular theory will be tested in 28 days – "you will vote for us, because we will lower your taxes." What this government fails to recognize is that for the majority, when polled as to what they consider the job of government to be and what they consider the most important aspect of government provision of services to be, it's not a tax cut but is health care and education.

In fact, a February Angus Reid poll found that nearly three out of four respondents, 72 percent, believed that health care was the number one priority for government to turn their attentions to. Education spending received the support of 58 percent of those surveyed, while tax reductions garnered only 55 percent. So what we have is an ideological push and perhaps a cynical push by this government, as well, to attempt to buy votes and to try and fool Albertans that in fact they are doing this for their own good.

Now, of course Albertans want to see taxes cut in terms of having more money in their pockets, but Albertans also recognize that tax cuts don't occur in isolation and in fact recognize that there are trade-offs when a tax cut occurs. They realize that what has

occurred through Bill 18 and the flat tax is once again government listening to those that have influence with government, listening to those that have access to government, like they did with Bill 11. Thousands and thousands and thousands of Albertans said very clearly: we do not want to see Bill 11. My guess is that on Bill 18 what we have is that for the majority of individuals who will be adversely affected by Bill 18, if you were to ask them on the street, "Do you think this is fair, and is this the kind of tax system you want?" they in fact would say no, and they would say no with a resounding no.

The question again arises: who has the government listened to in terms of pushing this particular bill forward? Is it only the high-income earners? Is it only the business community, not the small business community but the larger business communities? Who is it that they've listened to? My guess is that it's not the citizens in putting it forward.

In fact, over and over again we hear about this government's newfound commitment to families with one income earner. My colleague from Edmonton-Gold Bar had put forward Motion 506, that read:

Be it resolved that the Legislative Assembly urge the government to demonstrate its recognition of the contribution made by parents who stay at home to care for their children by providing support equal to that received by parents choosing other child care options.

Now, if government members who have spoken in favour of Bill 18 have used the argument that it will help those parents who make the decision to have one individual stay at home to take care of their children, you would wonder how in good conscience they then could have voted against this particular motion, if in fact that were the case. My guess is that any member who speaks to the issue of stay-at-home parents and has voted against this particular motion is cynical in their promoting Bill 18 as a way of addressing that particular issue, and their sincerity is in fact to be questioned.

[The Speaker in the chair]

I have for many years kept in touch with as well as followed the Kids First organization and their goals and have followed as well the presentation that was made to the United Nations. I have yet to hear one government member that has ever been actively involved with that particular group, and I would like to know if there were any. So for them to then stand in this Legislative Assembly and say, in fact, that they support stay-at-home parents I think is very contrary to any public positions that they've taken before.

4:50

The issue with recognizing the tinkering that's going on with Bill 18. We've seen it in some other examples. One of the most recent examples – again, picking winners and losers and providing preferential treatment – that we have seen is in fact with some other tax models that have been put forward. One is in terms of the market-based assessments, and what we have now is the city of Edmonton taking out ads to indicate that the government has been unfair in their putting forward preferential tax treatment to eight communities in the province and that this is an issue that needs to be looked at. So that's one way where this government's track record on tax reform has been anything but stellar.

Another way this government could have, if they were really sincere, provided extra cash in people's pockets would have been to deal with the whole issue of user fees, which the government has been taking over a period of seven years, a lot quicker to provide for the extra cash that would've come to individuals. Now, for seven years the Official Opposition has stood in this Legislative Assembly and has said over and over and over again that in fact those user fees were a tax and they were an unfair tax. This government had

refused to listen until there was a court case in Ontario that indicated that, yes, there was a problem.

So that would've been one way to deal with this issue, but now we have in front of us ideology. The Premier has called it Ralph economics, Steve economics. Recently someone said to me that this is voodoo economics because what we see is risky behaviour on the part of the government. We see a plan that's haphazard. With regards to the maintenance of deficit reduction, debt reduction, and the maintenance of essential services, government services in fact are in danger of being attacked through this single tax. Facetiously someone said to me the other day that by ensuring that this tax is not really a fair tax and knowing that it will have an effect on revenues in the next four-plus years, perhaps what this government is really trying to do is bring forward a sales tax, much like what the Canada West Foundation is proposing. I understand they're looking for an opening to put that proposal forward, and perhaps that's what the Acting Treasurer is looking at providing.

We have to ask the question: why this tax cut the way it's being proposed? We need to understand that in fact this tax rate is a roving rate, a moving rate. It's a target that can't really be pinned down because it depends on what will happen in other provinces across this country. The Premier has now made a commitment that we will have the lowest tax rate of any other province. Now, that statement in and of itself sounds very fine, but the reality is that the implications may be disastrous because the tax now won't have any linkages to our actual ability to afford to provide that tax to individuals. So the question is: what happens if at some point in time there's a downturn in the economy, if at some point in time the government projections are not accurate, if at some point in time oil and gas revenues come in at lower than what is expected and we have a deficit in the budget?

Something will have to give. It will either be the taxes or the spending on the government side. So the question the government at that point, if they're still the government at that time, would have to address is: if there has to be a cutback in the budget as projected because of this tying into providing the flat tax, what would get cut first? Would it be these new private hospitals that will be contracted with the government to provide specific services, or will it be an operating room in an existing facility? What will get cut first?

The policy, in fact, appears to be based on someone's ego as opposed to what is best for Albertans, and one of the things that we cannot support, that I cannot support is a policy that's based on some philosophy, some vision of Alberta that ensures that there's not fairness in our tax structure. You know, just to go back to the policy being based on someone's ego, what it seems to be is an ego that's not averse to gambling with our health, education, and social systems.

There are a number of myths that I'd like to dispose of in discussing this flat tax, and I will have the opportunity at some later point to do it. But there is one that I would like to get on the record, and it has to do with the myth of the brain drain. Again, in the *CGA Magazine*, it indicates that

in every case where there have been major movements . . . in strategic sectors, especially like health, education, and basic research,

. . . it's quite clear they are due more to cutbacks in government expenditures than tax rate increases. In other words, if anything pulled the plug from the drain . . .

This is the movement of individuals out of Alberta or Canada.

. . . it was government program cuts, which reduced funding in these sectors in the '90s.

So if in fact this government wants to look at why there is a brain drain out of this province, they can look only at themselves.

Now what I'd like to do is move a motion that is an amendment to Bill 18, and what it reads is that

Bill 18, Alberta Personal Income Tax Act, be not now read a second time but that the order for second reading be discharged, the bill withdrawn, and the subject matter referred to the Standing Committee on Law and Regulations.

This is a very good amendment that is being put forward. It is again being put forward in the spirit of ensuring that there is fairness in our tax structure, that this bill be withdrawn, something that the government did not wish to do with Bill 11 even though they knew it would harm our public health care system and harm individuals within who wish to access our public health care system at some point in time, and that the subject matter be referred to the Standing Committee on Law and Regulations. This is a committee that is part of the democratic process, contrary to what members would think about it. In fact, this particular committee is one that should be called, and the subject matter could be discussed at length to deal with the issue of fairness in taxes.

I've outlined in the body of my speech that this particular system is a structural change that is anything but fair to the vast majority of Albertans, who are the middle-income earners. This would more than provide the opportunity for the government to look at this bill again, to maybe check their figures, because first we started with 11 percent and now we're at 10.5 percent. Who knows where we might end up in the next couple of months? The Premier himself has indicated that this is a risky venture, that it is not based on solid evidence, it would seem. This would more than provide the time for the government to have that opportunity, so the members should be thanking us for bringing forward this amendment.

I thank you very much for being able to speak to this and hope that everyone will give it some serious consideration, because in fact this is not a matter to be taken frivolously. This is a very important issue that needs some study. The interesting thing to note is that over the last year, in fact, what we have seen is the government wavering on how they would provide a tax break to Albertans. They have moved from one area to another, and what we are noticing is that their studies are anything but complete with regards to this particular area.

5:00

So what we want to know are the reasons, because I hear vociferous arguments from the government members saying that no, this is not something they would wish to support in terms of the amendment, and I find it hard to understand why they would not.

Thank you very much.

Speaker's Ruling Admissibility of Amendment

THE SPEAKER: Hon. members, the Assembly now has before it an amendment, and the chair would like to refer hon. members to *Beauchesne* 666, which certainly indicates that the amendment is in order, that it can be "referral of the subject-matter to a committee." It would further like to refer hon. members to those sections of *Beauchesne* 673 through to 676, dealing with referral of a subject matter to a committee. There's one statement in *Beauchesne* 673, "the advantage of referring the bill to a committee could be explained in the second reading stage," that would be a bit of advice with respect to debate.

Debate Continued

THE SPEAKER: The chair has already recognized the hon. Member for Spruce Grove-Sturgeon-St. Albert.

MRS. SOETAERT: Thank you very much, Mr. Speaker. I am

pleased to have the opportunity to speak to this amendment that my hon. colleague from Edmonton-Meadowlark has put forward. I've spoken to this bill before, but I must tell you that over the weekend I chatted with a few people about it. I had the opportunity at different things I was at. You know, generally I got the feeling that, yeah, I'd like to pay less taxes, but secondly, if my tax dollars were wisely spent, I wouldn't have such a problem paying taxes. They'd often comment: you know, I don't want my money going to private health care clinics; I don't want my money going to private hospitals; I want it going into the public system. So it starts a debate on the whole change in a tax system, and that is exactly what we are doing with this bill.

I have even reviewed some of the debates in *Hansard*. I see Calgary-Egmont had a few things to say. I was reading through some of those things, and once again what I gather from the information we have in front of us is that not enough homework has been done, and this once again seems like . . .

AN HON. MEMBER: On the amendment.

MRS. SOETAERT: I am on the amendment. The amendment is the reality that not enough homework has been done, so we should refer this to the Standing Committee on Law and Regulations. Quite honestly I think it's time they met, and this would be a good bill to start on, because from my understanding I don't know if they've even met before. So here would be a good place to start: right at second reading, do a little bit of homework on it, look at the implications, what regulations it will take, and whether this should continue at this stage.

So while I was speaking to people again this weekend about this tax, some of this change, some were saying: "You know what? I would like to see a fairer system." In fact, some were very wealthy people that I was speaking to. One was a single mom making a livable wage but certainly not a lucrative wage, and she herself said: "You know, I'm tired of worrying about whether I will have to pay health care premiums, whether I will have to pay for an MRI for family members as they need care. I'm tired of the whole juggling act that's being played with us. I would just like to know that my tax dollars are being spent wisely. I would like to know that everyone is being taxed fairly."

Admittedly, some people have a greater ability to pay more, and many of them do. This tax is saying that we all have the same ability to pay, and that's not true. There are some who have a greater ability to pay and are quite glad to do that as long as their tax dollars are being spent wisely, as long as they don't see things like, oh, \$14 million spent on a computer system that is defunct before it's even working. So I think this whole issue of a flat tax has to be rethought, and certainly a good place to start would be at Law and Regulations.

Now, actually it's interesting. Different newspaper articles have said that this flat tax won't work. They've mentioned that it shifts the burden to the middle income, and, you know, the middle income seems to get dinged every time they turn around. The middle income is often a family. When you talk about families, they are certainly using many things more, and as a result they pay user fees more, which, I would say, is of course a form of flat tax, which the courts have already deemed are not fair.

I heard the minister say today in question period that this kind of tax will stop the brain drain. Well, in fact I know there have been studies shown that people move to an area more because of quality of life issues than anything else. They'll move here because they're looking for a strong health system, a strong education system, clean air, a good environment. Those are the reasons people will move to Canada, will move to Alberta: for quality of life issues more than

anything else. So I would venture to say that is the reality, not a brain drain away because of taxes, and certainly as we get unfair taxing, we could well lose a good portion of our people or have people in the middle income slowly but surely slip into the lower income.

In fact, a little bit more on that brain drain is a study done by KPMG that said that the factors that influence high-tech workers to change jobs are a percentage increase in salary, naturally; attractiveness to a different job; "a high quality of life in the community increases its attractiveness by 33%"; proximity to family and friends increases it; a full benefits package increases it; stock options increase it; company stability increases it; and "quality of life and proximity factors account for more than 50% of the motivation to change jobs."

So those are the things that we should be looking at strengthening in this province, and you know what? After-tax income is obviously important. It is for all of us, but the net percentage increase of people who wish to change jobs and move is based on quality of life, so I can even get a copy of this and send it to the minister so it'll help him with the question period tomorrow. He might be able to give a more informed response on a little bit more information that we can send to him.

5:10

Now, people have said to me that this bill is moving towards a two-tiered tax system. Actually, it's been mentioned in the Legislature as well that it's like a two-tiered tax system, and we end up having a major structural change in the way we collect taxes with this piece of legislation. What we've got with this two-tiered system is an issue of unfairness. Because of this, I think we've got to look at: is it all important to say that we've got the lowest taxes? Maybe so. When we say lowest taxes, do we have to also mention highest costs, out-of-pocket for private health care?

The amendment, once again, is a suggestion that the subject be referred to the Standing Committee on Law and Regulations. Mr. Speaker, we missed that opportunity to send it with Bill 11. We have another opportunity here to send this to the Committee on Law and Regulations, and I think it would be an exciting time for those members to actually call a meeting and do some work on law and regulations.

I'd like to say that judging by the people I chatted with this weekend, the real concern is that a flat tax is not the fairest way we can do it. They also feel that it's a bit of damage control after Bill 11. After the trouble they have had with Bill 11, maybe if they just told everybody, "Well, we'll give you all 10 bucks or 100 bucks back in your pocket," they'd all be happy and forget Bill 11. So it's like a quick fix instead of proper tax reform.

I would encourage this government that if you want to look at proper tax reform, let's do it right. Let's not do the quick fix for political reasons. Let's do a real proper review of this. Do it properly. I would encourage people to support this amendment. Let's get that Standing Committee on Law and Regulations to work. Let's give them a purpose, because it must be embarrassing to say: yeah, I chair that committee, but we've never met. I think it's a strong point to go forward with this bill to the Law and Regulations Committee.

There's been enough concern expressed. People have said to me: let's do a proper tax reform; let's not do this piecemeal, feel-good kind of stuff. I mean, face it; the federal government came out with their tax changes, and suddenly then: oh, well, we'll change ours to 10.5 percent, then, if 11 percent doesn't work. That should give you a clue that not enough homework has been done on this bill. Not enough people have thought it through. So I look forward to debate

on this. I know that members from the opposite side, including the Acting Treasurer, will want to stand up and maybe voice support of this. Maybe not, likely not, but there's always hope.

So, Mr. Speaker, with those comments about supporting this motion that we discharge it at second reading, send it to the Standing Committee on Law and Regulations – a very good amendment by my hon. colleague, well thought out in concern for her constituents and, in fact, all of Albertans – I would like to put my support behind this amendment.

Thank you.

THE SPEAKER: The hon. Member for Edmonton-Calder.

MR. WHITE: Thank you, Mr. Speaker. Speaking to the amendment that would send the entire bill – lock, stock, and barrel – off to the Standing Committee on Law and Regulations. With a bill of this magnitude and the effect that this bill would have, it certainly would be reasonable to expect that a committee of this Legislature would study the bill, study the bill not just line by line but study the effect, effect by effect. Certainly with the limited amount of study this bill has apparently been put through in either the government caucus or certainly in the public realm, it would be reasonable to expect that some reasonable debate could be generated in that committee.

If that committee were a committee as many committees in other jurisdictions are, it would hear expert witnesses. They would question. They would probe. They would certainly get an interest up in the public that would be easily translated into better public knowledge through the media. The media would certainly attend such a meeting when we know for absolutely sure that this piece of legislation could and would change the face of this province and how it manages its economy through the contributions of the citizens by way of tax.

Now, having said that, considerations that I would think should be brought to the attention of that committee are the entire tax structure, not just the income tax. Income tax is but one portion of it. I spoke earlier today of business taxes, which are a horrible inhibitor for small business. It's not such a big imposition for large businesses but for small businesses, the genesis of most of the wealth creation in this province. It's an inhibitor that the municipal government applies because they simply cannot manage their budget, as it were, on the basis of property tax and property tax alone.

I recognize that property tax should have and has a reasonable place in an overall tax structure, but it should not be as dominant as it is. In fact, this member would advocate either tax points or a different structure of perhaps revenue sharing in that hill and gully rider of the up and down swings of revenue generation by way of royalties and the like could in fact be shared with the municipality.

The municipality has not a great deal of latitude in expenditures, but they all have a substantive wish list of those things that they'll get to in time. I know there are a number of hon. members in this House that served at that level of government and know that there are a great many very, very worthwhile endeavours that a municipality can and should do, whether it be in environment or whether it be in infrastructure upgrade. All of these things could be managed much better if they had more income to make these judgments, and of course then we wouldn't have the same difficulty of the municipal purse growing and shrinking at such a rate that it is exceedingly difficult to manage. Yes, you'd still have that large purse, but you'd have many more purses in the province that could expand and contract as the economy grew and then shrank over time when we rise and fall as the revenue sources in natural resources increase and decrease.

You have to recognize that the same taxpayer, each individual

Albertan, is the one that this burden falls upon. Quite frankly, it seems to this member that it would be much, much more progressive if we could take that income tax level and modify it only so slightly as to effect these other changes first. I'm thinking of the first element of business, the great unfairness to charge a health care tax. It seems that there is but one other province in the entire dominion of Canada that does charge that rate, and it seems to be totally and completely counterproductive when the entire imposition of the collection of that tax actually pays for but a small portion of the management of the health care system, particularly when there must be 10, maybe 15, maybe even as high as 20 percent of that tax as applied is the bureaucracy to apply it.

5:20

As I said earlier, the imposition of this tax goes on each and every one of us equally, which is a user fee, and it's a regressive tax. It doesn't have anything to do with ability to pay, nor does it have anything to do with the usage of the system, so it's an unattached tax, as it were. It does not have a solid reason for existence. No one certainly in this Chamber has ever been able to explain that easily to this member. Consequently I don't have any success at all explaining to members of the public why they must go through this charade of paying for part of their health care system. It certainly doesn't cut down their usage of the system, nor does it seem to have any effect whatever on expenditure levels, and it certainly doesn't have any attachment to that ability to pay.

Now, that's one element of tax that could and should be eliminated prior to any adjustment, because you still leave the poorest of the poor. Regardless of whether they pay income tax, they still have this albatross around their neck of paying this tax, and they have but another tax collector and another reason for filing again and again. Just as they're about to escape the net of the social services system, they find that now they are in the working poor, as it were, and now they have to pay. Before they pay for any food or lodging, they must pay this tithe, this rate, this imposition of tax for their health care at the same rate as the biggest financier, the hottest lawyer in town, the brain surgeon.

That does not seem to this member to be fair at all, particularly when they get behind two or three payments, and they're threatened with all manner of foul deeds perpetrated upon their financial structure. They're threatened with a bad credit rating. They're threatened with garnishee of wage. They're threatened with all of these things, and to what end? To what end? To pay some bureaucrat to chase them? I think this tax is the worst imposition of all.

We'll move on to another set of taxes that I spoke of earlier that are applied through the municipality. The small businessperson wanting to open up a hairdressing salon or a small business such as that will review the situation as to start-up costs, the first and last month's rent or damage deposit on a small facility, renovating that facility such that they can operate their business, all the signage, all of those kinds of start-up costs. Then they get hit with a tax. Then the municipality comes and says: thank you very much; now we have to apply a tax to your business because we have a need.

Now, that tax has nothing to do with ability to pay. The business right next door pays exactly the same rate presuming they pay the same lease rate, and that business may have been operating for 50 years and may have a wonderful record. It may be that that business next door is a bank, and the bank has no difficulty whatever paying this rate. But start-up costs and the next six months of having to pay that and then not paying it and having a tax imposed upon a tax is so onerous on those businesses that a lot of them go out of business. That is simply not healthy in this economy, and it certainly wouldn't be helpful for any small town to have businesses go in and out of

business, and we all recognize that. The imposition of those kinds of taxes is the worst.

So when we talk about a review of the law and regulations, we talk about a full and complete review of the tax structure. That goes even to the extent of user fees. We would have liked to have had a full and complete review of those prior to the imposition in this last budget debate. That would be a fundamental inclusion, to set a philosophical framework, as it were, around the imposition of user fees.

Now, this member has no difficulty with user fees that do actually reflect the cost of doing business. Government must perform those functions that a society calls upon it for. In extra areas, in areas where special services are required, or in areas where it is not absolutely necessary that the service be provided by government to the citizens – you know, the imposition of those taxes would be reasonable. There are others, of course, that should not and would not in the normal case be applied, nor should they be applied at those rates. Quite frankly, a government is in the business of governing for all of the people, and to apply another tithe, another tax, another fee, another rate to something that should be provided as a matter of course by a government – saving all of that exchange of cash and exchange of all of that paper for billing purposes and the like seems to me to be so much more reasonable than charging every single time, particularly when you look at the administrative costs coupled with the inequity of application, of ability to pay.

We know that there are citizens in this province that do not, cannot, and will not dip into their pocket to pay for those services and do without, and that is certainly not the kind of thing that we want to perpetrate as government in the province of Alberta. There are so, so many of those taxes and the imposition of charges, and the ones that I point to most directly are those that are supplied through the – I think it's the registries that do a lot of these. Now, I recognize that the registries have costs – and they're governed by an act – in order to disseminate the information that they collect, and they also collect a fee that is commensurate with the cost of that, but what doesn't happen and hasn't happened is that the government also . . . [interjections]

Oh, yes, I recognize that. I had a lot of bobbing heads from the opposite side that were trying to indicate something, and I know not what, sir, so the translation could be difficult.

THE SPEAKER: Well, hon. member, that normally is not a problem. If all hon. members abide by the rules and speak through the chair, they don't see any bobbing of heads elsewhere.

MR. WHITE: I'll try to ignore the bobbing of heads across the way. It's a sign of a loose neck or a poor health care system that cannot keep his neck erect.

Continuing on, sir, with the debate of . . .

THE SPEAKER: Hon. member, Standing Order 4(1) indicates that we've now concluded the afternoon's business today. Hon. Deputy Government House Leader, if I understand this correctly, according to the Order Paper, when the House convenes tonight at 8 o'clock, it will reconvene in Committee of the Whole.

MR. ZWOZDESKY: That is correct, Mr. Speaker. Thank you.

THE SPEAKER: Then, you will now rise till 8 o'clock, and you shall reconvene in Committee of the Whole.

[The Assembly adjourned at 5:30 p.m.]