

Legislative Assembly of Alberta

Title: **Thursday, May 18, 2000**

1:30 p.m.

Date: 00/05/18

[The Speaker in the chair]

head: Prayers

THE SPEAKER: Good afternoon.

Let us pray. Lord, renew us with Your strength. Focus us in our deliberations. Challenge us in our service of the people of this great province. Amen.

Please be seated.

head: Presenting Petitions

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

MR. WICKMAN: Thank you, Mr. Speaker. I have a petition signed by 105 Albertans from Rocky Mountain House, Eckville, Westlock, Red Deer, Calgary, Sherwood Park, Stony Plain, Bon Accord, Edmonton, including the constituency of Beverly-Clareview, all urging "the government to stop promoting private health care and undermining [the] public health care [system]."

head: Reading and Receiving Petitions

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

MR. MacDONALD: Thank you very much, Mr. Speaker. I now request that the petition regarding saving public health care that I presented yesterday 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.

MR. DICKSON: May I ask that the petition I presented the other day be now read and received, please.

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.

head: Notices of Motions

THE SPEAKER: The hon. Government House Leader.

MR. HANCOCK: Thank you, Mr. Speaker. Again with regret I'm compelled by the fact that the opposition continues to object to the passage of tax reductions for Albertans to give notice that I will move:

Be it resolved that further consideration of any or all of the resolutions, clauses, sections, or titles of Bill 19, Alberta Income Tax Amendment Act, 2000, shall, when called, be the first business of the committee and shall not be further postponed.

head: Tabling Returns and Reports

THE SPEAKER: The hon. Acting Provincial Treasurer.

DR. WEST: Thank you, Mr. Speaker. In continuation of the support of the tax cuts that we have brought in, I would like to table copies

of a news release by the chartered accountants of Alberta that supports tax bill amendments and bills 18 and 19 in the province of Alberta. I do believe there are close to 7,000 chartered accountants in the province of Alberta. I think that's pretty remarkable support.

MRS. McCLELLAN: Mr. Speaker, I'm pleased to file with the Assembly today a document submitted to the co-chairs of the Ministerial Council on Social Policy Reform and Renewal entitled A Framework to Improve the Social Union for Canadians: Mobility Provisions. This meets our commitments.

Thank you, Mr. Speaker.

THE SPEAKER: The hon. Minister of Children's Services.

MS EVANS: Thank you, Mr. Speaker. Today I'm pleased to table responses to written questions 23 and 25 with the appropriate number of copies. They address, first of all, the number of aboriginal children who moved from permanent guardianship status to adoption in the fiscal year '98-99 and also relative to negotiations the government has been involved in regarding the status of aboriginal adoptions.

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

MR. DICKSON: Thank you, Mr. Speaker. I'm pleased to table at this stage a summary of debate times on Bill 11 broken down by each of the reading stages and indication of different caucuses and the amount of time speaking in debate.

Thank you very much.

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

MRS. SLOAN: Thank you, Mr. Speaker. I'm pleased today to table the draft homelessness framework, the only draft that I believe has been in circulation, released by Alberta Community Development, family and special purpose housing, provided to the charette here in Edmonton yesterday.

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

MR. SAPERS: Thank you very much, Mr. Speaker. I have three tablings today. The first is a copy of a very substantial academic work by Professor Mel McMillan from the department of economics at the University of Alberta titled Alberta's Single Rate Tax: Implications and Alternatives, which of course finds fault with this unfair flat tax and proposes several progressive alternatives.

Mr. Speaker, the second tabling I have is a single page report really for the benefit of the Minister of Government Services. It's titled Acting Provincial Treasurer, Steve West on the Budget Surplus. It reads: "'The Budget 2000 came out showing a surplus of \$713 million. Let's just say that (figure . . .) will be low.' (May 17, 2000)." I hope the minister was paying attention.

Finally, Mr. Speaker, I have a copy of correspondence from Dr. Ron Jadusingh to the Premier of Alberta in which Dr. Jadusingh demands that the Premier withdraw his comments, apologize for maligning his reputation, and stop confusing Albertans about the differences between private, for-profit, and commercialized health care.

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

MRS. MacBETH: Yes. Mr. Speaker, thank you. I'm pleased to table, first of all, a news release by the Official Opposition which

provides a model for a fair and progressive tax plan and gives a fair tax cut to all Albertans, a 0-10-12 plan as opposed to a 10.5 plan.

My second tabling, Mr. Speaker, is a letter which I have been asked to table from a gentleman, Corey Anderson, from Barrhead, Alberta, with regard to Bill 11 in which he asks for an explanation as to "why the government is not listening to the people and is forcing this issue through even though there is a strong voice of opposition."

My third tabling is from a woman by the name of Charlene Hooper from St. Albert, Alberta, who describes a billing for an MRI privately provided to her husband even though she has in fact a doctor's prescription for such an MRI and encloses the bill which she has sent along to the Premier and the MLA for St. Albert to pay following the Premier's words yesterday.

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

MS LEIBOVICI: Thank you. I have a report to submit to the Minister of Learning. It's a report on schools in Edmonton-Meadowlark outlining the results of meetings that I've had with 11 schools within my constituency. I've documented the concerns and hopes of administrators, teachers, and parents with regard to a wide range of issues including class size, funding, special-needs children, school resources, professional development, school facilities, and teaching.

Thank you very much.

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

DR. PANNU: Thank you, Mr. Speaker. I have one tabling in the form of copies of a letter by Bryan Quinn from St. Albert. Mr. Quinn argues that the government's tax reduction proposal will shift the relative burden of taxation to middle-class and upper middle-class Albertans, and he is seeking a postponement of the final decision of the Assembly on this bill so that Albertans have a chance to debate it.

Thank you, Mr. Speaker.

THE SPEAKER: The hon. Minister of Environment.

MR. MAR: Thank you, Mr. Speaker. I wish to table the requisite number of copies of my responses to questions raised at the supply subcommittee on Environment, which took place on 20 March year 2000.

1:40

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

MS OLSEN: Thank you, Mr. Speaker. I have five copies of the Joint Recommendations on Issues of Curriculum Change from the Capital region school boards, April 2000. In this particular document the district recommends that the approval of the TI-89 and TI-92 graphing calculators be rescinded because of the advantage it offers those students in that horrid math program they go through.

Thank you.

head: Introduction of Guests

THE SPEAKER: The hon. Deputy Speaker.

MR. TANNAS: Thank you, Mr. Speaker. Today I'm delighted to introduce to you and through you to members of the Assembly nine STEP students who are working with the Legislative Assembly for the summer months. Seated in your gallery this afternoon, Mr.

Speaker, are Susan Karpa, Helen Park, Brian Storseth, Tiffany Ferguson, Terris Schultz, Ana Velado-Quezada, Adam Kozakiewicz, Mai Dong, and Isabelle Guay. I'd ask them to please rise now and receive the warm traditional welcome of this Assembly.

THE SPEAKER: The hon. Deputy Chairman of Committees.

MRS. GORDON: Thank you, Mr. Speaker. I would like to introduce to you and through you two Lacombe residents that I have had the privilege of knowing for a very long time. They have a very special interest in being with us today as they are related to our very capable David Gillies, executive assistant to the Government House Leader. I would proudly ask Jean Stock and her husband, Noel, seated in your gallery, to stand. We will give them the traditional warm welcome of the Assembly.

THE SPEAKER: The hon. Acting Provincial Treasurer.

DR. WEST: Yes, Mr. Speaker. I have a very pleasurable job today to introduce to you and through you to the members of the Assembly two individuals that are visiting our province and have been here for some time. They're Rotary exchange students, one in Lloydminster. Jacob Eliasson is a grade 12 student. He was eight months at the comprehensive high school in Lloydminster, and he's heading back to Sweden in July. The other is Mel Hall. She's a grade 12 student from New Zealand. She's been four months at J.R. Robson in Vermilion, but she'll be staying through till January 2001. She was excited with the snow we had here, so she wanted to stay right through and see some more of it. Both are very intelligent, very respectable people. You can tell that they have all the pins of Canada on their Rotary vests. I would ask them to stand in the members' gallery and receive the warm welcome of this House.

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

MR. WHITE: Thank you, Mr. Speaker. I do have a distinct pleasure today to introduce to you and through you to the Members of the Legislative Assembly Fay Turpin's class from NorQuest College west. They are English as a Second Language students. There are 13 of them from all over the world. They've come to this country to enjoy the freedoms and learn the language and our culture here. I would like to invite them to rise and receive the warm welcome of the Assembly to Alberta and to Canada.

THE SPEAKER: The hon. Member for Airdrie-Rocky View.

MS HALEY: Thank you very much, Mr. Speaker. It's a pleasure for me to be able to introduce on behalf of my colleague from Calgary-North Hill a group of 33 students from Webber Academy and their teachers, Miss Janice Chan, Ms Janis Bekar, and parent helpers Mr. Ed Chwyl, Mrs. Sheila Cook, Ms Janet Gamble, and Mr. Wes Goretsky. I believe they're seated in the members' gallery. I would ask that they rise and receive the very warm welcome of this Assembly.

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

DR. MASSEY: Thank you, Mr. Speaker. It's my pleasure on behalf of the Member for Spruce Grove-Sturgeon-St. Albert to introduce to you and through you to members of the Assembly Mrs. Margaret Doige, Mrs. Kim Currington, and 10 home schooled students from the Parkland home educators. They are in the public gallery. With permission I would ask that they stand and receive the traditional warm welcome of the Assembly.

head: Oral Question Period

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

Medical Diagnostic Services

MRS. MacBETH: Thank you, Mr. Speaker. Yesterday the Premier said that for diagnostic services delivered privately, and I quote, what would be totally unfair is if a person paid and then used that diagnostic material to get earlier treatment in the public sector. Well, it's time for this government to open its eyes, because of course that is exactly what has been happening in Alberta for several years now. Albertans are able to pay privately for medically necessary MRIs and now CT scans in order to jump to the head of the queue in the public system. My questions are to the Acting Premier. Can the Acting Premier explain to Albertans why this government is allowing queue-jumping to occur for medically necessary diagnostic services like CT and MRI scans?

MRS. McCLELLAN: Mr. Speaker, the minister of health may wish to supplement my answer, but I would just remind the members of this House and all Albertans that are tuned in to our question period that we in fact spent several weeks and hours debating a bill called Bill 11. One of the specifics of Bill 11 was to stop queue-jumping, and I hope everyone in this House and everyone watching remembers that the Liberals voted against that bill.

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

MRS. MacBETH: Thank you, Mr. Speaker. Given that queue-jumping for medically necessary diagnostic services has been occurring for several years, MRIs and now CAT scans, can the Acting Premier tell Albertans why they didn't include that queue-jumping in Bill 11? It's not included.

MRS. McCLELLAN: Mr. Speaker, the hon. member across the way has a great deal, in fact a vast amount of information on private clinics because of course she was the minister of health when some 30 of them were in place. I have asked myself that question many times: why were guidelines not put in place at that time? However, what this government did do in consultation with provinces across this country, with the federal government, and with the College of Physicians and Surgeons is ensure that Bill 11 did in fact include queue-jumping.

In the area of diagnostics, Mr. Speaker – and again the associate minister of health may wish to comment on this – and the area of MRIs I think the hon. member is fully aware that if a physician prescribes an MRI, it is paid for under the system through the services that are provided in the system to cover that. If a person chooses to go outside the system to have a private MRI, it is not currently paid for.

The Premier has stated unequivocally, Mr. Speaker, that he is very concerned about this issue, and he has indeed asked the Minister and the Associate Minister of Health and Wellness to review this and to ensure that people are not receiving faster treatment through purchasing diagnostic or any other services.

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

MRS. MacBETH: Thank you, Mr. Speaker. I just want to table an indication about the private MRIs not being in operation prior to May of 1993.

Anyway, Mr. Speaker, given that the Premier said yesterday that

paying for medically necessary diagnostic services such as MRIs and CT scans was, quote, unfair if delivered in the private sector – we've now got the third version from the Acting Premier – will the Acting Premier now provide instructions to Albertans as to how they might be reimbursed for the medically necessary MRIs and CT scans that they have paid for out of their own pockets?

1:50

MRS. McCLELLAN: Mr. Speaker, I could take far more time than this question period allows getting into the debate on the preamble to that question. Suffice it to say that the die was cast, and it took this government to put some regulations and guidelines around the operation of private clinics.

However, that was then and this is now. I think that if the hon. Leader of the Official Opposition would listen, she would hear one more time that if a person chooses to take their prescription for an MRI outside of the public system and pay for it, that I guess is their prerogative. If they take their prescription for an MRI and have it provided under the public system, they do not pay for that today.

What we are concerned about, Mr. Speaker – and the Premier has indicated this – is that if someone is taking that prescription outside to a private clinic, it then affords them the opportunity to receive faster service. That is the concern.

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

Private Health Care Facility Fees

MRS. MacBETH: Well, Mr. Speaker, there seem to be some major contradictions on the front bench. Let's go to some more contradictions between ministers. On May 11 the Associate Minister of Health and Wellness said, and I quote: we are not paying out of the public purse any facility fees; those are disallowed, end quote. However, on November 19 of last year, 1999, the minister of health said in regard to who pays for facility fees that, quote, the public system does, the regional health authority funded by the provincial government, end quote. Can the minister give a simple answer to a simple question? Are facility fees included in the contracts between private operators and regional health authorities?

THE SPEAKER: The Associate Minister of Health and Wellness.

MR. ZWOZDESKY: Thank you, Mr. Speaker. I'm just delighted to speak to this so that we can perhaps try and once again clear this up. The term "facility fees" has to be first of all distinguished from and differentiated from "facility services." Now, there are no facility fees that are being charged to Alberta patients for insured surgical services, whether they are delivered inside a public hospital or they are delivered inside a private clinic. Those were outlawed, and as a result facility fees are no longer allowed to be charged and neither do we reimburse for that.

However, what the hon. Leader of the Opposition is trying to get at, I think, is what are called facility services, which are spelled out and defined in Bill 11. I could give you the entire list of facility services; it would take several minutes. They are defined in Bill 11, and they exist under separate contracts.

There are two types of contracts, Mr. Speaker. The one that covers any kind of facility services exists between an RHA and the particular facility providing those facility services. There are other services, fee-for-schedules, for example, that are negotiated with the Alberta Medical Association, which is between Alberta Health and Wellness and the doctors directly, in conjunction with all of these other negotiations that I've mentioned.

So the physician performing insured surgical services will continue to be paid the set amount for each surgery, and that amount will be the same if it's provided in a public hospital or if it's provided in a surgical setting. I hope that clears that up for the hon. Leader of the Opposition. We do not have those facility fees; we have facility services.

MRS. MacBETH: Well, Mr. Speaker, perhaps the minister could answer this question. What percentage of the existing contracts, say, for the ophthalmology clinics that were taken over by the province – the province picked up the facility fees – is being paid by the provincial government?

MR. ZWOZDESKY: Mr. Speaker, I'll have to take that question under advisement because I do not have the exact statistics. If she had told me she wanted some specific numbers, I would happily have looked them up for her. If she'll accept, I will provide a written response when I get the information.

MRS. MacBETH: Thank you.

Mr. Speaker, now that the minister has admitted that there is in fact payment of facility fees in private facilities by the regional health authorities, can he please tell us why he's contradicting the minister of health? [interjections]

MR. ZWOZDESKY: I'm sorry; there was so much interference from her own members that I didn't quite get the question.

I don't believe I admitted to anything. I said that I would look up the information, and I'd be happy to provide it. If such information exists, I'll be happy to provide it. I quite frankly do not know, and that's why I've taken it under advisement.

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

Income Tax

MRS. MacBETH: Thank you, Mr. Speaker. The government of Alberta is all alone in its push for a flat tax that disadvantages the middle-income group. Will the Acting Provincial Treasurer explain why he remains so bullheaded in his efforts to push through a flat tax in Alberta when every other province in Canada has abandoned the idea?

DR. WEST: Mr. Speaker, that's not true. In fact, there are individuals in Paul Martin's office working on a study right now and certain recommendations to Mr. Martin, and as soon as I have the fullness of that information, I'll put it here in the Assembly. Newfoundland is looking at this right now, and a graduated type similar tax in Saskatchewan is being looked at.

The reason we're putting it in is because it's a progressive type of tax which does not penalize people for working harder in this province. It takes 190,000 people off the tax roll completely. Those 190,000 will still pay federal tax, and a lot of those people can't afford to pay that tax.

This stops the brain drain. It is an attempt at all the studies that said that if you tax people with a disincentive the more money they make, they'll go to the United States or someplace else where they can work hard and not pay that type of devastation.

It also stops bracket creep. This single tax sets it up so that indexed against inflation, people's growth in their incomes will not be destroyed by inflation.

One other thing they're missing is that the single rate of tax cannot

be discussed without discussing what we've done with the spousal allowances. We've increased the personal deduction and spousal allowance to \$12,900 and inflation-proofed them. Coupled with the single rate of tax, that makes it the most progressive tax in Canada.

MRS. MacBETH: Well, Mr. Speaker, given that a flat tax is not the only way to remove low-income Albertans from the tax rolls, why does the Acting Treasurer insist on imposing an unfair burden and transferring that burden to middle-income taxpayers?

DR. WEST: Well, that's just not true. I just tabled the chartered accountants news release that has done studies on this. With the changes that we made to the percentage from 11 to 10 and a half and raising the spousal allowance and personal deduction to \$12,900, it does not disadvantage the middle-income earners.

Once again, I don't know why the opposition wants to tax those people not making very much money. They want to tax those 190,000 to 200,000 people that we're taking off the rolls.

Number one, we just don't stand here and brag about what we would do in the future; we do it. In 1997 and '98 we passed an employment tax credit that went through to people working hard that had families, and some people are getting those cheques in the mail today. When this plan comes in, many, many of those that are right around the \$30,000 or \$26,500 trying to support two children, married with one income will be getting a cheque back from the government instead of paying some \$300 or \$400 tax.

2:00

MRS. MacBETH: Well, Mr. Speaker, let's try it again. Will the Acting Provincial Treasurer explain why he wants a regressive and unfair flat tax and not a progressive and fair tax cut, as we have proposed, giving the same benefit to the lower income families and individuals as this minister? Why won't he listen to the Liberals' fair tax cut for the reallocation of his tax cut dollars?

DR. WEST: Mr. Speaker, now, this is very, very entertaining for the people of Alberta, because when we introduced Bill 18, they didn't come forth with some funny graph that they've just put out mimicking the one we have by just changing some of the figures. They said that we should lower the 44 percent tax down to 40 percent and mark time with the three different brackets that the federal government had. Now they've changed their mind completely, and they've come in with this mug's game of trying to jump on our bandwagon.

Let's look at another remarkable hypocrisy. Last week they were saying that people making over \$70,000 were the wealthy people that were getting a break. Now in theirs they take it up to a \$100,000. I wish they'd get their facts straight and their principles straight.

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

Health Care Funding

DR. PANNU: Thank you, Mr. Speaker. The timing of today's announcement of extra money that the government has always had in its pocket to address waiting lists is suspicious to say the least, coming as it does in the aftermath of Bill 11's approval. The government is obviously eager to demonstrate the success of its foolish privatization experiments. However, Albertans said loud and clear during the Bill 11 debate that they want extra funding dollars used to strengthen the public health care system. My questions are to the Associate Minister of Health and Wellness. Will the minister give a clear undertaking to this House that every single cent of the extra funding will be used to strengthen the public health care

system rather than being drained away by commercial interests looking to cash in on the Bill 11 gold rush?

THE SPEAKER: The hon. Associate Minister of Health and Wellness.

MR. ZWOZDESKY: Thank you, Mr. Speaker, and thank you to the Member for Edmonton-Strathcona for that question. I want to make it very clear that today's announcement by the hon. minister of health is actually part of our overall six-point plan that was released way back in January or February of this year. That's number one.

Number two, I think it has to be pointed out that the bulk of the announcements coming out today and tomorrow and perhaps over the next couple of days result partly from the injection of money from the federal government through the Canada health and social transfer payment and their budget, which actually came out after our budget. We didn't know how much exactly we'd be getting from the feds at the time of concluding our budget. We had some approximate numbers that we were hoping for, but now that we know there are a significant number of dollars, approximately 98 million coming from the Canada health and social transfer through their budget, we're announcing a number of procedures that will help reduce waiting times for things like heart surgeries, joint replacements, and cancer treatments. It will reduce waiting lists for MRIs and other procedures. We're also going to be looking at including in that a number of other recruitment procedures that will help get us the diagnostic technicians, the therapists, the doctors, the nurses, and so on that all make our health care system work.

In answer to his question about the money that is coming, yes, whatever moneys we get specifically for health care do go specifically to health care.

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

DR. PANNU: Thank you, Mr. Speaker. Does the government plan to increase MRI capacity by hiring additional staff and extending service hours in public hospitals or by contracting out to more expensive, less efficient, private-sector MRI clinics?

THE SPEAKER: The Associate Minister of Health and Wellness.

MR. ZWOZDESKY: Thank you, Mr. Speaker. Just before I get into the specifics there, I want to point out that at the moment we have approximately seven of these machines; in fact, it's exactly seven. We have four more coming onstream, which will take us up to 11 over the next little while, and that will give us the highest per capita MRI capacity anywhere in Canada. Part of that will come out of this money. We need to remember that we're doing about 33,000 of these MRI type scans at the moment.

With the additional 26 placements at the postsecondary level we will be training more people to look after these machines, but I think the hon. member has to recognize that technicians that are required for operating MRIs do have to have a prior degree before they go on to the special training. They would require an RN degree or a related MRI type of diagnostic degree to go on to receive the extra training. So it's a two-step process that is required here, Mr. Speaker.

I do know that with the addition of the four new machines we announced a short while ago, we hope to increase our capacity by a further 28,000 procedures over and above the 33,000 we currently do, and that should significantly alleviate the waiting lists and bring about the needed changes that we're looking for. I know that a lot of that will be done right within our public hospitals system.

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

DR. PANNU: Thank you, Mr. Speaker. The minister categorically refuses to answer my question. Let me try once again. What good does it do to put more funding into health care in the name of reducing wait lists when the minister refuses to guarantee that these precious dollars won't be siphoned into the back pockets of investors rather than going into frontline staffing?

MR. ZWOZDESKY: Well, Mr. Speaker, the fact is that of the new MRIs we've just announced, two are for Edmonton. They will go into the centres that need them, and I expect those to be public hospitals. The same will happen in Calgary. Those will go into centres where they are needed there. That's over and above the other ones that are contemplated for Grande Prairie and Medicine Hat, over and above the one that already exists in Red Deer.

Along with that, there will obviously have to be additional money for the start-up costs, for the room facilitation. You don't just buy an MRI, and then drop it at the front door. You have to prepare a special room for it. Soundproofing is important. These are very complicated, state-of-the-art pieces of equipment that take a lot of ingenuity to install and equally so to operate.

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

Income Tax (continued)

MRS. BURGNER: Thank you, Mr. Speaker. This government believes that lowering taxes will immediately increase the standard of living for all Albertans and will also attract investment and economic activity into the province, which will further raise the standard of living of Albertans. This has been the agenda of this government since day one, yet our critics continue to accuse us of having no plan. My first question is to the Acting Provincial Treasurer. Can he explain what studies exist that support this government's tax plan?

DR. WEST: Well, Mr. Speaker, I understand that some of the debate on Bill 19 has taken the course that we were flying by the whims of our pants as far as forming tax policy, but I would like to say that over the many years that we've been here, we have been doing a tremendous amount of studies. We've brought them forth in various documents, and we also have a lot of support on the outside. I have studies done by the Canadian Federation of Independent Business that support this, by Dr. Ken McKenzie, the University of Calgary paper. I tabled yesterday the Shapiro paper which supports that. Kim Cassady, one of their advisers, had done a report for the department of Treasury.

Mr. Speaker, we have a committee that went throughout the province, and this is the final report and recommendations of the Alberta Tax Review Committee. It's for their perusal; they can look at it. Some 80,000 Albertans sent in their recommendations as well as those that attended it.

I would also like to point out that we talked about this ad nauseam when we did the new tax plan for Albertans in Budget '99, and I would like them to take this forward and look at it. I would also like to table Budget: New Century, Bold Plans, 2000, the Alberta Tax Advantage, and in this are a tremendous amount of tables and talk about the tax plan.

I can continue and will continue as we move forward this session to bring all the material I can so that those people across the way can

understand that removing \$1.3 billion off the tax rolls in this province, 20 percent of the personal income tax, is something that Albertans are demanding and want.

MRS. BURGNER: Mr. Speaker, do these studies indicate that when profits increase as a result of general, across-the-board tax reductions so do real wages and economic activity?

2:10

DR. WEST: Mr. Speaker, this is one of the commonly asked questions. How do you know that if you lower taxes, there's any benefit to a society? We have done a study that I'd like to table again today: Economic Impacts of Alberta Tax Review Committee Proposal. It demonstrated that when we were at the 11 percent and the \$11,600 personal deduction, we would probably see about 1,700 new jobs over five years and about .8 percent growth in our GDP. Since we have gone to 10 and a half and we are now at \$12,900 in personal and spousal deductions, that will raise to about 1 and a half percent GDP growth in five years as well as about 30,000 new jobs.

I would also like to point out that there isn't anybody who does a study that doesn't know that taxes are devastating. In fact, just today it was said that the Chretien Liberals came to power in '93, and the average family taxes have ballooned from \$13,937 to \$18,146.

The unfortunate thing, as I hear the chatter from across the way, is that the only legislative experience of the hon. Leader of the Official Opposition in this House was raising taxes. She never had any legislative experience deducting them. [interjections] Now, Mr. Speaker, she points her finger and says: well, you were there when the taxes were raised. But at least I stuck around long enough to lower them.

Mr. Speaker, I would like the Minister of Economic Development to supplement on the advantages of a tax reduction if he wants to.

THE SPEAKER: It's okay. We're going to move on here. We've spent a lot of time on this one series of questions.

The hon. Member for Calgary-Currie.

MRS. BURGNER: Thank you, Mr. Speaker. Given that we have heard a lot in the past few days about middle-income earners carrying an unfair burden vis-a-vis rich Albertans, can the Acting Provincial Treasurer explain to my constituents how this plan is fair to lower income, middle-income, and even upper income Albertans?

DR. WEST: Mr. Speaker, I mean, the facts are on the table. If it's for lower income people, we're going to take 190,000 off the rolls, and as the population increases and this program goes through, it'll be more than 190,000 over the next five years. As far as middle-income, there's one thing about it. It is a progressive tax, but everybody is treated fairly, depending on the incentive to work hard, do better, get an education, and go forward.

Counter to what was said yesterday by the second party that's in this room, from the Ontario budget and Mr. Eves, that under our tax system – you do; the more you make the more you pay. But, in fact, the more you make the higher percentage you pay because you do not pay any tax on the first \$12,900. So it is a progressive tax, number one.

To indicate how those middle income and upper income would be treated, a single individual earning \$20,000 will pay 3.1 percent of his income on tax, a single individual earning \$30,000 will pay 5 percent of his income on tax, a single individual earning \$55,000 will pay 6.2 percent of his income on tax, and a single individual earning \$100,000 will pay 7 and a half percent of his income on tax. No matter how you define that, that's progressivity. That is not a

flat tax. That's a single rate of tax applied against different rates of income without a penalty.

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

Protection of Privacy

MR. DICKSON: Thank you, Mr. Speaker. Yesterday in this Assembly I tabled the 1999-2000 annual report for Canada's Privacy Commissioner, Mr. Bruce Phillips. That Privacy Commissioner had been very critical of Bill 40, the Alberta Health Information Act, and he noted in his report that Bill 40

allows any custodian to develop a family or genetic history for any purpose at all, without asking patients for their consent or even informing them of this practice.

Further, he goes on to say, "This sort of unbridled tracking of personal information is particularly disturbing." My questions are to the Associate Minister of Health and Wellness this afternoon. What steps will this minister take to respond to the forceful criticisms of Mr. Phillips, Canada's Privacy Commissioner?

THE SPEAKER: The hon. Associate Minister of Health and Wellness.

MR. ZWOZDESKY: Thank you, Mr. Speaker. I think we've all been somewhat alarmed by what it is that's going on in Ottawa with respect to concerns we all have regarding our personal privacy and the guarding of information. That's why when we released Bill 40 here – that's our Health Information Act – and discussed and debated it and so on last fall, we were very clear in what we wanted included within Bill 40 that would put in place very strong, very clear guidelines that protect the personal health information of our Alberta citizens.

Among the key features, just for the members' review, we know now under Bill 40 that individuals must give consent before identifiable health information can be used for purposes other than that for which it was collected. So if anyone is using that information for a purpose other than that for which it was collected and if anyone is using that information without the express written consent of Albertans, I think we do have a concern, and I think we'll have to talk to Ottawa very strongly about those concerns.

MR. DICKSON: Well, I want to encourage the minister to look in the mirror, Mr. Speaker.

I want to ask this minister: will he confirm that the serious problems that have been identified by Canada's Privacy Commissioner in his latest annual report will be addressed by this government either through amendment of Bill 40 – bring it back in, and let's try again to fix it – or through substantial changes to the regulations now being circulated?

MR. ZWOZDESKY: Mr. Speaker, I don't have nor have I seen the particular document the member is referring to. If there is some report out there, then he could perhaps send it across, and I'd be very happy to review it.

There will be an opportunity for this kind of discussion when the provincial health ministers and the territorial health ministers next meet with the federal Health minister. I can assure the member that I will raise this concern and this question to find out exactly what Ottawa is getting to here: how can we better protect the provision and the protection of sensitive health information here; how can we ensure that it's only being used and collected for the purposes for which it was designed and ensure that that consent is there in writing from the patients providing it?

Nonetheless, if the member would kindly provide me with that document, I'll respond to it when I next meet with my federal counterparts.

MR. DICKSON: Well, my final question is this Mr. Speaker: given that the criticism of Mr. Phillips, the national Privacy Commissioner, parallels the concerns raised by this caucus when we were fighting against closure on Bill 40 last December, will this minister commit that the Liberal opposition will be consulted on those regulations under Bill 40 before they become law?

THE SPEAKER: The hon. the Associate Minister of Health and Wellness.

MR. ZWOZDESKY: Well, thank you, Mr. Speaker. I don't know what new concerns the Official Opposition has, but I'd be quite pleased and I'd be quite open to receiving any comments that the member has. I can promise him that I will take those into the discussions.

I believe that we also have a Privacy Commissioner here that would be concerned about some of those comments and some of those allegations that are being made, and perhaps we should have him do a second review of that bill to ensure that everything is the way it's supposed to be and that there are no abuses taking place. If there are, I certainly will be concerned as will the minister of health, and I'm sure, too, others will.

THE SPEAKER: Hon. members, I still have quite a list of hon. members who would like to raise a question today, so might I just ask for a little more brevity, please?

The hon. Member for Calgary-Montrose, followed by the hon. Member for Edmonton-Meadowlark.

Foster Parent Program

MR. PHAM: Thank you, Mr. Speaker. Not so long ago some Metis children committed suicide because they could not overcome the linguistic and cultural problems faced while under foster care. Since then, we have tried to improve our child welfare system to ensure that we can provide a real family environment for those children who are in the custody of our government. However, as I speak, some of the native and ethnic children who are under government care continue to face the same problems that occurred 40 years ago. My questions today are to the Minister of Children's Services. When ethnic and native children who are under the temporary guardianship of your department talk to their biological parents on the phone, are they permitted to speak in their mother tongue?

THE SPEAKER: The hon. Minister of Children's Services.

MS EVANS: Thank you, Mr. Speaker. I am always pleased when members in this House demonstrate concern about children who are in the child welfare system.

Mr. Speaker, it would be useful to review the terms of a temporary guardianship order. When a temporary guardianship order is obtained, the child welfare director or their designates have appealed to the court and obtained a judgment for that order, and the best interests of the child are paramount. So in almost every instance we have an opportunity to provide that continuing communication based on that order. There may be extenuating circumstances when the judge will order differently, but overall under the temporary guardianship order every effort is made to make sure that the best interests of the child are obtained.

2:20

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

MR. PHAM: Thank you, Mr. Speaker. My supplemental question is also to the same minister. Does your department have a policy which forces the children and their biological parents to communicate only in English even though they don't have sufficient knowledge of that language?

MS EVANS: Mr. Speaker, absolutely not. May I stress again the importance of the best interests of the child.

The purpose of a temporary guardianship order is to enable ultimately family reunification. So there is again, considering carefully each individual case, an opportunity for the child welfare worker, for those that are in direct contact with the family workers to consider all aspects of the situation and to work very carefully to make sure that culture is respected, language is respected, and all other circumstances.

Again, Mr. Speaker, the bottom line is the best interests of the child.

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

MR. PHAM: Thank you, Mr. Speaker. My last question is to the same minister. I'm glad to hear that you don't have such a policy, but if in fact evidence proved that any staff in your department had followed such a policy, what disciplinary action would you take against them?

MS EVANS: Mr. Speaker, should in fact an hon. member or any member of the community feel that there has been some miscommunication, some impediment that is certainly undue, they can petition the minister to conduct some investigation.

Recently, as the hon. member is aware, I have conducted two investigations on the same circumstance on his behalf. He could go further to the Human Rights Commission and have a review conducted there. But, Mr. Speaker, in the matter of a recent discussion the investigator that had been selected and approved by the hon. member found that the intervention of the child and family services authority has been outstanding, is in compliance with all policies which reflect the very high standard of social work practice, and provides culturally appropriate services to the parents.

THE SPEAKER: The hon. Member for Edmonton-Meadowlark, followed by the hon. Member for Wainwright.

Private Health Care Facility Fees

(continued)

MS LEBOVICI: Thank you, Mr. Speaker. On November 19, 1999, the minister of health said in regards to who pays for facility fees that the public system does; the regional health authority is funded by the provincial government. My question is to the minister of health. Can he confirm once and for all whether facility fees – and we're not talking about facility services – are part of the contracts with private surgical clinics?

MR. JONSON: Well, first of all, I think we need to remember the history of this particular issue. You would recall, Mr. Speaker, that going back a number of years to the time that the hon. Leader of the Opposition was minister of health, private clinics operated in this province. Let's take the example of eye clinics, which were allowed for a period of time to charge facility fees – that was the terminology

that was used at that particular time – directly to patients for their services. That went on for a while.

We as a province were penalized by the federal government eventually for allowing those facility fees to be charged directly to patients and the government moved to provide that insured services had to be provided under contract with regional health authorities, Mr. Speaker. Under those arrangements which we have in place today, the physician is paid according to the Alberta Medical Association agreement for his particular professional services, and the regional health authority contracts with the provider for certain facility services. An amount is arrived at. That is the amount paid under the contract.

That is the way the system operates today, Mr. Speaker, and that's the history of the use of these terms.

MS LEIBOVICI: That would hold for facility services.

Can the minister, then, tell us what is the percentage of the payment of the existing contracts for those facility fees/facility services?

MR. JONSON: Well, Mr. Speaker, as the member posing the question well knows, it depends of course upon the particular procedure or procedures and services that are being contracted for. It would vary from perhaps surgery dealing with removal of lesions and external bodies, so to speak, to cataract surgery, and there would be a variable amount arrived at according to the agreement between the regional health authority which would be negotiated and would be agreed to by each side for the provision of those facility services.

MS LEIBOVICI: Well, the minister still doesn't get it. What is the extra amount that the public purse is paying to the private facilities for performing surgical services? Those are the facility fees. Your associate minister indicated that he would table it. Will you back that up and table what the extra amount is, what the facility fee is that is being paid?

MR. JONSON: Mr. Speaker, there is no extra amount being paid in that sense. This is a contractual relationship just as the regional health authorities have contractual relationships for food services, for diagnostic services. An amount as far as what is provided and paid to the contractor for facility services is arrived at, and our indication across the system is that they are very comparable to costs elsewhere.

THE SPEAKER: The hon. Member for Wainwright, followed by the hon. Member for Edmonton-Calder.

Gas Pipeline Crossing Rights

MR. FISCHER: Thank you, Mr. Speaker. My question is to the Minister of Infrastructure. In the early 1980s the Federation of Alberta Gas Co-ops negotiated master crossing agreements with the two national railways. Lump sum consideration was paid in return for crossing rights in perpetuity. Now that some of the lines have been sold to short line operators, these lines fall under provincial jurisdiction. Can the minister explain why it is that some gas co-ops have been invoiced for crossing rights, which is contrary to the master agreement signed years ago?

MR. STELMACH: Well, Mr. Speaker, the hon. member is referring to master agreements that were signed by the two major railways a number of years ago in perpetuity. However, since some of those rail lines were of course sold to other companies, those companies

weren't aware of those agreements that were signed by the two railway companies.

Since the Railway Act now is in our jurisdiction and since the two national railways sold some of their rail lines to smaller, independent companies, all of the regulations will be developed by our department. We will take into consideration the position of the Federation of Gas Co-ops in not only developing those regulations but communicating all of those regulations to all of the other co-ops that might have to cross right-of-ways in the province.

THE SPEAKER: The hon. Member for Wainwright.

MR. FISCHER: Thank you. Can the minister confirm that the regulations that he is developing for the new Railway Act will prevent compensation being paid to the new short lines by the gas co-ops where there are no costs incurred by the railways?

MR. STELMACH: Mr. Speaker, it makes sense to me. If there are no costs incurred by the railway company, why should the gas co-op have to pay additional fees? That's the premise on which I'm going to be approaching the formation of these regulations.

MR. FISCHER: Will the Federation of Gas Co-ops be consulted on the development of these regulations?

2:30

MR. STELMACH: Mr. Speaker, we definitely will be consulting with the Federation of Gas Co-ops. In fact, we'll be meeting with them very shortly to discuss a number of topics that the federation has put forward. Certainly one of them is railway crossings, and we definitely will be consulting with them.

THE SPEAKER: The hon. Member for Edmonton-Calder, followed by the hon. Member for Peace River.

Alberta Hospital Sewage Lagoon

MR. WHITE: Thank you, Mr. Speaker. In July of last year construction began on a sewage lagoon at Alberta Hospital Ponoka. That lagoon was located on the site of a previous garbage dump on the banks of the Battle River upstream from the town of Ponoka. When the contractor requested the results of the environmental impact assessment, he was told that it was not prepared and that he should proceed with work and that he would be given it later. The contractor then shut down the work on the site for a number of reasons including health and environmental concerns and then was ordered back to work or held in breach of contract by the department. My questions today are to the Minister of Health and Wellness in his position as minister and not his position as MLA, sir. When the department of health was made aware of the health and environmental concerns of the garbage dump, why did it order the contractor to keep working rather than stop work and consult the Department of Environment?

MR. JONSON: Well, Mr. Speaker, I'm aware of the construction of the lagoon, much needed in terms of ensuring proper services to the hospital and provision for the safe disposal of wastewater. I'm also aware that there is a contractual dispute, but beyond that I'm not party to it. I could request that perhaps the Minister of Infrastructure may want to comment on this, because it does fall under his administration.

MR. STELMACH: Mr. Speaker, I'll take that question under advisement and get the full details. I'm not quite sure where the

dispute may be at this particular point, and I don't want to make any statements with respect to the dispute without having all the information at hand.

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

MR. WHITE: Thank you, sir. Why did the department of health order the garbage that was buried to another site on hospital grounds instead of following the advice of a professional or, as is lawful, the Department of Environment's recommendations?

MR. JONSON: Mr. Speaker, first of all, I would like to just put on record that certainly I will review the matter with the Minister of Infrastructure. I do not, however, knowing the record of questions across the way, accept the contentions that the hon. member is making. We will certainly review the matter and check on those allegations, but I do not think they should be accepted as fact at this point in time.

MR. WHITE: Will either minister commit to a full environmental assessment that'll be made public for an approved garbage dump at Alberta Hospital Ponoka to ensure the public health of all Ponoka and area residents so that the waste can be treated in a proper facility?

MR. JONSON: Mr. Speaker, as the Minister of Health and Wellness I certainly commit to making sure that environmental safety standards are followed. Once again I'm certainly making a commitment to what is very important here, and that is that sites be properly handled. But again I would reserve my comments in the sense that I do think the nature of the statements in the question have to also be checked as well.

THE SPEAKER: The hon. Member for Peace River, followed by the hon. Member for Edmonton-Norwood.

Forest Management

MR. FRIEDEL: Thank you, Mr. Speaker. My questions are for the Associate Minister of Forestry. Alberta's forests are very important to our province's economy. They provide revenue, jobs, economic development in many communities, a number of them in my own riding. Yesterday evening I caught the end of an economic development workshop pertaining to the forestry industry but unfortunately not enough of it to hear all of the feedback. I was wondering if the minister could tell us briefly either from the workshop or from existing strategy what the ministry is doing specifically to ensure that our forest resources meet the demand of long-term development.

MR. CARDINAL: Mr. Speaker, that's a good question. Forestry does continue to play a very important role in our overall diversification plan in Alberta. In fact, next to the oil and gas industry and agriculture it creates most jobs. Over 50,000 jobs are created directly, indirectly, and induced in that industry with a revenue of over \$8.4 billion.

Mr. Speaker, the roundtable we had yesterday was attended by 10 major forestry companies that are very active in Alberta plus representatives from various departments of our government including Economic Development, Environment, International and Intergovernmental Relations, Innovation and Science, Community Development, Treasury, and also Resource Development. These issues and many other issues were discussed by the participants at the conference. One thing that was a common theme from the industry stakeholders was that Alberta definitely is a great place to do business in the forestry industry. In fact, the participants

encouraged us to continue building on the Alberta advantage, and we sure will.

The participants also, of course, recognized the need for a long-term strategy in forestry. This group will partner with Resource Development in developing a new framework policy in the development of the industry for Alberta. So, Mr. Speaker, we are definitely on the right track, a very positive meeting.

MR. FRIEDEL: To the same minister, Mr. Speaker. Since the existing forestry operations have increased efficiency and could use more timber supply along with new interests also competing for these limited resources, I wonder if the minister could tell us: is there an allocation strategy to ensure long-term supply sustainability?

THE SPEAKER: The hon. Associate Minister of Forestry.

MR. CARDINAL: Thank you, Mr. Speaker. As most of you are aware I believe, Alberta is nearing full allocation of its resource that's available totally on an annual allowable cut. The demands from industry and the capacity always exceed what we have to offer, but we have a sustained-yield policy that will never, never allow cutting beyond what the forests will grow. Therefore, we are very safe in ensuring that there is long-term viability in that industry.

In fact, our government is presently doing an analysis of the forest resource out there. Once this review is completed later on this year, we will be in a better position to be able to determine how we'll handle future allocations. There are strong indications that if there is a resource that becomes available, we may look at reallocating that resource to existing industries, which would enhance their operations and create more jobs.

MR. FRIEDEL: Again to the Associate Minister of Forestry, Mr. Speaker: does Alberta Resource Development have any plans to actively – and I emphasize the word “actively” – encourage value-added processes and secondary manufacturing in the wood products industry?

THE SPEAKER: The hon. Associate Minister of Forestry.

MR. CARDINAL: Yes, Mr. Speaker. This was another topic that was discussed quite thoroughly at the roundtable discussions with the forest industry representatives. They are interested in partnering with our government in various ways, involving again Economic Development, the Alberta Forest Products Association, the private industry, and government, to ensure that we move towards value adding. I believe the policy of our government in the overall diversification plan is to go into value adding as part of our overall plan. In fact, in the recent reallocation of timber resources that came available in north-central Alberta, the two major companies that were successful in accessing the timber were in the area of value added, so it's a good move.

THE SPEAKER: Hon. members, in a few seconds from now we'll call upon the first of three hon. members to participate in Members' Statements, but in the interim might we revert to Introduction of Guests?

[Unanimous consent granted]

2:40

head: Introduction of Guests

(reversion)

THE SPEAKER: The hon. Acting Provincial Treasurer.

DR. WEST: Yes. Mr. Speaker, it's my pleasure today to introduce a group of people from the Institute of Chartered Accountants of Alberta who have been and are very instrumental in helping the government of Alberta with their tax plans. They have provided government with valuable input on tax policies through the Alberta Tax Review Committee, and we're looking forward to their additional expert opinions with the Business Tax Review Committee, that's in process now. They have shown their support for Bill 18, the Alberta Personal Income Tax Act. I would like them to stand as I indicate their names. They're in the members' gallery, and I'll introduce them to the Assembly: Steve Glover, executive director; Bob Young, president; Brad Severin, member; and Marie Iwanow, communications director. They are standing now, and I would ask them to receive the warm welcome of this House.

head: Members' Statements

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

First Lutheran Church 100th Anniversary

MS KRYCZKA: Thank you, Mr. Speaker. The First Lutheran church in Calgary-West, known as a community of joy, is celebrating 100 years of Christian ministry this year. Recently I was involved in a weekend of special events. Hundreds of enthusiastic families, relatives, friends, and special guests participated in celebrating the great heritage of First Lutheran church in Calgary.

Officially organized in 1900 with a confirmed membership of 10, they purchased for \$1,000 from the First Baptist church a little white wooden church on the corner of 6th Avenue and 2nd Street. In 1950 First Lutheran observed their 50th anniversary. To everyone's surprise Premier Ernest Manning accepted an invitation to speak from the pulpit and used John 2:5 as his text: whatsoever he saith unto you, do it.

First Lutheran church has been in its third and present location since 1982 in the Strathcona community of Calgary-West. During the 1990s First Lutheran embarked on an important three-year fund-raising campaign, called Vision 2000: Imagine Tomorrow. The goal was achieved, evidenced by the completion of an extensive, approximately three-quarters of a million dollar expansion in 1998. The new sanctuary seats approximately 450 people.

I was honoured to bring greetings from the province at the Sunday services to recognize this great institution, which serves so well the spiritual and personal needs of its community members with programs for all ages, from young children to seniors. It is so important that we take time from our very busy lives to appreciate our history, to reminisce, and to value our achievements. That weekend was a truly joyful time.

To Pastor Remo Madsen and the congregation of First Lutheran church, the challenge now will be tomorrow, to carry on, reaching beyond 100. My congratulations to you for being such a strength and helping to build a stronger spiritual community in Calgary-West.

Thank you.

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

Protection of Privacy

MR. DICKSON: Thank you, Mr. Speaker. Yesterday I had the opportunity to table in this Assembly a copy of the 1999-2000 annual report of Mr. Bruce Phillips, Canada's Privacy Commissioner. The report is voluminous, but there is revealing and important information in the 150 pages.

Much of the media focus in the last two days has been on the now

infamous longitudinal labour force file kept by HRDC in Ottawa. You know, I encourage people to read the many other concerns that certainly deserve our attention and remedial action. The Privacy Commissioner documents the misuse of the social insurance number, which has become, in his words, an "internal passport" without which we are nobody."

Now, there is some good advice here for members of this Assembly and for Albertans as we contemplate section 21 of Bill 40, the Health Information Act, and the requirement to produce our personal health number to anybody authorized by regulation. We know how regulations are made in secret in this province. There is no prohibition. There is no sanction. This was one of the concerns that Mr. Phillips identified in his report.

In the health sector he notes: "Patients' privacy is steadily eroding in the name of health research, ready access to personal information and administrative efficiency." Have we not seen that borne out in the debate around Bill 40?

In his report he highlights problems with surveillance in public places and work sites, actually a problem that a Liberal private member's bill twice introduced in this Assembly would have remedied: "The 1999 study [confirms] that Canadians are also becoming more sophisticated" in the area of privacy protection. Fifty-five percent of Canadians "believe that governments collect more information than they need to provide services."

I want to thank Mr. Phillips for his national leadership. This report ought to be required reading for every Alberta legislator.

Thank you very much.

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

Native and Ethnic Foster Children

MR. PHAM: Thank you, Mr. Speaker. Not long ago many native children were taken from their families and put in foster homes where the language and culture were totally different. Most of these children were forced to westernize. Some were successful; others were not. Some even committed suicide because they could not overcome the language and cultural barriers they were living with.

Many studies have been done on this issue. We have all learned from this painful experience. As a society we pledged to never repeat these mistakes. Unfortunately, as we speak, some of the native and ethnic children who are in our child welfare system still face the same problems which occurred 40 years ago. They are still being placed in foster homes which have a totally different language and culture. Some of the child welfare authorities still believe that they need to westernize these children. They force the children and their biological parents to communicate with each other in English only, even though they do not have sufficient knowledge of the language to communicate effectively. This concerns me, and it should concern all of us.

When official reviews are launched, these bureaucrats can hide behind the Child Welfare Act and cover their improper actions under the mask of confidentiality, but they should know that Alberta today is totally different than Alberta 40 years ago. The mistakes of the past cannot and must not be repeated.

Thank you, Mr. Speaker.

head: Projected Government Business

THE SPEAKER: The hon. Opposition House Leader.

MR. DICKSON: Thanks very much, Mr. Speaker. Pursuant to Standing Order 7(5) I'd ask the Government House Leader to outline the course of business we might anticipate commencing Tuesday, May 23, please.

THE SPEAKER: The hon. Government House Leader.

MR. HANCOCK: Thank you, Mr. Speaker. On Tuesday, May 23, at 4:30 p.m. under Government Bills and Orders for third reading, Bill 24, if necessary; for second reading, Bill 20 and Bill 22; and in Committee of the Whole, Bill 3 and Bill 19. At 8 p.m. under Government Bills and Orders for second reading, Bill 20 and Bill 22; Committee of the Whole, Bill 3, Bill 20, Bill 22, Bill 18, Bill 19, and as per the Order Paper.

On Wednesday under Government Bills and Orders at 8 p.m. in Committee of the Whole, Bill 3, Bill 20, Bill 22, and Bill 18; for third reading, Bill 18 and Bill 19 and as per the Order Paper.

On Thursday, May 25, in the afternoon under Government Bills and Orders for third reading, Bill 3, Bill 20, Bill 22, Bill 18, Bill 19, and as per the Order Paper.

head: Orders of the Day

head: Government Bills and Orders

head: Committee of the Whole

[Mrs. Gordon in the chair]

THE DEPUTY CHAIRMAN: I'll call the committee to order. Just for the people that are seated in the gallery, the committee stage is more informal than the other stages of the bill. This particular stage is to look at the bill clause by clause, hopefully, section by section. People are allowed to move about freely and also have a beverage.

2:50

Bill 19

Alberta Income Tax Amendment Act, 2000

THE DEPUTY CHAIRMAN: Are there any comments, questions, or amendments to be offered with respect to the bill? The hon. Member for Edmonton-Glenora.

MR. SAPERS: Thank you, Madam Chairman. The government has used closure now at both stages of Bill 19. That really surprises me, because when I review the *Hansard* of the comments made by members of the Liberal opposition, what I see is almost in every case – well, I think without exception every member of the Liberal opposition is talking about why it is important to provide fair and sustainable tax cuts to Albertans and is questioning the government about why it has backtracked, reneged on its 1996 budget commitment to remove first the flat tax, which affects the majority of Albertans, instead of moving on the 8 percent surtax, which only affects a minority of tax filers.

It is really quite astounding that the government would try to twist that kind of commentary into a suggestion that members of the Liberal opposition are against providing tax cuts. In fact, we've been saying for quite some time, Madam Chairman, that the government of Alberta ought to get on with cutting the flat tax and providing some relief. I will mention at this point that that's in stark contrast to the New Democrats. Their former leader had published an article in the *Edmonton Sun* on January 27, 1996, where she was calling for the creation of yet a new flat tax. I guess that's for another debate at another time.

I will remind the House that on July 27, 1999, the Alberta Liberal opposition caucus issued a press release that was titled Albertans Want Tax Relief Now, Not Trial Balloons. What it talked about was the fact that this government and the Treasurer of the day were using the weasel words "maybe" and "possibly" there would be some tax reform. What we were suggesting back in July of 1999 was that the government should quickly move on the recommendations that it had received and eliminate both the 8 percent surtax and the .5

percent flat tax. The government had said that it was going to eliminate that .5 percent tax first. We think that it could have been done this year. We think the plan can be accelerated. We think that's affordable.

Madam Chairman, if you take a look at the numbers, what you find is that what we're really talking about is making a decision between saving some 390,000 tax filers the equivalent of around \$144 million or saving some 1.5 thousand, 1.6 thousand tax filers the equivalent of about \$325 million or \$330 million. Because the government has said that it "possibly" might, "maybe" could accelerate the removal of the .5 percent flat tax anyway, possibly by moving it up by six months, we may only be talking about that change representing about half of that \$340 million or \$350 million figure. We may only be talking about a timing issue of about six months. Of course, by doing that, we would be able to hold the government to its often repeated commitment to provide tax cuts to low-income Albertans and middle-income Albertans first.

If I can refer you to July 27, 1999, where the Premier was quoted in response to the press release from the Official Opposition that I just referenced: "What we want to do is make sure that those who can least afford to pay tax get the first break." That would be consistent with the pledge made in 1996 but inconsistent with Bill 19.

The former Treasurer – I'm referring to the one that's still a member of the Assembly – said on July 28, 1999, one day later: "Certainly our priority is for low-income earners, and there are ways that can be addressed." Now, that would again be keeping with the commitment made in 1996 but contrary to Bill 19.

Then once again, the Premier, speaking yet a day later, still trying to do some damage control as to why the government was not putting action behind its words on tax relief, was quoted in the *Calgary Herald*. On July 29, 1999, the Premier made the following comment:

Certainly, there are two components I would like to accelerate. Certainly, the raising of the basic [exemption] for lower-income families . . . But, certainly, if there's anything that can be accelerated, we can accelerate the surtax that was put on back in the 1980s to eliminate the deficit.

So, Madam Chairman, the government has this legacy of making promises about tax relief and then failing to carry them through, and the Official Opposition has been trying for some time to get the government to keep its word and provide the often talked about tax relief.

Now, Bill 19, as we have heard in second reading, is a bill where the principle is to eliminate at least one of the deficit elimination taxes. We think it would be better if the bill eliminated if not the tax that is broad-based first, then certainly both at the same time. This is no longer a question of whether it should happen. It's really a matter of when it will happen.

I note from reading today's newspaper that the Acting Provincial Treasurer was speculating on the size of the surplus. Contrary to the comments of the Minister of Government Services where she denied that there's any surplus – and I don't know how she can make that statement and keep a straight face, but she did deny that there was a surplus – today we find that the Acting Provincial Treasurer is talking that the surplus will certainly exceed the \$713 million that was in the budget. Of course, we think it will exceed that by several times. With the state of the economy, with the diversification, with the oil and gas sector being as robust as it is, and with other sectors of our economy clicking along, it's clear that the revenue projections in Budget 2000 are low. It's clear that the gaming revenues projected are low. It's clear that the income tax and corporate tax projections are low. So the surplus at the end of the year is going to

be many, many times the \$713 million that's in the budget.

So with all of that in mind, Madam Chairman, with all of the government's faults and criticism in mind about what it is that the Official Opposition has been opposing or supporting, with the government's own misinformation about the state of the economy and the lowballing of the budget in Budget 2000, and with the government's oft-stated commitments to remove the deficit elimination taxes and provide tax benefits to the low- and middle-income earners first, what I would like to do at this point in time is move an amendment to Bill 19. What I'll do is have this circulated and pause for just a moment while the pages are handing out the amendment.

Thank you.

THE DEPUTY CHAIRMAN: Are you rising, hon. member?

MR. HANCOCK: I am.

MR. SAPERS: I'm only pausing.

MR. HANCOCK: You're only pausing? Oh.

THE DEPUTY CHAIRMAN: Yes. We're just allowing a few minutes for the pages to distribute the amendment.

Go ahead, hon. member.

3:00

MR. SAPERS: Thank you very, very much, Madam Chairman. What I will do now is move my amendment and read it formally into the record. I move that Bill 19 be amended as follows. Section 5 is struck out and the following is substituted:

5 Section 3.03 is amended by adding the following after subsection (2):

(3) This section applies to the 1987 and subsequent taxation years, up to and including the final taxation year to which section 3.04 applies prior to its repeal.

The object of this amendment is to ensure that when this government moves to eliminate the 8 percent surtax, which will provide a tax benefit to all those tax filers that have taxable income of approximately over \$49,000 a year – when they go to eliminate that, at the very same time they will be eliminating the .5 percent flat tax that . . . [interjection] Well, Madam Chairman, across the floor we're having some chatter from the Government House Leader that is suggesting that that is not what this says.

If the Government House Leader will go back and read the bill, I think what he'll find is that there are some procedural idiosyncracies, that I know you're aware of. The Official Opposition is not permitted to amend a section of an existing statute that isn't on the table in the form of an amending bill. You see, we can't amend the section directly. We have to amend it by reference. Of course we've worked closely with Parliamentary Counsel to ensure that the wording of this amendment will achieve the object, which is to tie the two deficit elimination taxes together and make sure that they are both eliminated at the same time. The amendment is very clear: "up to and including the final taxation year to which section 3.04 applies." Section 3.04 is the section . . . [interjection] No, no, no.

Madam Chairman, I apologize that I'm not speaking through you. So I will make my comments to you.

THE DEPUTY CHAIRMAN: Yes, I would suggest you do that, hon. member.

MR. SAPERS: The object of this amendment is very clear. Because it's this current taxation year which is the final year that the government intends to have the collection of the 8 percent surtax, we

would have this also be the final taxation year that the government would be able to pick the pockets of Alberta taxpayers for that .5 percent flat tax as well.

As I was saying earlier, Madam Chairman, the acceleration of the plan the government has spoken of – they've speculated about it. They have suggested that perhaps Alberta taxpayers will get this kind of a break, but they have never followed through. So if the government is serious about its words, that they want to provide this tax relief to Albertans, and if they are serious in their comments that they can no longer justify having the deficit elimination taxes, then I think it's about time that they quickly put, I guess, taxpayers' money where the government's mouth is and accept this amendment.

If the Government House Leader suggests that the wording doesn't achieve the purpose, then I would expect the Government House Leader to suggest a subamendment. I would hate to see the Government House Leader take advantage of the rules which prevent us from directly amending a section to argue against an amendment when the intent and the purpose are clear. I am very confident in the amendment, as I am confident in Parliamentary Counsel.

I can anticipate what the Government House Leader's argument may be, but I think he will do a great disservice to this debate if he should try to argue that there is a wording issue here. It is the intent which merits the debate, Madam Chairman, and if the Government House Leader wants to suggest wording that would be even clearer, then he's certainly welcome to do that.

I would like the discussion to be centred around the notion of eliminating the deficit elimination taxes because they can no longer be justified and, in the government's own words, they will deliver much-needed tax relief to Alberta taxpayers.

With those comments, Madam Chairman, I look forward to hearing the government's response to see whether or not they are willing to do as they've always claimed they would do; that is, provide this immediate tax relief to all Alberta taxpayers.

THE DEPUTY CHAIRMAN: The hon. Government House Leader.

MR. HANCOCK: Thank you, Madam Chairman. When I was rising before, it was going to be my simple purpose to adjourn debate in committee for the moment and ask that we rise and report progress, but I'm delighted, before I do that, to comment on this wonderful amendment that's being brought forward. In fact, I think we should probably adjourn the session completely and go home so that we have the summer to explain to Albertans what the Liberal opposition is about and how the Liberal opposition wants to help them leave their money with the government for yet another year. That is the effect of the amendment that's being brought forward.

The amendment says:

This section applies to the 1987 and subsequent taxation years, up to and including the final taxation year to which section 3.04 applies prior to its repeal.

Of course, one of the main purposes of Bill 19 is the current section as it's in the bill, unamended, which is to say that the surtax would end in the 1999 tax year. It wouldn't apply past the 1999 tax year so that in the year 2000 Albertans are enjoying tax relief. This 8 percent surtax is off in the year 2000. That's what was announced and that's what is happening, and Albertans are enjoying that tax relief as we speak, Madam Chairman. Albertans are currently enjoying it. [interjection]

THE DEPUTY CHAIRMAN: Edmonton-Glenora.

MR. HANCOCK: Edmonton-Glenora doesn't understand.

Albertans are enjoying the tax relief which has been announced by

this government and which is to be given legislative sanction by Bill 19 and which this government is very eager to pass so that it can be in law what is already in policy and already in effect, that Albertans get to enjoy their own money for a year because we were able to accelerate the relief from the 8 percent surtax for the full 2000 tax year, which, I should remind the hon. member, was brought in back in the days when there was a deficit, was brought in to tackle the deficit.

Those members opposite are so keen to talk about the progressive tax system and people paying their share, but what they fail to realize is that the surtax was tacked on to higher income earners. I'm not going to say high-income earners, because it started, as I understand it, at around the \$42,000 level, which is not by any measure a high-income earner these days. People earning over \$40,000 were paying this extra 8 percent so that Alberta could get out of the deficit. That was Albertans pulling together to defeat the insidious deficit, which was caused, I might say, by the Liberal federal government bringing in a national energy policy and destroying the oil industry and destroying our royalty revenue stream.

So that's what happened. It drove the price of oil down, destroyed Alberta's energy sector for a period of time, and resulted in a huge deficit. Turning that around was a very, very massive job, which had to be undertaken and was undertaken with the support of Albertans saying that, yes, that was the priority. Albertans were asked and Albertans did participate and gave to deal with the deficit dog and the debt. This government said: Albertans are overtaxed. [interjections] Edmonton-Mill Woods says that they're overtaxed, and he's right. This government is trying to do something about it this year.

Then what happens? Madam Chairman, this is just too priceless. Edmonton-Glenora brings in an amendment that says: we don't want to take the surtax off this year; we want to take it off next year.

3:10

MR. SAPERS: That's not what it says.

MR. HANCOCK: That's exactly what it says. It says: "the final taxation year to which section 3.04 applies prior to its repeal." Well, when is 3.04 going to be repealed? Bill 18 repeals section 3.04 effective the taxation year 2001, next year. So what this amendment has the effect of doing is postponing to next year the reduction in taxes to Albertans. That's exactly what it does.

The only thing in Bill 19, Madam Chairman, which takes the tax section off is section 5 of Bill 19, which says that "section 3.03 is amended . . . applies to the 1987 and subsequent taxation years, up to and including the 1999 taxation year." Okay? [interjections]

Chairman's Ruling Decorum

THE DEPUTY CHAIRMAN: Order. There's one person and one person only that has the floor. We still have approximately two hours and 15 minutes here, and we are going to see some decorum.

Go ahead, hon. member.

Debate Continued

MR. HANCOCK: What they have done is said that they want section 3.03 to be extended to the year in which 3.04 is repealed. Well, the year in which 3.04 is repealed is in Bill 18. It's next year. They don't want the surtax to come off until that's repealed. They don't want the surtax to come off until next year.

MR. WICKMAN: David, you're so wrong.

MR. HANCOCK: Well, I'd love to hear where I'm wrong on this.

MR. SAPERS: Are you adjourning debate?

MR. HANCOCK: I am.

You'll have all weekend to research it. It's pretty clear to me on a straight reading of it. If I'm wrong, I'll apologize. I don't want Albertans to have to wait an extra year for their 8 percent surtax to come off. I don't think Albertans want to wait. None of the members of our caucus want Albertans to have to wait until next year. So if I'm wrong on this interpretation, I'd love to hear the explanation, and I'll look forward to it after they've done their research over the weekend.

Madam Chairman, I would move that we now adjourn debate and the committee rise and report progress.

[Motion carried]

[Mrs. Gordon in the chair]

THE ACTING SPEAKER: The hon. Member for Innisfail-Sylvan Lake.

MR. SEVERTSON: Thank you, Madam Speaker. The Committee of the Whole has had under consideration certain bills. The committee reports progress on the following: Bill 19. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

THE ACTING SPEAKER: Does the Assembly concur in this report?

SOME HON. MEMBERS: Agreed.

THE ACTING SPEAKER: Opposed?

SOME HON. MEMBERS: No.

THE ACTING SPEAKER: It's so ordered.

head: Government Bills and Orders

head: Third Reading

Bill 24

Wilderness Areas, Ecological Reserves and Natural Areas Amendment Act, 2000

THE ACTING SPEAKER: The hon. Government House Leader.

MR. HANCOCK: Yes. Madam Speaker, I do believe that it would be in order to have the bill on the table for debate, so I would like to move on behalf of the Minister of Environment that Bill 24, the Wilderness Areas, Ecological Reserves and Natural Areas Amendment Act, 2000, be read a third time.

It's a very important bill, Madam Speaker. As we've discussed in second reading and in committee, it brings the heritage rangeland concept into the sphere so that we can move ahead with the designation of heritage rangelands which have been identified for that designation in an appropriate manner.

I think those in the House that have spoken to date have agreed that that's an appropriate thing to do and that it should be done on a timely basis. Regardless of what might come down the road, this isn't something that's necessary to move on now. The people of Alberta will know that heritage rangelands will be part of and appropriately designated under the special areas process, and we can move ahead with those designations without waiting for any other or future discussion as to the appropriate statutory arrangements.

With those words I would ask the House for support at third reading of Bill 24.

THE ACTING SPEAKER: The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you, Madam Speaker. I'm happy to add my comments at third reading of Bill 24, the Wilderness Areas, Ecological Reserves and Natural Areas Amendment Act, 2000. There is no doubt that we will be supporting this bill, as small as the amendment is, in terms of addressing some of the environmental needs and concerns in this province, but I think it's important to put on the record that this bill would have never seen the light of day had the government supported environmental protection as a cornerstone of their policies.

It's interesting to have the Government House Leader at this particular point in time stand up and move third reading and talk about how important this bill is and how all of the debate has been in support of it, when in fact during second reading and in the committee stage the only people commenting on this bill were Official Opposition members. The environmental protection minister made a few very short opening comments on the bill during those other two stages. In fact, not a single government member got up and spoke for or against this bill. Interestingly enough, none of the very legitimate questions and concerns that some of my colleagues had with regard to this piece of legislation have been addressed in any capacity. So it's interesting to note that the Government House Leader would now state that this is an important bill.

THE ACTING SPEAKER: The hon. Government House Leader.

Point of Order Allegations against Members

MR. HANCOCK: Yes, Madam Speaker. Under 23(h), (i), (j). The hon. member indicated that no government member got up and spoke to the bill. Of course the only way you get a bill on the floor of the House is to have it moved, and it was moved by the hon. Minister of Environment for first reading, which of course doesn't have debate attached to it but does have a short introduction which outlines the importance of the bill. Then in second reading the hon. minister put his reasons on the table.

It would be important to point out to the House, because it hasn't been pointed out in the past, that members on this side don't feel the necessity for successive numbers of people to get up and say the same things. When you have a bill of this nature, which is self-explanatory on the face of it, and the Minister of Environment puts the case for it, there is not a need for a large number of subsequent members to get up.

3:20

My point of order is that there has been support for the bill from the government side in debate. The Minister of Environment moved it and made an eloquent speech, as I recall, when he did so. So it wouldn't be appropriate to say that no government member participated in debate. In fact, I just participated in the debate not that long ago and said what an important bill it is. Now, I didn't feel the need to get into specifics, because of course there were no amendments in committee and we're talking about the principle of the bill. The principle of the bill is very sound, and I think I expressed that. So two government members spoke in favour of this bill.

It's unfortunate the hon. member hasn't had responses to her questions, but I'm sure that if she had sincere questions, she could

call the Minister of Environment, who, I know, would have been pleased to discuss them with her and probably will discuss them with her, notwithstanding that we're in third reading at this stage.

I thought it important to rise on the point of order and point out that two members had spoken to the bill. With a bill of this nature, which everybody has agreed so far is necessary, that's an allegation which shouldn't be left unchallenged.

THE ACTING SPEAKER: On the point of order.

MS CARLSON: On the point of order, Madam Speaker. Once again it's very unfortunate that the Government House Leader was not paying attention, because had he been paying attention, he would have heard that what I said was: except for a few short introductory remarks by both himself and the Minister of Environment. So there is no point of order.

THE ACTING SPEAKER: The chair will say that I have noted this afternoon that we're getting very much on a personal basis in some of this debate and discussion. I think it behooves us to rise above that. I realize that this is Thursday afternoon at 3:20. It's been a long week. However, we have before us third reading of Bill 24. I don't think we need to discuss at length who has or hasn't been up debating this bill. The intent of third reading is to debate the overall principles involved in the bill, and I would ask that we get to the bill, not to individuals, not to who's done what. Let's talk about what is before us, and that is Bill 24. I would say that for the rest of the afternoon, please.

Go ahead, hon. member, on the bill.

Debate Continued

MS CARLSON: Thank you, Madam Speaker. On the bill and speaking in general to the principles of it. If it were in fact, as has been alleged, an important bill, we would have seen great support coming forward, so I think that is . . .

THE ACTING SPEAKER: Don't test my patience, hon. member. On the bill.

MS CARLSON: I am on the bill, Madam Speaker, and I am on the principle of the bill and how important this bill should be to Albertans. [interjection] It is not out of order to make those comments.

On the bill. We should have seen legislation brought back into this Legislature that addressed the overall issues, needs, and concerns of Albertans with regard to the environment. Instead, what we see here is a very small piecemeal type of legislation addressing a very selected need in this province, not at all the comprehensive legislation that was committed to in terms of the reintroduction of Bill 15, the Natural Heritage Act. Why didn't we see that legislation in this Assembly, Madam Speaker?

The first bill as it came in was poorly written, was immensely flawed. The Minister of Environment then spent nearly a year with the MLA committee in consultation with a number of groups – environmentalists, industry, citizens at large – and they made a number of excellent recommendations that the Minister of Environment committed to bring back into this Legislature to be discussed and debated. Instead, what we see is some sort of a fight happening over on the government side, where that legislation was stalled. It did not come back into this Legislature, and that's a real pity, Madam Speaker, because that would have been excellent legislation to discuss. It certainly would have brought in a number of issues

that were important to be debated. Instead, we see piecemeal legislation once again, which tells you what kind of a priority this government pays to environmental protection in this province.

We see only one small piece of legislation being brought in, the very bare minimum of what the Department of Environment needs at this point in time to be able to carry on with their work. We're happy to support this very small piece, but it calls into question all of those other issues that weren't addressed.

Also, I have to put on the record that when the government knows going in on a piece of legislation that we are going to support it, when we're up front with them, when we come in here – we support it even before our questions are answered – then we ask the questions in debate on the floor of the Legislature, Madam Speaker, we would expect those questions to be answered, and we expect them to be answered on the floor of the Legislature, because that's the format in which they are asked.

We heard some earlier comments today that I could write letters, that the answers are sure to be forthcoming, but in fact that was not the request that was made. Those questions easily could have been answered during the course of the different stages of debate. I have waited until third reading to find out what kind of a response we were going to get, and what we got was absolutely no response, Madam Speaker. That, in my belief, is a disrespect for this Assembly and a disrespect for the hard work that's gone into taking a look at this legislation, talking to a variety of user groups around the province and finding out what it is that should be addressed before the legislation passes. Now we're going to see the legislation pass this afternoon, and we don't have those very important questions answered.

So for the record, Madam Speaker, I'm going to go through the debate and group the questions in such a way that it will be very easy for the Minister of Environment to answer them, and we expect answers on this legislation. That is the bare minimum of what should have been provided and which has not.

I will start with the Member for Lethbridge-East, who asked a question about private property lands not being included in this particular legislation as compared to the grazing leases that are. He's wanting to know if there would be any future private property lands included in this. So I think that's an important question. The Member for Lethbridge-East is the agriculture critic, is in contact with those grazing leaseholders at all times, and they want to know if this legislation only deals with them or people at large, so if we could get an answer to that question.

THE ACTING SPEAKER: I have someone standing, I would assume, on a point of order. The hon. Minister of Government Services.

Point of Order Factual Accuracy

MRS. NELSON: Standing Order 23(h), (i), and (j). I've been listening intently to the hon. member opposite asserting that questions haven't been answered, and I'll reflect back. This seems to be a standard from this hon. member. On Tuesday of this week in the third reading discussions of Bill 5, the Land Titles Amendment Act, the same hue and cry speech was given, and as a matter of fact what was said was not accurate. The questions that had been raised by the members opposite had in fact been fully answered and sent to those members directly after the debate at committee and had been answered by the sponsor of the bill. So I would caution the hon. member to please check and find out, because I can tell you, just having had four bills go through this Legislature, that questions have indeed been answered, and I believe my colleagues in cabinet have

been moving questions and answers to them very quickly, albeit she may not have received them from her colleagues. I would suggest she check that before she makes the assertion that questions have not been answered on these bills before they've been moved forward.

MS CARLSON: Madam Speaker, on the point of order. The questions asked here have not been answered either in *Hansard* or in written form by the Minister of Environment between Tuesday evening and Wednesday evening of this week, when this bill was up for debate.

THE ACTING SPEAKER: Well, hon. member, I go back to what I just said a few minutes ago. If we could talk about what is actually within the bill, the bill that I have here, the bill that each of you has at your desk. If you wish to question the ministry, I would suggest that you do so. However, we are at the third reading stage. We are proceeding with the overall principles of the bill, having come through second reading and Committee of the Whole. I would ask that you take those concerns and possibly write a letter or make a telephone call, or that is something you can utilize question period for, but I would ask now that we get on with what we have in front of us: what is included, what we have been concerned about during the last two stages of this bill. Let's talk about that, please.

3:30

MS CARLSON: A point of clarification, Madam Speaker. Are you telling me, then, that in third reading, the final stage of this bill, the last opportunity we have to ask questions affecting the principle of the bill that haven't been answered, questions are not specifically allowed?

THE ACTING SPEAKER: What I'm saying, hon. member, is that I've listened to your debate. The first part was focusing on who hadn't stood up in the various stages of this bill to debate it, and now we're into asking questions that are over and above, or go beyond, what exactly is involved in Bill 24. As chairman of this particular stage, sitting here in the chair, I'm trying to focus you back to what I have in front of me here, Bill 24, so that we can proceed in a timely fashion with some good debate.

Now, let's get back on Bill 24.

Point of Order Explanation of Speaker's Ruling

MS CARLSON: A point of clarification, Madam Speaker, with respect.

THE ACTING SPEAKER: There's no more clarification, member. Let's just get on with the debate.

MS CARLSON: I stand on Standing Order 13(2) and ask for a ruling from the chair.

THE ACTING SPEAKER: Excuse me?

MS CARLSON: Under Standing Order 13(2) I believe it's allowable for me to stand and ask a question of the chair.

MRS. NELSON: Are you challenging the chair?

MS CARLSON: I'm not challenging the chair. I'm respectfully asking a question of clarification.

THE ACTING SPEAKER: That's fine, hon. member. Go ahead.

MS CARLSON: Thank you, Madam Speaker. My question would be this. The questions that I have are not outside the scope of this bill. They're specifically asking for clarification in terms of the interpretation of how this bill will be applied. That is the extent that I am pursuing here. I'm certainly not trying to go outside the mandate of the bill. We do have a number of very legitimate questions that a very legitimate number of users are wanting answers to.

THE ACTING SPEAKER: The chair just listened intently a few minutes ago when an hon. minister of the Crown rose and suggested that you seek answers to those questions and that possibly those answers have come your way. I'm not here to debate whether in fact that is so.

This is Thursday afternoon. It has been a long week. I would ask that we look at what is before us in the debate and the various sections and that we talk on what is being changed in this act as far as the amendments.

I certainly know, hon. member, that you are very, very capable of seeking answers to questions that go above and beyond what is in this piece of legislation. I'm not sitting here trying to give you a rough time. I'm trying to do what I think is best, and that's get on with the debate that is at hand.

Now, the first part of your debate, as I said, was talking about who had or hadn't been up to speak to this bill. Now we are talking about questions that you want answers for that go above and beyond what is written in this piece of legislation. So I would ask if you could please ensure that your remarks in the remaining few minutes that you have left in your time deal with the amendment as presented in Bill 24 in the third reading stage. This is not second reading. This is not first reading. This is not committee. We are in third reading.

I would also say that we have a lot of business to deal with this afternoon. I think we should try to focus on what we are supposed to do in this House, and that is, we are debating an amendment that is contained in legislation being Bill 24. Possibly, hon. member, if you were to finish your debate, there might be other members of this Assembly that would get up and answer your questions.

Debate Continued

MS CARLSON: Thank you, Madam Speaker. I certainly hope so. I will continue with the questions that hopefully fall specifically within your very narrow definition of those that are applicable to this particular bill. I certainly hope that my questions will be answered, given the co-operation on this side of the House with regard to this particular bill.

This is my first opportunity to speak to this bill, and I'm quite happy to be speaking to the principles of this particular legislation.

MRS. NELSON: Where were you?

MS CARLSON: Well, you can be guaranteed that the next time one of these bills comes up, you won't be getting that kind of co-operation.

THE ACTING SPEAKER: Hon. member, through the chair, please.

MS CARLSON: Sorry, Madam Speaker. I was provoked by the minister.

We have, still, a number of outstanding questions with regard to this bill, and some of them are with regard to the grazing leaseholders, which are directly affected in this particular instance, Madam Speaker, and I am hoping that those questions get answered. Some

of those are talking about how natural hazards will be dealt with in the areas with grazing leaseholders.

Another one that hasn't been addressed yet, which I think is important to talk about, is: with the restrictions for the vehicles and horses on these grazing leases, should a grazing leaseholder have a problem with their cattle where they need to bring a veterinarian out or they have to remove some of the cattle from the lease and take them someplace else, is there some sort of a permitting process that they can go through in order to remove the affected livestock? This restriction is somewhat restrictive in that area too. While we are glad to see these restrictions come in these wilderness areas and specifically are very supportive of the list that is in the bill in terms of limited access, I think there are occasions when exceptions need to be made, and I would think that access to livestock and maintaining the health of those livestock for these grazing leaseholders would be of importance. So we would like to see how that is addressed.

Interestingly enough, in the restrictions that are listed, Madam Speaker, we don't see any restrictions here specifically for mountain bikes. How is that going to be dealt with in this regard? We know that one or two mountain bikes in an area don't do much ecological damage, but a number of them in a repetitive fashion certainly do. They can certainly do as much damage as horses, as a comparison, so we want to know why those weren't included in this list and if there's some specific address that's going to be made to the wilderness areas.

Another question I have is with regard to the education process, Madam Speaker. This hasn't been addressed anywhere in the comments. We would like to know how this information from this particular bill will be passed on to both general users of these grazing leases and specifically to the leaseholders. As we heard comments this afternoon, this is an interim measure prior to more comprehensive legislation coming through, which we certainly hope comes through in the spring, but in the short term people need to know what the rules are, because there are some pretty significant changes in terms of restrictions. So how are they going to let people know how they're going to access those areas?

My colleague from Edmonton-Rutherford in his comments yesterday talked about access for people with disabilities. I think that's a very interesting point that was brought up, and I would certainly like to see if the Minister of Environment has any works in place with that.

My colleague from Edmonton-Norwood talked about the enforcement. Given the restrictions, what are they going to do with enforcement? She probably didn't realize that the number of conservation officers is being increased both this year and next year, and we'd like to applaud the department in that regard. Certainly if I've heard one complaint since the cutbacks happened in '93 in Environment, it's been that the number of staff on the ground have been cut back far too far, and certainly the wildlife officers and park rangers come under that mandate. While we're not completely supportive of their conversion to conservation officers, it is a step in the right direction to see those numbers increased. Are we going to see a heavier concentration in these wilderness areas to begin with? As we're coming into the busy season in these areas now, we would like to know specifically how these restrictions are going to be enforced and applied in this regard. So if we could have those comments, I would appreciate that.

3:40

Given that we haven't seen Bill 15, the Natural Heritage Act, it is good to see at least this amendment come forward, where the three heritage rangelands are designated as natural areas. Since Bill 15 was introduced, we've heard feedback from the community and

particularly from those people who work within the department about the necessity of some kind of protection occurring for these heritage rangelands. There's no doubt that the department couldn't go forward in terms of completing their tasks and properly taking care of these areas without some kind of protection. So while it's very unfortunate that we don't see more comprehensive legislation, it is at least nice to see that we've got a temporary stopgap measure that can be put in place until we can get legislation passed, which is important.

The minister in his opening comments talked about the new dispositions only being sold with the nonsurface rights, no service access addendum to prevent future surface disturbances. Certainly we support that for any new dispositions. It's a step in the right direction, and we hope that this is fleshed out in a little more detail and a little more comprehensively in the new bill that we see in the spring.

He talked about existing industrial commitments being honoured in these rangelands. I would like to know if there was ever any discussion here in terms of phasing out those dispositions over time. Some information about that, the pros and cons of it as seen from his department's perspective, would be important for us to know. Once again, we understand that this is the basis of the most contentious issue stalling the original bill from coming back now. We don't need to know about that debate going on, but certainly in terms of the department's position on phasing out, we would like to have a little bit more information on this. I would like that in writing as soon as possible, if the minister could address that.

We're happy to see that in these wilderness areas the recreational use of highway vehicles and snowmobiles will not be permitted except in special circumstances, where they'll be needed to conduct the business, enforcement, or whatever within the department. So that's a good move. We would like to see that extended to areas beyond wilderness areas. I would certainly be interested in the minister's comments in terms of how that is progressing.

It's good to see that hunting and fishing will continue to be managed under the Wildlife Act and Alberta fisheries regulations. We would expect nothing less there. We would like to know what specific steps are being taken in fisheries in these particular areas. We all know that fisheries is in a great deal of trouble in this province at this particular time. The steps that the department has taken to revitalize fisheries and fishing as an industry in the province haven't worked very well. We would like to know specifically what they're going to be doing in these particular areas.

The minister then talked about the parks and protected areas being a priority for his department. We need to see it as more than that, Madam Speaker. We need to see it as being a priority of the entire cabinet, as a pillar of this government's policies. I would like him to address that.

We know that he's been studying the recommendations of the MLA review committee. He said in his comments that now he's conducting public consultations on the previous draft of the legislation. We'd like to know what that's about, because we understood that review was done and completed. Does this mean new consultations are occurring? If so, what's the format they're going forward in, and how are people and directly affected groups going to be included in that process? So if he could comment on that in accordance with the comments he made in his initial remarks. We would like to know what's happening with that.

You know, people in the province thought the process was over with once the MLA recommendations came out, yet in this particular bill we see only two pages of those recommendations being addressed, which is unfortunate because they were pretty good recommendations. I thought the committee did a pretty good job of

bringing together a diverse number of views and finding some common ground that we could move forward on in terms of environmental protection.

Madam Speaker, I would like to thank the committee for their hard work. I know that they spent the summer and the fall working pretty hard on this and came up with excellent recommendations. It's a tough job to do. You have environmentalists who want to see complete protection of areas, and you have industries who want to have access to the grounds. Even though, as I see in this province, industry is becoming much more environmentally aware and conscious over time – and that's excellent – and they're willing to come to the table and find solutions, it's still not that easy to find common ground, Madam Speaker. The committee did a pretty good job of that, and they need to be thanked for that.

I certainly hope that every recommendation that was in this report is addressed soon. The few that were addressed in this particular bill are a step in the right direction, but they're a baby step, Madam Speaker, and this government has a long way to go in order to do what the minister in his opening comments said, and that is fulfill their promise to Albertans to preserve land from all of Alberta's natural regions under the special places program.

So, you know, it's a step in the right direction, but there's still a long way to go, and there are all kinds of outstanding issues in environment, not the least of which is the size of these lands that are being protected in terms of them being large enough to preserve the integrity of the biodiversity in the regions. That is a question that isn't addressed in this particular bill in terms of the grasslands, which is what the bill specifically addresses. There aren't many grasslands left in this province that would be suitable for protection that aren't already under cultivation, so the question still remains: are they big enough to provide the kind of diversity that is required here?

There was also the issue brought up by the Member for Lethbridge-East in terms of brush control, that I think is a very interesting question. In order to maintain grasslands in a traditional sense, the buffalo were very helpful in terms of keeping the small trees and saplings broken down and maintaining the integrity of the grasslands. We don't have that kind of ability now. Cattle don't have the same impact on the land, and if that isn't controlled or maintained in some fashion, we will see those grasslands eventually evolving into more wooded areas. So in terms of the mandate of this bill and the focus on maintaining the grasslands, I'm wondering if the minister could address those questions?

Thank you for the opportunity to comment at third reading. As far as this bill goes, it's a good bill.

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

MRS. SLOAN: Madam Speaker, thank you for your permission to rise this afternoon and speak to Bill 24, the Wilderness Areas, Ecological Reserves and Natural Areas Amendment Act. I have just a few comments with respect to the bill this afternoon. The first is with respect to the definition of "heritage rangeland." As I was reading the past debates on this bill and then perusing the bill itself, I actually saw that that definition was a key part of this amendment bill. When I looked, then, for the definition, I found it puzzling that it said that "heritage rangeland" means land designated as a heritage rangeland under section 3.2." That really doesn't describe what a heritage rangeland is or what it is comprised of or what qualifications it must meet to achieve that designation.

I suppose we could say for purposes of debate that rangeland might be assumed to be grassland. I know there's rangeland in

Alberta that isn't entirely comprised of grassland, so it puzzled me that that definition was so vaguely described and that in fact it really only incorporated the designation by the ministry. It did not provide what criteria or what qualifications an area of land must meet in order to be considered heritage rangeland. For the hon. Minister of Municipal Affairs, having been raised on the farm and being very familiar with different types of land utilized in the agriculture process, I think it's a fair question to say that we should be embodying in legislation exactly what type of land falls under this type of designation, not simply that it is receiving that designation from the ministry.

3:50

Now, the other points that I would like to raise this afternoon, Madam Speaker, relate to the issues of protection. This bill falls, as do a number of bills, under the jurisdiction of the minister of environmental protection. We in the Official Opposition are most supportive of having our special places areas in Alberta that have particular environmental importance achieve designation, but it goes beyond that. It also goes to the heart of what that designation means and what that designation entitles those lands to receive in the way of protection from the minister and from the ministry of environmental protection.

I raise this point because I have had cause in this session to review in detail the Auditor General's remarks relative to the department of environmental protection. This year he contained four reservations in his report on the ministry of environmental protection, and they were quite serious concerns, Madam Speaker. In a general sense are we assured that we are actually protecting not only heritage rangelands but the other aspects of Alberta that have environmental significance? Are we actually able to assure Albertans that those areas are receiving protection, given the reservations the Auditor General made?

I would just like to cite from his report. On page 265 he contains a general reservation that speaks to the fact that there were many ministries with

assets, liabilities, revenues and expenses for which the management of the Ministries are accountable, including performance measurement and financial management responsibilities. The reservations alert readers that the related financial statements are not complete and accurate.

That applied to the department of environmental protection.

Further, on page 263 he talks about associated risks including "business decisions being made based on incomplete and/or incorrect financial information," thereby saying that in fact the ministry had not accurately accounted for the cost of doing business, the cost of providing environmental protection. That concern flows through the entire section on environmental protection contained in the Auditor General's report this year, and it is particularly highlighted in the area of fire fighting. Now, if we want to achieve protection for heritage rangelands, Madam Speaker, it would seem to me that we need to be providing more than a simple designation.

Given the substantive reservations that the Auditor General raised with respect to the province's ability to be at the ready and provide fire-fighting capabilities across the province, I'm not sure, Madam Speaker, that the designation of being a heritage rangeland really achieves any type of protection at all. What the Auditor General said was that given the lessons of the 1998 fire, which, he acknowledged, was one of the most extreme in our history, that season tested all aspects of the ministry of environmental protection's operations and highlighted several areas that could be improved. For example, the 1998 fire season was expected to be severe, yet fire stations were not fully manned before major fires broke out. Fire fighting teams were not manned and ready at the beginning of the season. Arrange-

ments for infrastructure such as transportation, base camps, and equipment were not in place at the beginning of the fire year.

Speaker's Ruling Relevance

THE ACTING SPEAKER: Hon. Member for Edmonton-Riverview, the chair is hoping here that in dealing with the Auditor General's report, you are somehow very quickly going to tie it into third reading of Bill 24. I mean, I did chastise another member speaking here a few minutes ago, and I would have to say that we are not dealing today with the Auditor General's report but in fact third reading of Bill 24.

Debate Continued

MRS. SLOAN: I'll work harder to make it clearer, Madam Speaker. In a nutshell, it really is: why provide the designation if you are not ensuring that all of the ministry's programs are at the ready to guarantee that protection? What in fact does the protection of being designated a heritage rangeland actually mean? Certainly, given the reservations in the Auditor General's report, it doesn't mean that we're ready to protect those rangelands from fire. That is clear. It is so clear that last year we lost, according to his calculations, 734,815 hectares of Alberta's timber. That's from 1998.

My point, Madam Speaker, is that the designation doesn't achieve protection. Albertans should not be assuming or confident or secure that because the part of the Whaleback which is carved out and mentioned for this designation in the bill and which is so important to Alberta's environment and so special – really it's not afforded the security and protection that perhaps some might think it is because it has received a designation as a heritage rangeland.

I'd just like to complete my arguments on that particular point by saying that one of the other concerns is that the department consistently has underbudgeted fire-fighting costs. As an example, prior to '94 the budget was at approximately \$12 million per year. At that time the average fire season cost was about \$50 million, so four times more than what the department was budgeting. That started a practice where the department would adopt special warrants to cover that overexpenditure. Well, the recommendations, the suggestions that have been made, the concerns that have been pointed out to them are that in fact it is not financially prudent to be doing that and that the Legislative Assembly should be engaged in approving the budgets for fire fighting.

Now, I may have missed that in the budget this year, Madam Speaker. I may stand to be corrected, but I don't recall that we substantially debated fire-fighting costs. I do recall, in fact, that because of the way in which the budget debates were structured this year, I had to be in the Children's Services estimates when those for environmental protection were occurring. Despite the fact that I wanted to be at that debate, I could not be because I was the primary critic responsible for Children's Services.

4:00

Bill 24, in my mind, is a step, but it is a token step. It gives a designation, but in no way does it guarantee that Environment is at the ready with comprehensive and funded programs to ensure protection. That's my second main point and concern this afternoon, Madam Speaker, with this bill. Perhaps, though, in good faith the minister has, in anticipation of this bill being passed, in fact given the priority designations and given the direction that the concerns I'm raising this afternoon will be addressed in detail. I want to believe that he views these issues and the protection of these areas as being as important as I do and that he in fact has undertaken those steps.

This is my final point of concern with respect to the bill, Madam Speaker. How will the minister guarantee that all of those individuals, those citizens who have a relationship with these designated areas or heritage rangelands, will be treated fairly and equitably with respect to the application of this legislation? Now, that could apply in a number of circumstances, whether they're private landowners, whether they hold a government grazing lease, but the general principle behind my point this afternoon is: how will the minister guarantee that they are fairly and equitably treated under the application of this law? I hope that that will be provided for at some point in the further debate of this bill.

Just one further point. I have a concern about the carving out of the Whaleback. The designation and protection required for that area have been debated in this House on previous occasions. I don't understand the rationale of why we would choose to carve out a piece of that special environmental place for protection. There may be drilling and energy concerns that have caused that to occur. I haven't heard that or read that in the previous debates. I would very much like to hear why the minister felt it acceptable to carve out protection in the section that is referenced, section 15(1)(a)(2) of the bill.

With those comments, Madam Speaker, I'm satisfied that the minister will respond accordingly and completely to those areas, and I look forward to hearing his comments and remarks this afternoon. Thank you.

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

MR. COUTTS: Thank you very much, Madam Speaker. I'd just like to spend a minute or so on Bill 24 and hopefully add some positive news to all the work that's being done on the heritage rangelands concept and as it is now applied officially in legislation.

First of all, I'd like to congratulate the minister for bringing this forward. It's very timely. We've been waiting for heritage rangeland to be put into legislation for almost four years now, and I'd like to congratulate the minister for bringing it forward and making the amendments in the proper place.

These amendments and the heritage rangeland concept will allow certain species – and I hope the opposition members that were speaking are listening, because all of their questions can be wrapped up into a couple of little phrases here. What this will allow is for certain species of grass and certain unique landscapes that are in our public lands and in our grasslands areas to be set aside under special management plans. These special management plans will be developed by people within the public lands department and in co-operation with our environmental protection stakeholders, and the leaseholders will also be involved in helping to put together these management plans along with some municipal representatives and members at large.

These local committees have been working for quite some time, and they've been working together diligently. Some of them have come up with the concept of heritage rangeland, and they have put a lot of volunteer work into the whole idea that good stewardship of unique landscapes and species of grass deserves to be rewarded, deserves to be put into place so that generations from now we can see cattle as part of the management system of these particular areas. This legislation will allow us to make sure that that will definitely be in place.

I just want to be specific here. The two specific areas that have come up that are ready for this legislation and ready for the management teams to be put in place are the Bob Creek ranch area and the Twin River area. To those folks that have been working on this

heritage rangeland concept and have been very, very patient with us, I want to say thank you for that patience and thank you for trusting this government to come forward with legislation that will allow the heritage rangeland to be put in place. I am going to say to those folks that we won't let you down when it comes to putting in the management teams and the management plans. As a matter of fact, public lands and environmental protection people are already working on this to make sure that their particular species of grass and their unique landscapes will be preserved.

I also want to say that there are some local committees out there who have put a lot of work into the heritage rangeland concept and have come up with their own ideas of how heritage rangeland can apply to their specific needs. They have put their whole plan in abeyance based on the fact that they would like to see what the legislation looks like before they move on. They're eager to get on to working with their management plans, but they just wanted to see what the legislation looks like. Now that this legislation will get third reading today, under the special places program I can go out there confidently to those folks that are waiting to see something specific, put this legislation in front of them, and say, "Okay, folks; here's where we're going with this," and allow them to get on with putting forward their management plans for their areas.

So, Madam Speaker, I would just like to say to the Official Opposition – they're looking for details. Well, the details will come in the management plans that will be developed by department people from agriculture and environmental protection, from the leaseholders themselves, the grass roots, the people that have operated these lands so efficiently and so effectively for the last hundred years, plus from municipal representatives and members of the community at large. Not only will these management plans be worked on, but they will be updated for years to come to make sure that these lands are kept preserved for good agricultural production.

With that, Madam Speaker, I'd again just like to congratulate the minister of environmental protection for bringing this forward so that we can move on and do some really good things for our public lands in this province.

4:10

THE ACTING SPEAKER: The hon. Minister of Environment to close debate.

MR. MAR: Madam Speaker, thank you very much. I wish to thank all hon. members for their engagement on this particular matter. I've not yet had the opportunity to review *Hansard* for all of the questions that were asked both at the committee stage, last evening, and also this afternoon. However, it is my undertaking to review those and respond to questions which were asked.

I wish to move third reading of this bill.

[Motion carried; Bill 24 read a third time]

head: Government Bills and Orders

head: Second Reading

Bill 18

Alberta Personal Income Tax Act

Ms Leibovici 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 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.

[Debate adjourned May 15: Mr. White speaking]

19. Mrs. Nelson on behalf of Mr. Hancock moved:
Be it resolved that debate on second reading of Bill 18, Alberta Personal Income Tax Act, shall not be further adjourned.

[Government Motion 19 carried]

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

MRS. SLOAN: Thanks, Madam Speaker. I'm pleased to rise this afternoon to speak to Bill 18. I do think it's a mistake for the government to invoke closure on this tax bill. I've had many questions, and I actually have to say that I've quite enjoyed researching the variety of opinions surrounding the tax system and the flat tax concept. Of course, we know it has been alive in many jurisdictions for many years, but Alberta is really the first jurisdiction to proceed with its implementation. It's regretful that we have to do so before we've had a full course of debate on this bill.

I also have to, at the outset, give credit and acknowledgment to the Legislature Library staff, who have compiled quite an extraordinary reference document surrounding tax reform and flat tax. I found that document of tremendous benefit to me in reviewing it, and there will be a number of citations I make this afternoon that actually come from that Legislature Library reference document.

I don't profess to be a taxation expert. I most certainly pay my taxes every year, as required. Some of the basic questions that come to mind and that citizens have asked me with respect to this bill are: does it mean we're going to have to file two income taxes, and if we delink ourselves from the federal system, does it mean that we will have to file a second tax return to the provincial government? I had not had a chance to raise that, and I don't believe it has been raised as a question in the debate thus far. I can tell you that . . .

Speaker's Ruling Relevance

THE ACTING SPEAKER: Just one moment, hon. member, if you don't mind. I would draw to your attention as well as to the attention of the other members of the Assembly that basically before us right now we are dealing with an amendment as brought forward by the hon. Member for Edmonton-Meadowlark in second reading proposing that the bill be withdrawn and to refer the subject matter to the Standing Committee on Law and Regulations. We are back on that particular debate within this bill.

MRS. SLOAN: Thank you for that clarification, Madam Speaker.

Debate Continued

MRS. SLOAN: I believe that the referral of the bill to the Standing Committee on Law and Regulations is a prudent one for consideration. I think there are implications with respect to the imposition of a flat tax structure that the public needs to have an opportunity to be engaged in and debate. Of course, we know that we've had significant focus and concern raised around Bill 11 and the province's reforms to the health care system. That has distracted people, to a degree, from what is being now proposed for changes to the tax system, so I think that having an opportunity for the bill to go to the Standing Committee on Law and Regulations would be very prudent, because citizens want to have an opportunity to go forward and to provide that input.

I would say, from my reading of the literature, that the opinions on a flat tax are as varied as they are on private health care, and I'd like to provide a sampling of those this afternoon, starting with a Gallup poll titled *Canadians Divided on Merits of Flat Tax*. I'm just

summarizing, Madam Speaker, the findings of this Gallup poll.

A new Gallup Poll on the idea of a flat tax indicates that Canadians are quite evenly divided on its merits. Forty-three percent (43%) favour the idea of a 20% flat tax . . .

Of course, that is much higher than the provincial designation of 11 percent.

. . . compared to 49% who are opposed and 9% who hold no opinion . . .

Among Canadians aged 40 to 49, support for the idea of a flat tax stands at 52%, the highest level for any age group. This support falls off to roughly 42% among Canadians under the age of 40 and those between 50 and 64, and drops off further to 33% among Canadians age 65 and over.

One half (50%) of Canadians with annual household incomes of \$40,000 and over would favour a flat tax regime, significantly higher than any other income group.

Finally and perhaps not surprisingly, 49 percent of male Canadians are in favour of a flat tax system, which is higher, quite significantly higher, than the 37 percent of female Canadians who hold that view. Quite interesting findings and by no means a unanimous endorsement or unanimous support for this type of regime, and that's why I think this afternoon we should be engaging in and permitting a full process of debate on this proposal.

Further, I found an article written by Bob Dale in the *Briar Patch* quite interesting. The article is titled "Flat Tax Primer: a flat tax is great – if you're a millionaire or a bank. But what about the rest of us?" He points out the following flaws with the flat tax regime.

With respect to tax fairness the author says:

Large corporations, higher-income earners, and particular types of income such as capital gains and dividends get special treatment under the Income Tax Act. Flat tax supporters say that under their system, there will be far fairer treatment for everyone . . . They even promise fairer treatment for lower-income earners, through exempting income below a certain level from the tax.

Sounds good? In reality, the flat tax would be even more unfair than the current system in several ways.

1. Avoiding "double taxation"

According to supporters of the flat tax, when an investor buys stock in a company, his or her income is taxed twice, once at the time it is earned . . . and secondly at the time the person earns income from the stock . . . Some flat tax supporters even say that there is also a third tax: on the capital gain when the stock is sold . . .

This argument is based on the proposition that certain types of income just shouldn't be taxed at all. As such, it carries the preferential tax provisions inherent in our current tax system – where certain types of income are taxed at lower rates (and which, at last count, deprived federal and provincial treasuries of some \$3 billion per year) – to the extreme.

Think about this: Just who earns the vast majority of the interest, dividend and capital gain income that would no longer be taxed under a flat tax system?

A very good question.

4:20

He also points out the fact that flat tax promoters say that it will put money in our pockets.

Flat tax supporters say taxes are too high as a result of government spending. They say this creates a powerful disincentive for individuals and businesses, who are discouraged from working as hard as they might (individuals) or operating as effectively as they could (businesses). They also say this encourages people to participate in the so-called "underground economy" to hide their earnings . . .

In short, flat tax supporters play on people's desire to keep more of their hard-earned money, without giving fair recognition to the importance of the programs and services governments provide

to all citizens, or to the role governments have in increasing Canadians' standard of living.

Speaker's Ruling Relevance

THE ACTING SPEAKER: Hon. member, the chair is going to interrupt you again. As I said a few minutes ago, we have an amendment before us. We are dealing with an amendment moved by the hon. Member for Edmonton-Meadowlark. It is referred to as a referral amendment, whereby it proposes that this bill be withdrawn and the subject matter referred to the Standing Committee on Law and Regulations. That is the amendment that is before the House.

MRS. SLOAN: I am completely mindful of that, Madam Speaker. What I am trying to demonstrate is that our population is completely divided on the proposition of a flat tax, and therefore the amendment is most certainly in order and most certainly should be passed to allow Albertans the opportunity to really scrutinize what benefits will be there. What I'm trying to provide this afternoon is a cross section, both pros and cons, of how the flat tax regime is viewed. As I've been citing from the article written by Bob Dale, he feels that there are many flaws and raises many cautions. I think it's prudent to enter those into the debate and on the record this afternoon to inform Albertans about what risks are held with a flat tax proposal.

Debate Continued

MRS. SLOAN: So in terms of just completing the section on putting more money into our pockets, the author says:

A 1995 study by the National Union of Public and General Employees found that although our tax system is generally progressive, it would be a lot more progressive if those with higher incomes weren't eligible for all the tax breaks they currently get on particular types of income. If this happened, up to \$4 billion in additional annual income taxes would be generated [at the federal level].

He goes on to two other points, Madam Speaker. I leave it to interested citizens or members that are interested to further explore the "proportionate, not progressive" arguments and the "cutting off the undeserving" sections of Mr. Dale's article.

I also want to cite from an article that I also found quite informative. It was published in the *Fraser Forum* in February of 1999, and the author was Mary-Anne Sillamaa, who has a PhD in economics from McMaster University. Madam Speaker, I will just briefly cite from this article evaluating Alberta's flat tax proposal titled Flatten the Tax, Fatten the Revenues? She starts out by giving a summation of Alberta's proposal and then says:

This looks very appealing. But is there a downside from a loss of government programs due to reduced tax revenues for the provincial government? The Tax Review Committee estimates a revenue loss of \$500 million.

Speaker's Ruling Relevance

THE ACTING SPEAKER: Hon. member, does that particular article refer to the amendment that we're dealing with now, where you want the subject matter referred to the Standing Committee on Law and Regulations?

MRS. SLOAN: Well, I most certainly think, Madam Speaker, that if the *Fraser Forum* is pointing out that there are some contradictions in terms of the benefits of a flat tax proposal, perhaps the Law and Regulations Committee might be able to further evaluate the merits of it being implemented.

THE ACTING SPEAKER: The chair must deal with what is before the Assembly. We have an amendment, referred to as a referral amendment, that specifically talks about this bill being withdrawn and referred to the Standing Committee on Law and Regulations. The debate, in accordance with that amendment as brought forward by the hon. Member for Edmonton-Meadowlark, should reflect that particular subject matter.

MRS. SLOAN: I'm mindful, Madam Speaker, that the government has also introduced closure on this bill, so we are not going to get an opportunity again to debate it in this House past this point.

THE ACTING SPEAKER: Hon. member, I would point out to you that if this amendment is dealt with, then debate continues on the motion for second reading.

MRS. SLOAN: Right.

THE ACTING SPEAKER: So let us deal with the amendment that's before us.

MRS. SLOAN: I'm not disagreeing with you, and I won't read further from that article if it's aggravating to the Assembly to hear it. In any event, I've read into the record the title and author, and I know that interested citizens might also find that one of interest.

Debate Continued

MRS. SLOAN: The Canadian Centre for Policy Alternatives has also lent some analysis to the proposal of a flat tax. We have, I think, the benefit of having such an institution in our country, and in their July and August issue in 1999 in an article titled None of the Arguments for a Flat Tax Can Be Supported, they talked about the fact that

if a flat tax reduces the rates paid by the rich, and exempts the very poor . . . the relative percentage of taxes paid by the middle class must go up, even if taxes are reduced. This is elementary mathematics.

Flat taxes have political appeal only because flat-taxers misleadingly [make] the case for flat taxes with the case for broadening the tax base, reducing taxes, simplifying the tax system, and closing loopholes . . . so that the rich pay at least some tax. In all of these respects, the rhetorical appeal of flat taxes is misleading.

In selling flat taxes as if it were a populist idea that deserves the support of the middle-class, and in attempting to capitalize on populist discontent with the tax system, flat-taxers are being deceitful.

They make a number of . . . claims. First, they argue that a flat tax rate will greatly simplify the income tax by making it easier to understand, more convenient . . . and less expensive . . . They also argue that a flat tax rate will substantially reduce tax avoidance and evasion.

They go through and make a number of other observations with respect to the flat taxers' marketing regime. They go on further to say:

In spite of the apparent urgency of simplifying the tax system, however, the proposition that flattening the tax rates will do so is patent nonsense. None of the difficulties of understanding the Act, the mistakes that professionals make in filing returns, the wrong answers that Revenue Canada agents give in answering taxpayers' questions over the telephone, or the headaches involved in filling out a tax return, has to do with the applying the tax rates.

One of the things the government didn't bring forward in the budget nor have brought forward in any aspect of this debate is what administrative enhancements will be required in Treasury to incorporate this changeover. We are going to have to have our own

fully staffed department for the filing of provincial returns. Perhaps they'd like to make that submission and proposal to the Standing Committee on Law and Regulations. That way the public would clearly know how much it is going to cost us to file our tax returns provincially, Madam Speaker.

That is what we are going to be doing with the flat tax proposal, and most certainly there are public implications to that. There are budget implications and there are policy implications, all of which should go to the Standing Committee on Law and Regulations for review so we fully disclose to Albertans exactly what are the benefits, what are the costs, and what are the shortfalls that a flat tax regime will result in in Alberta. That is key, and it's key to the amendment this afternoon.

[Mr. Renner in the chair]

I'd like to summarize by just further citing from the policy alternatives article a citation relative to the myth of reduced tax evasion.

A claim frequently made to justify flat tax rates is that lowering income rates will lead to less tax evasion. This argument is particularly popular in the business press. In the heady days of supply-side economics, it was often suggested that cutting marginal tax rates could be revenue neutral, partly because lower marginal rates would lead to greater reporting of income.

The argument has a particularly peculiar ring to it when it is made by the rich themselves or their representatives. It hints of political blackmail. In effect, they are arguing that their taxes should be reduced because, if they are required to pay the [same] amount the democratic majority deem to be their fair share, they will subvert the political will by engaging in criminal activity.

A very valid point.

In any event, even accepting that the argument is made in good faith, the claim that evasion can be reduced by flattening the tax rate is clearly [false].

Again, an excellent article for those interested in truly examining this regime, Madam Speaker, which can be read and accessed through the Legislature Library.

[The Speaker in the chair]

Now, there are a number of other studies, and the final one I'd like to refer to this afternoon – well, actually there are a couple that I'll mention. I was particularly interested in the book published by an elected member of our federal House, Dennis Mills, who has really gone to quite extraordinary efforts to advance the single tax proposal system. I did have an opportunity to look at both his book and report titled *The Single Tax*, a proposal for tax reform. The book was published in 1990, I guess I would say, Mr. Speaker, and while I'm certainly not an advocate nor am I convinced that the flat tax proposal is a prudent one for Alberta to proceed with, I was quite impressed by the efforts that this hon. member has gone to to advance this concept.

4:30

I can't say that I have seen this kind of documentation on another issue perhaps to this degree from an hon. member of the federal House, and really he's to be commended. He obviously believes very strongly in reform and in the flat tax system, and while I don't agree with him on its benefits, I think his efforts are to be commended. For those that want further ammunition about why a flat tax system is good, then certainly Dennis Mills' publications are good reading.

The last sort of section of comments, Mr. Speaker, that I would like to make – and I did raise these earlier in debate – are with

respect to the Auditor General's concerns surrounding a number of miscalculations or an underrepresentation of expenditures that occurred across quite a number of ministries. It probably would even be safe to say that a majority of ministries in the last fiscal year that was audited had underestimated revenues and therefore received from the Auditor General reservations about that. Now, I haven't seen any accounting by the government as to what the impact of this regime will be on revenues. I'd be most encouraging to the hon. Acting Provincial Treasurer to provide that. I think there have been some different variations, because what has been provided in the Fraser Institute study says \$500 million, and I'm not sure if the Acting Provincial Treasurer's estimates were in fact that high. But in that earlier citation that I read, the estimates were around \$500 million.

That may be very straightforward, and certainly in the era of this government having surpluses that reach the degree of \$3 billion or \$4 billion, that can be accommodated, but that may not be the case in the future, Mr. Speaker. Therefore, I state my reservations and opposition to Bill 18 and my support for the amendment before us.

Thank you.

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

MR. SAPERS: Thank you, Mr. Speaker. We're sort of operating under the gun here, all too familiar in this Assembly, as this section of the debate is under the gun of closure. We're dealing with an amendment that would refer Bill 18 to the Standing Committee on Law and Regulations, and I would like to have my comments heard and recorded in *Hansard* as evidence for that referral motion. There is tremendous controversy surrounding the content of Bill 18 and the merits or the lack of merits of a single-rate or a flat tax. I will be making some reference to that controversy, all, as I say, in support of the amendment, which I will ultimately be voting in favour of.

Earlier today we had an example of some of the controversy. The Acting Provincial Treasurer tabled a report that says that Bill 18 and the flat tax would be a good thing. Then I had an opportunity to table a report by Professor McMillan that says that the single-rate tax wouldn't be such a good thing. We have dueling experts and expertise on this matter, Mr. Speaker. It's very clear that there is one thing that's agreed on by all parties, and that is that the effects of a flat tax are always to disproportionately affect taxpayers at the margins, at both ends, and to then clump up taxes paid into the middle. Another thing that's agreed to by people on both sides of the flat tax argument is that unless you modify a flat tax by some form of exemptions or other limitations, it will always reinforce unfairness.

Now, I have found it very interesting in this debate as it has progressed that the government is no longer referring to Bill 18 as a flat tax bill. The language that was used early on by the then Treasurer, by the Acting Treasurer, by the Premier, and by others was that there is a flat tax. There's a certain ideology that's attached to a flat tax, and it seems that that ideology has been adopted by the newest federal political party on the scene, as they are pursuing still the language and the rhetoric of a flat tax. Interestingly, the government of Alberta has stopped talking about Bill 18 and defending a flat tax and has started talking about Bill 18 by saying that it's progressive.

In fact, I think I heard the words from the Acting Provincial Treasurer today – and I can always review *Hansard* – to the effect that it's the most progressive of all. I find that very interesting, because of course what it is sort of a halfway flat tax. I will admit that it's probably better described as a single-rate tax. That being said, it still has many of the dangers that have been pointed out and,

I would say, most properly pointed out by my colleague from Edmonton-Riverview in many of the studies that she cited.

Mr. Speaker, it's very clear that the government itself is somehow apprehensive about going down this path. When the Acting Provincial Treasurer stood in the Assembly earlier and said that the Official Opposition didn't have a clear picture of its own taxation policy and referred to something that frankly I wasn't aware of, it struck me that the Acting Provincial Treasurer could very well have been speaking about the provincial government in not being clear about its tax policy.

If we go back to Budget '96, we see some very clear statements. We see statements made about how the deficit elimination taxes are going to be handled. We see statements about delinking, and as we progress through budget years '97, '98, '99, we see that elements of the tax plan continue to be reintroduced and massaged. But the bottom line is that the government has flip-flopped in terms of the deficit elimination taxes, where they were going to remove the .5 percent flat tax or the 8 percent surcharge first. The government has flip-flopped and changed its mind on where the personal exemption levels should be set. The government has changed its mind in terms of whether it should be an 11 percent flat tax or a 10.5 percent flat tax. The government keeps on changing its mind on whether it's going to issue rebate cheques or whether it's going to do something about the fuel taxes that Albertans pay at the gas pumps.

4:40

So if there has been any flip-flopping and casting about for exactly the right thing to say and do according to the wind, it would be on the part of the government, which seems to be very uncertain about the direction it wants to take its tax policy. That disturbs me, because we would expect far more certainty from the government. I'll say this, Mr. Speaker: tax policy is very complicated. Sometimes a mistake will be made in a calculation here or there, or you'll take a look at one set of numbers and be able to come up with several different interpretations, but clearly the government has had this in mind as one of its objectives for long enough that you would expect them to get it right.

There was another issue that came up earlier today that I think is relevant to the referral motion on Bill 18, Mr. Speaker, and that's this. Earlier in this session Written Question 219 was debated and then eventually responded to in the House. What Written Question 219 asked for was:

What information has been prepared by or for Alberta Treasury on how much of the \$35 million economic offset or revenue recovery projected in 2001-02, as cited on page 17 of Budget 1999: Government of Alberta Fiscal Plan, results from the reduction of the 8% surtax, from the increase in the personal and spousal exemptions in the 1999 federal budget, from the reduction of the 0.5% flat tax, from the increase in the personal and spousal exemptions to \$11,620, and from the introduction of the 11 percent single rate tax?

That was all a direct quote from sessional paper 439/2000.

Mr. Speaker, the answer starts off with the words:

No information has been prepared by or for Alberta Treasury on how much of the economic offset or revenue recovery in 2001-02 results from the various components of the tax plan.

As striking as that admission may be, it was further heightened in my mind because the Acting Treasurer tabled a paper today that he said was a study of the economic offset prepared as a result of the work done by the Alberta Tax Review Commission. Now, if I've missed something, I would invite the Acting Provincial Treasurer to stand up and let me know.

DR. WEST: Time frame. What was the time frame?

MR. SAPERS: The Treasurer is inappropriately interjecting, Mr. Speaker, but what he's saying is: what was the time frame? Well, the written question is very clear. It simply says: what information has been prepared regarding the economic offset? It's not limited to a time frame, and the answer is equally clear. It says that "no information has been prepared by or for Alberta Treasury."

I would like to know, when that question was answered, why we weren't advised of the paper which the Acting Provincial Treasurer tabled today. If he's going to say, "Well, it's because it's a brand-new paper; we didn't know about it, and we didn't have it before," I guess that's an argument he can make, but it would seem to me that that's an argument that would hold much water, Mr. Speaker.

Here we have another example of not being able to get straight answers to straightforward questions, of the government withholding information that's relevant to the debate and to this proposed restructuring of the tax plan of Alberta. Again, it's more information, more evidence, Mr. Speaker, as to why Bill 18 should not be read a second time and why the whole subject matter ought to be referred to a standing committee, an all-party committee of the Legislature that can take a look at all of these matters and hold the government accountable for how it deals with information requests, particularly regarding tax plans, which affect every Albertan in their pocketbook.

Mr. Speaker, there are a couple of other areas I would appreciate the government clearing up. Also earlier today the Acting Provincial Treasurer, in response to a question asked by one of his colleagues about what reports would bolster the government's arguments about a flat tax, said that one of the reports that would support the government was a report written by Robert Shapiro in 1996 titled *Why Fairness Matters: Progressive Versus Flat Taxes*. The Acting Provincial Treasurer has not once but now twice indicated that Shapiro's work would lend credibility to the government's arguments that a single-rate tax would be the right way to go. But what Shapiro argues in his paper is for progressivity, and in fact on page 14 he makes the very simple statement that "ultimately, progressive taxation has the better of the argument." It goes on to say that flat taxers may make a moral argument, but progressive taxers are right.

So here we have again the Acting Provincial Treasurer standing up and arguing that this study, the Shapiro study, would support the government, when it doesn't. It's not the first time that we've seen reports – I remember the then minister of education, who's now the Minister of Health and Wellness, standing up and tabling a whole series of kindergarten reports and saying that they would support the government. Of course, when we reviewed those reports, they didn't. So this isn't the first time the government has done this.

Mr. Speaker, again the Treasurer also talked about the Cassidy/Ruggeri/Van Wart report. It doesn't add any support to the government's argument whatsoever. The report done by three people who at the time were employed by Alberta Treasury very clearly says that the only basis of comparison is if they're revenue neutral, and Bill 18 does not propose a revenue-neutral tax plan. The only basis of comparison would be if all elements were the same, and even then it's only qualified in terms of what they were doing, because what their study was trying to accomplish was to provide an index for measures of progressivity.

So, Mr. Speaker, they don't support a single-rate tax. In fact, they go out of their way to say that they would not be supporting any one particular kind of tax scheme over another. All you have to do is look at the conclusion, where it says – and I quote – that it is not obvious that a measure that attempts to isolate the distributional implications of a tax function independently of income distribution provides a meaningful index of the impact of the tax function on social welfare. End quote.

Mr. Speaker, all you have to do is read the conclusion. Again, I just question why the government would rather offhandedly reference this report and that report and other reports and give the impression that their position is being supported when in fact there are different conclusions being drawn in the studies.

Mr. Speaker, I would hope there has been enough discussion on Bill 18 in the Assembly at this point that it's very clear that Alberta Liberals are not opposed to tax cuts nor are Alberta Liberals opposed to tax reform.

MR. LUND: Your leader has never, ever, ever, ever put one in.

MR. SAPERS: I just thought I'd wait, Mr. Speaker, because I didn't know whether the Minister of Agriculture, Food and Rural Development was going to rise on a point of order or why he was making noise.

Mr. Speaker, it's very clear that members of the Official Opposition are not opposed to changing the tax system and are not opposed to tax cuts. In fact, we've been arguing for several years that there should be tax relief. It was Alberta Liberals who first raised the issue of removing the so-called deficit elimination taxes. It was Alberta Liberals who talked about the problems with bracket creep and urged this government to index brackets long before they took up the battle cry of bracket creep and indexation.

We have been searching for alternatives that would allow us to maintain a progressive system that would allow tax fairness, would allow a distribution of tax cuts across all categories of income earners in this province. Yes, we had looked at what would happen if you changed the rate but stayed linked to Ottawa. We looked at what the effect would be if you delinked and didn't change the rates. We looked at moving to a five- or a six-rate system. Mr. Speaker, we also wanted to include in our tax plan some simplicity, some predictability. We did not want to be sort of at the end of the line once Ottawa decided to do something, so we believe that the unlinking process is a good one to go through. Of course, any Alberta Liberal tax plan would be indexed to protect taxpayers against bracket creep.

So, Mr. Speaker, what we finally came up with is an alternative to this government's version of a flat tax. That would be a tax that is progressive, that still eliminates the lowest income earners from the tax rolls, that has a zero rate for those income earners, and that maintains the high personal exemption, but it has two or three very important differences from the government plans.

4:50

Number one, it is a truly progressive system. It would call for a 10 percent rate for the majority of income earners and tax filers in Alberta and then a 12 percent rate for those very few at the very top of the scale, who would get the benefit of the 10 percent rate on the first approximately \$100,000 of their income anyway, Mr. Speaker.

Another major difference between our plan and the government's plan is that it does not shift the burden in a disproportionate way to the middle-income earners. It would also allow Alberta to stay competitive, to be able to still claim that it has a very attractive low tax environment, but it gets rid of the lack of fairness that's in the government's proposal.

Mr. Speaker, there are many, many reasons why we would want to see Bill 18 referred out of this debate and into the committee. One is because of the confusion that's been created in the minds of Albertans because of the government's misinformation and misrepresentation of academic work.

Number two is because there are alternatives that are not being well examined. There's the Alberta Liberal fair tax alternative

proposal, which was released today. There are the alternatives suggested by Professor McMillan in his paper which I tabled today titled *Alberta's Single Rate Tax: Implications and Alternatives*.

Another reason why, Mr. Speaker, is because ultimately a flat tax policy is an unfair policy. We believe that the more the public has a chance to become familiar with the government's plans for taxation, the more they will realize that it's an unfair policy, and the government will be convinced as well that it has been going down the wrong path. There would be no harm in the government recognizing that they need to now put their words of support for progressivity into action, and they could certainly amend Bill 18, because it's very comprehensive, to institute a middle rate for the middle-income bracket.

Mr. Speaker, just before I conclude, let me say that we've had the experience here of having both the government's tax bills, 19 and 18, under closure. I have introduced an amendment to Bill 19 which would cause both deficit elimination taxes to be removed at the same time in the current taxation year. Because of the fact that we're under closure on Bill 19 and we would have no other opportunity, that amendment had to be brought in. If Bill 18 progresses through the Assembly, if this referral motion should fail, then of course we'll be looking at subsequent amendments to Bill 18, because there is a section in Bill 18 which directly relates to the amendments in Bill 19. But it's simply a matter of procedure, a matter of timing, and a matter of sequencing in terms of how these amendments have to be brought in.

I hope the government won't use the quirks of the House and their own scheduling as any way to sidetrack the argument and to suggest that the Liberal opposition wants Alberta taxpayers to keep on paying those deficit elimination taxes, because we don't – it's clear that we want to put an end to that now – or that somehow they're going to suggest that we want to be unfair to one group of taxpayers or another. Of course, Mr. Speaker, obviously our proposal seeks, as its very purpose, fairness in the tax system.

Mr. Speaker, with those comments I look forward to the rest of the debate. I hope that all members now recognize the dangers of proceeding with Bill 18 as it has been put forward by the government and will support this referral motion so that we can have more study, so that we can come to the place and time when we can put forward a tax plan that will be fair, that can be unanimously supported, and that would be the best social policy for Alberta and the best fiscal policy for all taxpayers.

Thank you.

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

DR. PANNU: Thank you, Mr. Speaker. I rise to speak in favour of the referral motion, which is asking that Bill 18 be withdrawn and the subject matter reviewed by the Standing Committee on Law and Regulations. There's no doubt that the existing taxation system, the personal income tax system, needs improvement. There's lots of room to improve it. There's room to provide relief from tax to low-income Albertans, and there's a need to make sure that indexation to inflation is in place. So I'm simply arguing that the particular change they propose in Bill 18 is not the way to go. This is not to say that changes in the income tax system are not needed or required.

If we refer the bill to the Standing Committee on Law and Regulations, it provides Albertans an opportunity to engage each other in debate more thoroughly on a bill that will have serious and long-range ramifications for income distribution in this province, for the structure of income equality in the province, and for the revenues of the province. So certainly the bill is important. It's very, very important. It deserves more attention than has been received at this

stage in the current session, so it would indeed be advisable to refer it for more thorough study, as this referral motion suggests. Such a referral is obviously justified for all kinds of reasons, including because the principles underlying the bill are fundamentally and fatally flawed, as many citizens tell us.

I'll put on record the thoughts of one ordinary citizen, whose letter I tabled in the House this afternoon, his arguments as to why he thinks that we, this Assembly, and Albertans need more time to consider this bill. There's no opportunity at this point to review these principles at second reading, particularly with the hammer of closure hanging over our heads.

Bill 18 is seen by Albertans as unfair. The unfairness of the flat tax contained in Bill 18 is summed up well in the following quote from Professor Melville McMillan of the department of economics at the University of Alberta. Dr. McMillan was writing in an article which appeared earlier this year in the *Parkland Post*. I quote:

Alberta's proposed single rate tax will shift a greater share of the tax burden to the middle income groups. This consequence is not advertised by the Alberta government, nor by its Tax Review Committee report. Indeed, this result is masked by the plans for a simultaneous reduction in incomes taxes. As a result, the significant shift in tax structure [as opposed to amounts of tax] has not been well recognized or debated.

While this expert, Dr. McMillan, makes this observation, we of course had the other day Dr. McKenzie visiting here from the University of Calgary, who holds the opposite view but not quite. Even Dr. McKenzie has not denied that a flat tax shifts the tax load onto middle-class income earners. He just tried to justify why this shift is justifiable, rather than saying it won't happen. In spite of this difference of opinion among experts and concern among Albertans, the government continues to deny that this shift is taking place.

More recently, as a matter of fact yesterday, I received another paper, also prepared by Dr. McMillan, and its title is Alberta's Single Rate Tax: Implications and Alternatives. The numerous graphs and tables in this paper all show the same thing, that tax relief to those with higher incomes comes at the expense of middle-income earners. It's a lengthy paper, carefully researched, with about 10 different tables presenting convincing data to this effect.

In selling Bill 18, the government has made much of the fact that the increase in basic exemptions would take a large number of low-income Albertans off the tax rolls completely. That may well be true – and we would certainly be happy to see that happen – but other questions remain. Why would you help low-income earners, hurt middle-income earners, and give entirely unjustified gifts from the public purse to those who are already the most wealthy?

5:00

The other day the Acting Provincial Treasurer took exception when I pointed out that a certain well-known citizen of this province who made \$1.9 million in salary and bonuses last year would pay \$71,000 less provincial income tax should the government's flat tax scheme be implemented. I want to make it very clear that I'm not in any way casting aspersions on this individual. This is an example of the unfairness of the tax system that's being proposed.

However, I really question the fairness of someone with a \$1.9 million taxable income having their provincial income tax bill cut by 26 percent while the typical middle-income family in Alberta will see at best a 10 percent tax cut and a typical middle-income single Albertan may see a tax cut of only 4 percent.

Last week the government announced some changes to supposedly ensure that all Albertans, regardless of income, at least saved a few dollars on taxes. That's exactly what we are talking about: a few pennies, maybe a dollar or two a day for singles or families in the middle-income groups, whereas those with incomes above \$100,000 reap multi-thousand dollar tax savings.

The flat tax set out in Bill 18 is unfair to middle-income Albertans no matter what the rate is or what the level of personal exemption is. You only need to do some simple arithmetic to determine why this is the case. Under the existing income tax system the provincial tax rate on the first \$30,000 of taxable income is 7.48 percent. This is 37 percent lower than the 10.5 percent flat tax as proposed in Bill 18.

The 2000 federal budget was not particularly progressive when it comes to taxation; however, the tax reduction in the federal budget was at least more evenly directed to all income groups, exposing once and for all the aggressive nature of the changes to the personal income tax system contained in Bill 18. The tax reductions announced in this year's federal budget were across the board, unlike the tax relief in Bill 18, which focuses tax relief exclusively on those with yearly incomes above \$100,000 and provides little or at best token relief to middle-income earners.

In light of these facts it should surprise no one that those with annual incomes between \$30,000 and \$100,000 per year would be much better off under the existing progressive tax system than they would be under the radical neoconservative changes proposed in Bill 18.

I want to briefly quote from a March 15, 2000, *Edmonton Journal* editorial that aptly sums up the dilemma the Conservative government finds itself in.

Paul Martin didn't set out to expose Alberta's flat tax as the shallow and regressive idea it is, but he has.

With his new budget, the federal finance minister has underlined the fundamental flaw of the idea – that it shifts the tax burden away from the high-income people and onto middle-income people . . .

Paul Martin has stolen all the good that might have been delivered by Treasurer Stockwell Day's plan, and discarded the bad. His federal budget provides tax cuts and ends bracket creep, but it leaves in place the three-bracket tax system, so the tax system remains progressive.

If Alberta had left its provincial income tax rate pegged to the federal rate, our provincial taxes would be diving in tandem with that federal tax cut. Instead, we have a government scrambling to find a flat-tax rate that will camouflage the fact that the new system hurts middle-income people.

How much does a flat tax hurt middle-class people, Mr. Speaker? The answer is a whole lot. For example, a single income earner making \$30,000 per year will save only \$106. A single income earner making \$250,000 will save almost \$8,000 under the flat tax scheme. Even worse, a single income earner making \$30,000 will save only 6 percent on their taxes, whereas someone making \$250,000 will save 24 percent.

The situation with families isn't much better. A middle-income family making \$75,000 will save about \$400 on their provincial income tax bill. A high-income family making \$250,000 will save \$6,300. In percentage terms the middle-income family will save about 8 percent on their income tax bill, whereas the high-income family saves about 21 percent.

Prior to reducing the provincial tax rate to 10.5 percent, some middle-income Albertans would have actually ended up paying more under the government's flat tax proposal. It must be pointed out that in order for middle-income earners to get even a few pennies in tax relief, the government had to cut personal income taxes by 25 percent. This translates into \$1.3 billion of government revenues. Can Alberta really afford a tax cut of this magnitude without threatening health care, education, and other important government services, especially in the event of an economic downturn? These are serious questions, and they must be addressed by this committee if this House votes to support the referral motion before it. I really wonder whether the move to further tax cuts was carefully studied and considered or whether it was simply a knee-jerk reaction to the

fact that the flat tax will hurt middle-income Albertans in the absence of huge tax cuts.

The Conservative government should admit the obvious: the former Treasurer's looney flat tax idea deserves to be consigned to the political graveyard of dumb ideas. However, true to form, the government is choosing to whistle in the graveyard instead. The Tories have come up with an even loonier idea of hitching both our tax rate and our personal exemption levels to track tax changes by the federal government, a kind of floating flat tax. That appears to be the logic behind the announced increase of the basic exemptions and the reduction in the tax rate. There is no logic other than this.

I thought the whole idea of delinking from the federal tax system was to free ourselves from the vagaries of tax changes in Ottawa. Now we seem to be reversing course and hitching ourselves back onto the federal tax system. What's missing is the obvious solution of scrapping the former Treasurer's looney flat tax and ensuring that Alberta's personal income tax system is at least as progressive as the current system.

There are a number of provinces across the country that are planning to move toward tax on income; however, not one other than Alberta is bringing in a flat tax. Even in Mike Harris's Ontario there's no flat tax. In fact, Ontario will have five tax brackets, ranging from 6.2 percent for those with low taxable incomes all the way up to 17.4 percent for those with very high incomes, and this is a recognition of the progressive model of taxation that has been prevalent in this country for the last 50 years.

No wonder the government has brought down the hammer of closure on Bill 18. It's only a matter of time before middle-class Albertans wake up to the fact that they are not being treated fairly by the changes proposed in Bill 18. One of those middle-class Albertans from whose letter I want to quote, Mr. Speaker, is Bryan Quinn of St. Albert. Mr. Quinn says:

I'm strongly opposed to your flat tax proposal because it is a grossly unfair way to redistribute \$1.3 billion. Unequivocally, it increases the relative burden of taxation for the middle and upper-middle class [that is] (individuals earning, say, between \$30,000 to \$90,000). It is the excessive benefits bestowed upon the most wealthy in Alberta that clearly brands this a vulgarly regressive scheme! Yes, raise the threshold amount: indeed, the poorest and most needy among us should not pay any provincial tax whatsoever; but please scrap the flat tax element of Bill 18! Instead, a better formula must be devised primarily to lessen the squeeze on the middle class (the backbone of our tax base).

Whatever you do: don't rush this by ramming it through the Legislature! Can't you see the benefit of allowing true and real involvement and input from all levels of society so we all can share in its ownership? [And here he says] Mrs. O'Neill and Mr. Klein, don't sell out your constituents again! Can't you see you are being duped once more by certain greedy, self-serving Alberta millionaires who have your ear? These people are advising you poorly! Why do you "hear" only them? You are losing touch with the average citizen!

I think Mr. Quinn does indeed speak for the average Alberta citizen. With that, Mr. Speaker, I close. Thank you.

THE SPEAKER: A point of order?

Point of Order Referring to Members by Name

MS HALEY: Yes, Mr. Speaker. It was just that he is referring to the Premier and a member of this caucus by their name. I think that's inappropriate.

AN HON. MEMBER: But he was quoting.

MS HALEY: Well, when you're in here, I believe the rules are that you do not refer to them by their names but in fact by their constituencies, hon. member. The last time I checked, that was the rule.

MS CARLSON: Your citation?

MS HALEY: I can't remember.

THE SPEAKER: The hon. leader of the third party on this point of order.

5:10

DR. PANNU: Mr. Speaker, I was reading a letter, and I was simply quoting from the letter, but I'm certainly open to your advice on the matter. As I understand it, quoting is permissible, addressing members by name is not.

Thank you.

MRS. O'NEILL: I'd like to speak to the point of order, because the Member for Edmonton-Strathcona is quoting from a letter, but he did not say: quote, unquote. So quite frankly I think there is a very valid point of order, Mr. Speaker.

THE SPEAKER: Hon. leader of the third party, you have the document in front of you. Would you do the appropriate thing?

DR. PANNU: Yes, Mr. Speaker. I did start by using the word "quote." I may have missed concluding it with "unquote." I tried to close in response to the Government House Leader or the whip making the point. So I do apologize for not saying "unquote."

Thank you.

THE SPEAKER: Okay. Thank you. That ends that point of order, and the hon. Member for Edmonton-Strathcona has also concluded his debate.

Do I now recognize the hon. Minister of Gaming?

Debate Continued

MR. SMITH: Well, thank you very much, Mr. Speaker. It gives me a great deal of pleasure to rise today to speak to the amendment on Bill 18, the Alberta Personal Income Tax Act, and also I guess to stand and have an opportunity to debunk much of the socialist hack that we've heard throughout this debate and throughout other debates.

I have long since been proud to be born in this province and to be part of a province that values the entrepreneurial spirit, values a government that is a noninterventionist government, values a government that tries to eliminate regulations and is a government that is transparent, that is open, and that has actually made tremendous progress since 1993, but in particular, Mr. Speaker, since 1995, when we were the first government of any substance, of any size to run a deficit-free budget. I think that's critical, because from that platform we were able to move forward with repaying debt, which then gives you the strength to manage not only your finances but then start to eliminate your revenue side from the very taxpayers that give it to you; in other words, to start to be noninterventionist in their tax lives.

I think we have seen in this province, more than any other province in Canada, more than any other jurisdiction in North America a real commitment to people to do a couple of things. One is to pay less money for the amount of government they're getting. As a matter of fact, Mr. Speaker, I think it was Will Rogers, a famous American philosopher, who once said: just be thankful

you're not getting all the government you're paying for.

Well, what we're trying to do in this administration is to deliver value and to deliver more government for less money, more government of what people talk about is important to them: the ability to understand how their government works; the ability to interact with their government; the ability to have fewer and fewer regulations; a government that wants to talk specifically in time frames such as Bill 19 points out, that the amendment as forwarded does not point out. The amendment that's here talks to a final taxation year to which section 3.04 applies prior to its repeal.

We've said in the bill, Mr. Speaker, that this is the 1999 taxation year, so we're giving rock-solid commitments. We're able to put together through a long process of good consultation from across Alberta, talking to people who get up every morning after 5 o'clock and are putting on everything from coveralls to blue suits to go out and earn money, because generally there's an economic maxim that everybody works to maximize profits to work in their own economic self-interest. What we want to be able to do is to allow them to maximize those profits by getting out of their pocket more and more, not having tax day being some day in July or the end of June but to try to move it up to reasonable times and to be able to let people take those dollars that used to be required to run a more expensive government, a more interventionist government but, through savings and through good fortune and through participation by Albertans, an ability to have a government that is cheaper. That's exactly the genesis of the Income Tax Amendment Act, and that's the genesis of the whole flat tax or single-rate tax proposal.

I've always felt, Mr. Speaker, that in the economy of Canada, in the rules and regulations of Canada you should be able to fill out your own income tax. It should not have to go to a professional, to an accountant, to somewhere where you have to pay somebody to give money to the government. I mean, if the government wants this form of taxation, why doesn't it make it easy? Why doesn't it make it understandable? Why doesn't it make it as simple as calculating a handicap or a golf score? I know it would be absolutely as straightforward and transparent and honest as any good golf handicap would be.

Why should a bricklayer have to pay an accountant to fill out income tax? Why can't a bricklayer who has worked hard and made \$60,000, \$70,000, \$80,000, or \$40,000, whatever the salary range may be, Mr. Speaker – why isn't that individual able to take his or her own tax form and fill it out in a reasonable fashion? Something that's facile, that's easy to understand, that's quick to complete, and where he doesn't have to worry about those famous words: the government is trying to cheat me out of something, quote, unquote. This government is not trying to cheat anybody out of anything. This government wants to deliver good, good government for the least cost, and I think that's a very good and strong objective.

We have to continue to change. There are external pressures that you can see with the development of the act or the development of Bill 18, and you can even see with the futility of the amendment that we're responding to external forces. You know, no man is an island, as is commonly said, and Alberta is not alone in trying to vie and compete for the best brains, the best businesses, the best citizens. Through a single-rate tax act those people who have those kinds of skills, lend those faculties to Alberta, are the people that have said, "I would like to be able to understand my own income tax act. I would like to be able to fill that document out by myself without having to worry about interference from an accountant or another individual that will cost me even more money to do something that should be simply done and quickly completed."

That's why, Mr. Speaker, I think that to respond to the dynamics of the international marketplace, now when you see the *Financial*

Times in London, when you see the *Wall Street Journal* and they talk about Alberta, they talk about Alberta as being at the vanguard, being at the leading and the cutting edge of delivering a government that is conducive to attracting the best brains, that is conducive to keeping the best brains, that is conducive to maximizing its industrial strength and competitiveness, and for us actually to be an island of entrepreneurialism in a sea of socialism.

I think that's one of the great difficulties working as a provincial jurisdiction in this country, because with the malaise that the federal Liberals – and you can see so much similarity between the federal Liberal's mind-set and what we're hearing from the opposition. You know, Mr. Speaker, it's really, really a hard effort to continue to break through the socialist bonds that sit and fetter the tremendous potential in the economy of Alberta today. I think that we've got to continue to set the stage by putting forward these symbols, these opportunities, and this ability for people to capitalize on the very strengths that sit here in this great province today.

5:20

One of the major tax concessions delivered in the period from 1993 to '97, Mr. Speaker, was the provincial portion of the machinery and equipment tax. That tax amounted to about \$160 million. There was great concern at the time that there would not be an opportunity to recoup those gains through facility expansion, through plant expansion, through building at the Carolines of the world, through building at the Joffres of the world, to be building the Syncrudes and the Suncors in Fort McMurray, the plants in Grande Prairie, the potato plants, the bud the spuds down in Taber. I mean, I think it's an absolutely terrific story what's happened.

So there was great fear and trepidation as we again walked into unexplored territory. At that time, the government struck a challenge to industry that said: we'll deliver if you deliver. At that point, as we know from all the studies that you see from the learned individuals from the University of Calgary, an excellent institution, to other work done by notaries around Alberta, there is really one fundamental fuel for economic growth. It's a four-letter word, Mr. Speaker. In the socialist world they don't like these kinds of four-letter words. That four-letter word is cash, money, long green. Without money nothing happens. Governments don't manufacture money; governments spend money. The only wise thing Pierre Elliott Trudeau ever said that I can remember was that governments don't have money; people have money. That's where governments get the money, from the people.

So by reducing this taxation, Mr. Speaker, and by eliminating the machinery and equipment tax, as a percentage of the investment that was gained in Alberta, today, one, there is no machinery and equipment tax for the provincial portion in Alberta. Secondly, there has been for the last five years anywhere from \$30 billion to \$45 billion worth of capital projects in play, ready to go, being invested, money being deployed in the province of Alberta, not in the city of Calgary, which doesn't produce one barrel of oil, doesn't have one cow, doesn't do anything with respect to the agricultural market, not in Edmonton, which is the seat of the capital of government. In fact, that investment is taking place Alberta-wide. As I've just recounted, it's taking place from Grande Prairie, Paddle Prairie, Rainbow Lake to Empress, Manyberries, Rocky Mountain House. I mean, the names and the level of investment are really endless. The McCain's investment in Taber is a wonderful story.

I think, Mr. Speaker, that what you see occurring throughout Alberta is a very strong message to all Albertans that, one, you can go to a world-class educational institution in this province after you've finished high school – a NAIT, a SAIT, a University of Calgary, a University of Alberta, a University of Lethbridge, one of

the 26 postsecondary institutions in this land – and you can get a world-class education. Then you can return to Wabasca, to Smoky Lake, and then, Mr. Speaker, you can get world-class wages using your world-class education in a world-class industry.

It's this type of world-class income tax administration, it's this kind of world-class Bill 18, Bill 19, it's this kind of world-class government that allows that to occur. We've always said that we are not the initiators, but we do try very, very diligently to create the environment that allows people to succeed. Also, it allows people to fail. But they get the choice. It's not like a Liberal administration; it's not like an NDP administration, where you don't have choices, where government by taking so much money away from you starts to eliminate choice.

MR. LUND: Look at B.C.

MR. SMITH: I think a number of people from B.C. are looking at us. They're looking at us with envy, Mr. Speaker, because this is a government, this is an administration that has said clearly in a three-year business plan, goal 6, "Alberta will have a prosperous economy." That's why, Mr. Speaker, you have a Bill 18 and a Bill 19, the Income Tax Amendment Act. We will continue to promote the Alberta advantage, Mr. Speaker.

It says that we will undertake a business tax review to ensure business taxes are competitive. That's being done, and this single rate of taxation is a manifestation of good-thinking Albertans coming together in an Alberta tax review scenario and environment and being able to speak their minds and being able to say: "I believe very strongly in the Alberta advantage. I want to participate in it. I want to be able to help." By saying that, they want us to deliver a single rate of taxation that is easy to understand, reasonable, takes 192,000 people off the tax roll, and delivers \$1.3 billion in taxation savings.

I can appreciate, Mr. Speaker, how members of the Liberal opposition and in fact the leader of the Liberal opposition would be opposed to this and would spend a great deal of House time debating this issue and being unsure and not wanting to take a step and saying: "Well, what will happen? We don't know. We're not sure." But, you know, there isn't one individual over there – and I'm particularly addressing this to the leader of the opposition party – that has any experience lowering taxes. That individual's total political experience has been focused on raising taxation, on increasing government spending. That paradigm is gone. The series of assumptions are changing. We are on the move.

It was Will Rogers, that very same Will Rogers, who said: even a dead man can keep up if you're going downriver. Well, they're trying hard to be either dead people or to keep on going downriver. But I'll tell you, Mr. Speaker, that when you make the turn and you go upriver, that's when the oaring gets hard.

I think this has done a very, very laudable job of listening to Albertans' very concerns, of continuing to create the environment that attracts good people. As a matter of fact, when I think of the good people that are here looking at the amendment of Bill 19, looking at Bill 18, looking at the single rate of taxation, they are very much reflective of the Alberta advantage: trained professionals from all walks of life who have given up substantial amounts of money and in fact will be giving up more money to stay in here and serve Albertans in the Legislature. For that reason alone, I think you can see the commitment and the forthright, open, transparent approach that this government has taken to deliver a single rate of taxation to Albertans to be the first of so many things in this great dominion, Mr. Speaker.

Let's hope that this idea of single-rate taxation catches fire like a prairie grass wildfire, not one that is preset, like in Los Alamos,

Mexico, by government but one that catches its own spark and one that grows its own direction by spreading the entrepreneurial spirit throughout Canada, to realize that Canada trades and has fabulous opportunities with the largest economic engine in the world. For us to be able to take advantage of that, this is but one component in the building block matrix of the Alberta advantage that starts to deliver real benefits to real Albertans.

You know, Mr. Speaker, we'll stay here until 12, 1 a.m., 2 a.m., 3 a.m. We'll see protesters fall from the walls. Close. We'll see opposition go. But, you know, Mr. Speaker, this is something that has to be done for the benefit of all Albertans, whether they're making minimum wage or whether they're making \$100,000. It has to be done at a commitment level that can only be supported by Albertans. We want the opportunity to be able to leave this area and go out, speak with Albertans and talk about the real benefits of single-rate taxation and to take those chances and see a world-class educated individual working in a world-class industry making a world-class salary.

You know, Mr. Speaker, that might be at a banknote company in Barrhead. That might be at a plant in Leduc. It might be in Fort Saskatchewan. It can be just about anywhere in this great province, because this province is robust and bursting at the seams with opportunity. We need to give people the tools that allow them to succeed. That is why a single rate of taxation, Bill 18 and Bill 19, the parlance of this Assembly, has to be passed, has to be put forward.

5:30

We have to and we're obligated to, Mr. Speaker, go up and deliver that message and deliver it with conviction, with promise, with faith. The hope for a better tomorrow, the hope for more money in your pay packet, the hope for opportunity: that is what makes Albertans drill, that's what makes Albertans perform to an absolute maximum participation rate in the labour force. In fact, taking a look at the unemployment rate, we have continually had the first or second or third highest disposable level of income in Canada. We have had the most people participating in the labour force. In fact, the most number of men and women available for work are working in Alberta, the highest level of participation rate. We continually deliver in Alberta the highest employment rate.

Now I know the people want me to go on, but I can only stop and wish to go forward and support this bill for all Albertans, Mr. Speaker. [interjections]

THE SPEAKER: Well, hon. members, with unanimous consent. I'll ask the question. Is unanimous consent being provided by the members to the hon. Minister of Gaming to continue?

[Unanimous consent denied]

THE SPEAKER: That's very clear.

Due notice having been given by the hon. Government House Leader under Standing Order 21 and pursuant to Government Motion 19, agreed to earlier this afternoon, under Standing Order 21(2) I must now put the question on the amendment to the motion for second reading of Bill 18, the Alberta Personal Income Tax Act, to withdraw the bill and refer the subject matter to the Standing Committee on Law and Regulations.

[The voice vote indicated that the motion lost]

[Several members rose calling for a division. The division bell was rung at 5:32 p.m.]

[Ten minutes having elapsed, the Assembly divided]

For the motion:

Blakeman	MacBeth	Sapers
Carlson	Massey	Sloan
Gibbons	Pannu	Wickman
Leibovici		

Against the motion:

Amery	Graham	Melchin
Boutilier	Haley	Nelson
Broda	Hlady	O'Neill
Burgener	Jacques	Pham
Cardinal	Johnson	Renner
Coutts	Klapstein	Severtson
Doerksen	Kryczka	Smith
Ducharme	Laing	Stelmach
Evans	Langevin	Stevens
Fischer	Lund	Thurber
Forsyth	Mar	West
Fritz	Marz	

Totals:	For – 10	Against – 35
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[Motion on amendment lost]

THE SPEAKER: On the motion for second reading of Bill 18, the Alberta Personal Income Tax Act, as proposed by the hon. Provincial Treasurer.

[The voice vote indicated that the motion carried]

[Several members rose calling for a division. The division bell was rung at 5:45 p.m.]

[Ten minutes having elapsed, the Assembly divided]

For the motion:

Amery	Graham	Marz
Boutilier	Haley	Melchin
Broda	Hlady	Nelson
Burgener	Jacques	O'Neill
Cardinal	Johnson	Pham
Coutts	Jonson	Renner
Doerksen	Klapstein	Severtson
Ducharme	Kryczka	Smith
Evans	Laing	Stelmach
Fischer	Langevin	Stevens
Forsyth	Lund	Thurber
Fritz	Mar	West

Against the motion:

Blakeman	MacBeth	Sapers
Carlson	Massey	Sloan
Gibbons	Pannu	Wickman
Leibovici		

Totals	For – 36	Against – 10
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[Motion carried; Bill 18 read a second time]

[At 5:58 p.m. the Assembly adjourned to Tuesday at 1:30 p.m.]

