



Province of Alberta

The 29th Legislature
First Session

Alberta Hansard

Thursday morning, November 26, 2015

Day 24

The Honourable Robert E. Wanner, Speaker

Legislative Assembly of Alberta
The 29th Legislature

First Session

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Feehan, Richard, Edmonton-Rutherford (ND), Deputy Chair of Committees

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Barnes, Drew, Cypress-Medicine Hat (W)	McKittrick, Annie, Sherwood Park (ND)
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Coolahan, Craig, Calgary-Klein (ND)	Orr, Ronald, Lacombe-Ponoka (W)
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Gotfried, Richard, Calgary-Fish Creek (PC)	Smith, Mark W., Drayton Valley-Devon (W)
Gray, Christina, Edmonton-Mill Woods (ND)	Starke, Dr. Richard, Vermilion-Lloydminster (PC), Progressive Conservative Opposition House Leader
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Loewen, Todd, Grande Prairie-Smoky (W)	
Loyola, Rod, Edmonton-Ellerslie (ND)	
Luff, Robyn, Calgary-East (ND)	
MacIntyre, Donald, Innisfail-Sylvan Lake (W)	

Party standings:

New Democrat: 53 Wildrose: 22 Progressive Conservative: 9 Alberta Liberal: 1 Alberta Party: 1 Independent: 1

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Kazim	

Legislative Assembly of Alberta

9 a.m. Thursday, November 26, 2015

[The Deputy Speaker in the chair]

Prayers

The Deputy Speaker: Let us reflect. As we bring a very difficult week to a close, let us reflect upon the things that really matter. We serve the people of Alberta, but we also owe a debt of responsibility to the people we love – our families, our friends, our colleagues – and, most importantly, to ourselves. We must remain strong and healthy in order to continue in our role as public servants, and this means taking time to rest, time to heal, and time to treasure each precious moment of life.

Please be seated.

Orders of the Day

Government Bills and Orders Committee of the Whole

[Ms Jabbour in the chair]

The Chair: Hon. members, I'd like to call the committee to order.

Bill 9 Appropriation Act, 2015

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

Mr. Cooper: Well, Madam Chair, it's an absolute pleasure to rise this morning. I look forward to many productive mornings together as we talk about the issues of the day that are extremely important to Albertans. While they're busy doing important things, we can be here this morning sharing some conversation around the future of our province. Really, in many respects that's what Bill 9 does. It lays out a new path for the future of Alberta.

I can tell you, Madam Chair, that in the constituency of Olds-Didsbury-Three Hills, that I represent, I've been hearing from lots of folks about their thoughts on this budget. Again, it's my pleasure to rise to represent those people, not just those people but the many people across Alberta who have been reaching out to the Official Opposition and saying: "Please do what you can to slow down this government. Do what you can to impress upon this government the need for pause when it comes to driving the province over a fiscal cliff." That is exactly what we have before us, a fiscal cliff that ends in upwards of \$50 billion of debt.

We have before us a plan that's been set out by this new government that moves the province in a direction that we have not seen in decades, a direction where the government is changing laws so that they can be borrowing for operational spending. Madam Chair, it's like taking out a loan to buy your groceries, to pay for your electrical bill, to pay for your child care, to pay for your personal day-to-day expenses, and I just don't believe that that reflects the values of hard-working Albertans, Albertans who believe that you should live within your means and that when your fiscal picture changes, you should take a moment and reflect to see the areas where you can find some fiscal restraint.

A perfect example of that, Madam Chair, was that yesterday in this very House the opposition proposed some very reasonable amendments, not amendments that would fire teachers, not amendments that would stop road or bridge construction but that

would give some indication to Albertans that this government is actually serious about looking for efficiencies. Yesterday they proved that they're not, because in many respects they were a fraction of the overall minister's budget, not the budget that they spend delivering services to people but the inner workings of the office. We're talking about paper and whiteout and office furniture and hosting, the hosting costs of a minister's budget, having their friends and important stakeholders to their office for special events.

In many respects many of the amendments were as small as \$50,000, but this government doesn't believe in saving one cent. What they believe in is big spending, raising debt, and not living within their means, and they proved it to all of Alberta yesterday by voting down every single amendment that the opposition proposed. So it is a big concern to the opposition that the government doesn't have a desire to live within its means, that there's no sense to reduce costs, and that the government has made a conscientious choice to drive us towards \$50 billion of debt.

The costs, Madam Chair, to service those debts are astronomical. By 2018, I believe it is, or 2019 the costs just to service the debt will be upwards of \$1.9 billion. It always amazes me to stop and think: how many teachers would that employ, how many roads would that \$1.9 billion build, and how many hospitals would that fix, repair, or build? But when the government has made this conscientious decision to put off the problems of tomorrow, to spend today, it does not put Alberta on the path for success. It puts Alberta on the path for danger.

9:10

As I think about the future, I'm reminded of my three children and family and the challenges that my children will face as a result of the decisions of this government today, the weight of the government of tomorrow on the children of today. It's concerning because of the path forward. At that time, in maybe it's 10, maybe it's 15, maybe it's 20 years, the real, full weight and burden of the debt that this government is driving us to at breakneck speed will be felt. But at that time the only choice that they will have is to raise taxes even higher than this government would like to raise them . . .

An Hon. Member: There'll be no one left to tax.

Mr. Cooper: Or there will be no people left in the province to tax. . . . or absolutely draconian cuts, that this government likes to accuse the opposition of, that we would not do.

In fact, this opposition party has talked at great length about the resources that we would spend, the resources and the ways that we would fund front-line workers, the way that we would put a freeze on the cutting of front-line workers. In fact, just last week in this House we heard about areas of front-line workers that this government is going to be responsible for cutting. We heard my good friend from Cypress-Medicine Hat raise concerns around nurse practitioners in the constituency of Highwood doing wonderful work but who are going to be out of a job in January, not because of the Official Opposition but because of this NDP government, and to that I say: shame.

This opposition, Madam Chair, has continually come to this House, been in the media talking about ideas that we believe can set the province on the right foot, and if the government is looking, they can find many, many proposals on the opposition website. You can find a number of recommendations to move this province forward.

An Hon. Member: Where can we find your shadow budget?

Mr. Cooper: I do love to hear the government talk about a shadow budget, because if you go back in history, Madam Chair, if you look

for NDP opposition shadow budgets, they do not exist, so it makes me smile when I hear them talk about this.

What the opposition has done is provided a number of ideas, and what this government does time and time again is vote against them even when it's in the province's best interest. I think you might remember, Madam Chair, a 7.25 per cent pay raise that this government, in the face of job losses all across this province, voted in favour of, and it was only because of this opposition party bringing ideas forward that they saw the error of their ways and turned around, and for that I say thank you.

I encourage the government to listen when the opposition brings ideas forward, just like we did yesterday afternoon, to show a small amount of fiscal restraint, but that's, unfortunately, not what we saw. It seems that what we're beginning to learn about this government is that this government believes that they know better than all of Alberta, that they know better than all of the opposition, that they know better than every farmer in the province, that they don't need to consult or listen to anyone because they're from the government, they're here to help, and they're going to solve all of our problems. But I can tell you, Madam Chair, that what Bill 9 does is that it proves that nothing could be further from the truth, because it takes Alberta down a path that we have not been on for many decades.

Recently, Madam Chair, Alberta has enjoyed a government, and the government wasn't perfect, and the opposition is likely in its place today because the previous government made a bunch of grave mistakes. One thing that they did do is that they put into place – and more recently they started to change the rules and got away from those key principles that are so important to this party. But one thing that they did do is that they put into place a bunch of rules and regulations that will require the government to stop and think before moving forward and require them to make changes to legislation, and we've seen that happen. These laws initially were put in place so that the government wouldn't drive us down a path of \$50 billion of debt, that it would drive the government in the direction of finding ways to be more efficient in their expenditures.

A perfect example of that, Madam Chair, is as a result of the good work that the opposition has done in the past. I read a newspaper article last week about AHS saving \$5 million on cellphone bills alone. There is a tireless researcher that does wonderful work for the Official Opposition, and I firmly believe that as a result of his good work – his good work – the opposition was responsible for shedding light on an issue, that now the government is going to save \$5 million worth of Alberta's hard-earned taxpayer dollars because of the work of this opposition. This is the exact type of thing that we need, we must see from this government, but it is absolutely not what we see in Bill 9. We see the exact opposite of that. I had hoped when there was a change in government that there would be a new, fresh set of eyes, but that is clearly not what we have. We have a government that is fully intending and 100 per cent bent on spending every single dollar plus the ones that they don't have, not looking for ways to save 5 million bucks, not even looking for ways to save \$50,000, a literal drop in the bucket when it comes to the overall budget, a government that is ideologically opposed to saving taxpayer dollars.

If it wasn't for the good work of the opposition and the dedication of some of our staff, this 5 million bucks would have been spent again next year. I think that he and I think that the opposition deserve some thanks from this government because time and time again we propose ideas, we propose amendments, and the government chooses to go in the opposite direction. It is concerning. I think that what we've seen, as we move forward to this record amount of debt, is that this commitment to overspending is the exact opposite direction that the vast majority of Albertans

were hoping for when this government took office. On top of all of that already troubling framework that this budget has created in the last couple of days, we've seen new taxes being introduced on every single Albertan in the form of a carbon tax. Madam Chair, what we need is not to go down the road of taxing Albertans on every single thing that they purchase, on all of their activities, but we need to provide a framework that respects both our environment and industry.

9:20

We're getting down this path of creating a new tax that will solve some of their spending problems and be a significant burden on the Alberta taxpayer. We have a government that's fully committed to only spending, no reductions. We have a government that's fully committed to \$50 billion of debt. We have a government that hasn't laid out a plan in Bill 9 or any bills that they've proposed as to how they would repay that. On top of that we have a government that's essentially going to introduce a \$3 billion carbon tax. Certainly, many believe that there's a significant risk that this carbon tax is going to wind up being a path forward for them to balance their budget on. What the government has made claims about is that this particular plan is revenue neutral. That was the claim on day 1, and now we've seen a number of people discussing just exactly what revenue neutral means and presenting all sorts of risks and challenges around this revenue neutral. The Premier herself has said that in the future it may be the opportunity for the government to utilize those funds on government-related expenditures.

The Chair: Any other hon. member wishing to speak? The hon. Member for Drayton Valley-Devon.

Mr. Smith: I would like to take the opportunity to at least cede some of my time to the hon. member over here.

The Chair: Hon. member, we're in committee. You can speak multiple times.

Mr. Smith: Okay. Thank you, Madam Chair. When you consider a budget, there are some realities that I think all of us face. Whether it's a family budget, whether it's a school budget, whether it's a government budget, there are some realities that all of us will face. When I come into this House and when I consider the things that my constituents are thinking about, these are some of the things that I hear from my constituents, and these are some of the things that I reflect on when I look at budgets.

One, budgets should balance. We understand that there are times when maybe they can't, but in general budgets should balance; expenses should equal your revenues. That's a pretty key reality when you start talking about budgets. You should be careful before you spend more than the revenue that you generate. In my family, in your family, in all of our families, and in the family that we call Alberta you'd better be very, very careful before you start racking up debt. You should be careful about spending more than what you generate. When you spend more than what you generate – in my income, in my family, and in the Alberta family that we represent in this House, we understand that eventually that money has to be paid back and usually with interest.

So when I look at a budget, these are three of the realities that I consider. They're really important because – and this is where I think, in many cases, probably the members sitting across the House and I probably will agree – budgets at their very heart are really about social policy. I know that the claim over on the other side is that many of the things that you do, you do because you believe you want to help people and you are concerned about social policy. Well, so am I, and so are the people on this side of the

House. What I really get concerned about is that when we don't recognize some of the economic realities that are present in budgets, when we get them wrong, when we ignore them, the impacts are very real, and they're felt socially within our society.

I believe that this NDP budget doesn't set Alberta up for a positive social reality but in the long run is going to have a very negative impact. As governments we provide services that address social needs: schools, hospitals, roads, bridges, human services. There's no one in this House, none of the 87 people in here, that doesn't understand and that doesn't agree that governments need to provide these social services. Budgets will impact the social realities of the people that we govern, and it's very important that we get them right.

There are some, like Paul Martin, that would argue and who have stated that good social policy is good economic policy. I think he gets it wrong. Good social policy is built upon good fiscal policy. I believe that our present Prime Minister got it wrong when he said that budgets balance themselves. No, they don't. It takes hard work, as you are finding out. You have to make hard choices. You have to decide whether you're going to increase taxes or whether you're going to cut spending. You have to make decisions about where that spending is going to go. Budgets don't balance themselves, and I'm sure that the hon. Minister Ceci understands that better than probably any of us. [interjection] I'm sorry. Thank you very much. I apologize.

I believe that this government is getting it wrong. I believe that this government, with a series of deficits, is getting it wrong. I believe that a \$50-billion debt by 2020 is getting it wrong. I believe that an illusory promise to balance the budget is getting it wrong. I believe that by jacking up taxes during a recession, you're getting it wrong. When you jack up those taxes and you destroy the economic realities that we sometimes call the Alberta advantage, you lose that advantage, and you create an economic climate that is crushing business and pushing those that could invest out of Alberta. You're getting it wrong. I believe you're getting it wrong when you believe that environmental image will create jobs, and therefore this government, when it's willing to sacrifice good jobs for the promise of international goodwill on climate change, gets it wrong. When you put Albertans out of work, you're getting it wrong.

Focusing on spending and creating massive debt: the people of Alberta are very worried about this. I believe – at least in my constituency they're telling me that you're getting it wrong. Responsible governments that truly care about their people ensure that budgets are balanced. They ensure that they keep the economic incentives that keep the economy working. They keep their taxes low while providing the best level of services that they can within the fiscal realities that they face. That, I believe, at the end of the day, when they do that, allows for good social policy.

9:30

Only when budgets are balanced and there is a positive balance in the provincial bank account, will any government be able to responsibly provide for the services that their people need and demand. I do not see that in this budget. It's a serious flaw, and it should be addressed. The economic and social consequences that come when governments do not consider these realities and when they willingly go down deficits and debt – the social consequences of that are very real, and when continually ignored, Madam Chair, the policies can be immensely painful.

Anybody that is any kind of a student of history understands that poor financial and fiscal responsibility and budgeting can bring down governments. If you studied your French revolutionary history, you know that at the heart of it was a government that did

not take care of its financial and fiscal responsibilities. If you take a look at the Weimar government, you'll see that the rise of fascism was directly related to a government that did not and could not contain its fiscal responsibilities. When you take a look at Argentina in the '80s and the '70s, when you take a look at the United States today, when you take a look at Greece today, the social consequences in all of those countries are the result of a government that did not take care of its fiscal responsibilities, and they should be ashamed.

You need to look at your history. [interjections] Nations that do not live by responsible fiscal policy not only are incapable of compassionate social policy, but, worse, these governments can threaten the very stability of the society. It is a historical reality that revolution and wars are the result of economic instability. [interjections] And while I am not even suggesting that we are that far down that path . . .

The Chair: Hon. members, the hon. member has the floor.

Mr. Smith: . . . I'm suggesting that you need to be aware that there are very solid reasons for making sure that you balance budgets and that you take care of your people.

Far more likely, in Alberta there will be economic pressures because of this budget that will create too few jobs. Too little wealth will be circulating in the economy. Too few government programs will be available to cushion the economic realities that Albertans are going to face. And one of the things that worries me – we've created one of the best societies in the world. We have a multicultural society that we should be incredibly proud of.

My brother-in-law was not born in this country. He comes from a country that came out of civil war and civil conflict. My brother-in-law knows what it's like to have lived in a situation where bombs are being lobbed over his high school, where he volunteered to go pick up body parts in the streets.

When you get into a situation where your fiscal responsibilities are so dire and when you've ignored the realities of the economics, when the government can no longer find the money to take care of its people and to take care of its responsibilities, the result will be a multicultural society that will begin to break down. It will begin to tribalize by race, by ethnicity, by income. When you do not take care of your fiscal responsibilities, there can be dire consequences.

I am not saying to my NDP colleagues that we are there or anywhere close to being there yet. What I am saying is that the philosophy and the ability to completely ignore economic reality sets us down a path that we do not as Albertans want to go down. This budget places us on a path that we do not want to go down.

As the representative for Drayton Valley-Devon I have canvassed my constituents, and I would like to read some of the responses that I have received from my constituents about the state of the economy, their fears, and their concerns.

From one of my constituents:

I do not think either the provincial or federal governments understand the depth of the ramifications of the low oil price and resulting slow down in the industry to those living in western Canada outside of the larger urban centres. I do not believe the government understands how dependent the rural communities are on the oil and gas service industry.

I'll skip down a little bit.

Bankruptcies and takeover of smaller companies that based their business plans on much higher oil prices are already occurring. A number of oil and gas service sector businesses are now learning that some of the junior oil companies have gone into bankruptcy and uncollectible receivables are yet another financial blow.

Workers are unemployed or underemployed ... Homeowners have provided their homes for security to mortgages and to personal lines of credit. Should unemployment rates increase beyond 10% many will be unable to meet their financial commitments. A recessionary economy reduces real estate values. Workers will no longer have sufficient equity in their homes; foreclosures and bankruptcy will result bringing further devastation to our economy.

These are the words of one of my constituents, and I know that I have talked to people in my constituency who are handing over the keys to their houses because of this economy and because of some of the decisions that are being made.

We are in a period of economic uncertainty and oil companies like any business owner need certainty to make investments. Oil industry projects require a great deal of time to acquire approvals, permits etc. The industry needs to have a clear understanding [of the] government's position on royalties.

A little further on:

I do not feel the Provincial Government has a clear understanding of the devastation to the oil and gas service sector and the extent of the adverse effects to small business and its workforce. The current provincial government seems to lack both an understanding of the role of small business in the economy and the political experience to deal with a recession of this magnitude. Time is of the essence.

Let me flip to another one of my constituents.

My companies are all service related oil and gas based companies. Since winning the election there has been a gloom and doom atmosphere within the oil patch that has caused companies to revisit their spending budgets until they see something positive come from the new government. Small business is being hit with higher taxes, both corporate and personal and looming carbon tax (which will affect every family in the province by driving up the costs of consumables such as fuel, food, clothing etc)

We are told by Premier Notley there is "nothing to worry about" but her words and actions suggest otherwise.

The Chair: Hon. member, another reminder, please, that we don't use names.

Mr. Smith: I'm reading straight from the letter.

The Chair: It doesn't matter, even if you're quoting.

9:40

Mr. Smith: That doesn't matter? Okay. I'm sorry.

We are told by [the Premier] there is "nothing to worry about" but her words and actions suggest otherwise. Higher corporate taxes and higher personal taxes, along with a hike in minimum wage will spell disaster for Alberta small business owners and drive away investors. We are already seeing projects being shut down, energy stocks in a tail spin and a growing unemployment rate with no end in sight ... and all that topped off with them trying to put through a 7.25% pay hike to themselves! I thought we were supposed to see the end of lining their own pockets ...

To date [my company] has had to lay off 2 employees and ask employees to take a wage reduction to get us by these troubled times. Less customers through the door has meant tough decisions and ultimately it is going to be the corporate Alberta that is going to take the hit for the lack lustre performance of the government to recognize what this province was built on and what has kept the rest of the country strong.

Our government needs to drop the plans for tax increases to corporate Alberta now! It needs to get the confidence back into the major players of this province by not increasing royalties! Forget the carbon tax as their way of funding all their election

promises! Reduce government red tape and lose those high paying jobs that eat up infrastructure money!

I'm done now.

Here's another constituent.

I work as a salesman ... My job is to find work for oilfield trucks (hot oilers and tank trucks). We have had to reduce our prices to a break-even point or in some cases at a loss just to keep trucks working minimally. With extra taxes on corporations and low oil prices they are leaving wells that would normally be hot oiled or worked over with a service rig shut in ... I have taken a 15% reduction in my salary to keep my job. That is 15% less that I am paying in taxes, 15% less that I am spending in the community, and I have 15% less interest getting up for work in the morning. It is my personal opinion that the NDP Government has an agenda to eliminate any job in Alberta that does not have union affiliations. Oil companies are being forced to ask service providers to work their employees and equipment at a loss, by increasing corporate tax, and talk of carbon tax, and increasing royalties for the oil companies. The increased taxes on corporations are also being passed on to consumers as an increase in price at the till. There is such a high rate of unemployment in Alberta now.

The Chair: The hon. Member for Strathmore-Brooks.

Mr. Fildebrandt: Thank you, Madam Chair. Under 29(2)(a) I'm wondering if the Member for Drayton Valley-Devon would like to share more of the views of his constituents.

Mr. Smith: I'd love to. Thank you.

The Chair: Hon. members, we're in committee. Standing Order 29(2)(a) doesn't apply here, but you can speak numerous times.

Mr. Fildebrandt: Okay. Madam Chair, I thought the Member for Drayton Valley-Devon had some very pertinent points from the members of his constituency. I've had constituents e-mailing me about the inability and the unwillingness of this government to listen. In 36 hours I had over 50 e-mails about Bill 6 alone, that this government is unwilling to hold proper consultations, not a single consultation in my constituency. That's why I've had to hold our own town hall meeting in Bassano for farmers to come out.

This bill has an even greater significance to every single Albertan in this province, and we've not seen a proper budget consultation process, just the same old gimmicky polls on a website. I think it's important that we hear from constituents directly in this Chamber, which is why I think it's valuable for us to hear him reading some of the correspondence that he has received from his constituents.

The Chair: The hon. Member for Drayton Valley-Devon.

Mr. Smith: Thank you, Madam Chair. I would like to continue with this. Remembering that these are the words of my constituents, I think that it's important that this Assembly know what the constituents of Alberta are saying. We should be listening, we should be considering, and maybe we should be changing direction.

To continue:

There is such a high rate of unemployment in Alberta now that revenue from working Albertans will not be able to sustain it (more people unemployed more people to pay out of the revenue). Then when EI runs out it is welfare for those people. With the NDP Government borrowing money for make work projects to keep unionized workers employed (construction, steel workers etc.) with no incentives for oil, gas, or pipeline work or workers.

I think the NDP Government will tax Alberta into poverty by the end of their term.

There is another one here that I'll read, from another company in Drayton Valley.

My business is being affected negatively due to the uncertainty in Alberta. Alberta has weathered many ups and downs in the price of oil before; however, Alberta has never before experienced a government that is working against the very industry that fuels the economy. Jobs are being lost, investors are fleeing and those who are fortunate enough to still be in business or garner a paycheque are being extremely frugal in this situation. To top it off, businesses are struggling and yet are paying higher taxes. A recession is not the time to be punitive to businesses.

I would like to see government reverse their position on higher taxes, the royalty review and the overall "anti oil and gas" message they are moving forward with. They claim they are supportive, but it certainly isn't clear as their actions show otherwise. A healthy, robust economy benefits both the government and the people which seems like a win-win.

Another business owner:

I am [an] owner/operator . . . and self-employed since 1974 and have been supplying welding and supplies to drilling companies within Alberta. I built up my company from one truck to 3 welding trucks. I have employed over the years 2-3 subcontractors. Just barely made it through the recession of 1981 and in 2010 we remortgaged our home to continue to keep our business operational. When my son took up the trade I sponsored him to attend school and get his journeyman welding ticket. He has been employed since receiving his ticket. After the recession of 2010 we were able to employ 1 part-time bookkeeper and 2 casual yard people. In the fall of 2014 there was a down turn of work in our industry and I have laid off all of them. We remortgaged our home once again and took out another personal loan to pay down our debt which we are still owing our creditors. I get daily calls from our debtors and I have to keep telling them that we do intend to pay them only I have not worked enough hours to pay anything. I am nearing retirement age but because of the loans and mortgage renewal I have to try and find another job. Because I am 66 yrs old I was hoping to retire and have my son take over the business only he will have no work to support his growing family. My wife has a job and her pay will not cover the loan and mortgage payments, utilities, and upkeep of our home. Let alone buy groceries for us to eat. We will have to close our company and hopefully someone will hire me so I can help to pay for our immediate needs and slowly pay off companies we owe money to. We need a bail out or help of some sort. There has to be a way of helping small businesses stay in business.

9:50

These are just some of the ones that I have received, and it speaks to my point. When governments don't recognize the fiscal realities of budgeting, these kinds of problems creep up. If you really care – if you really care – about the people of this province, you will care about the fiscal realities that go into budgeting.

We must be responsible in this House. We must listen to the people of Alberta. They do not support accumulating massive debt. They do not support spending beyond our means. They want fiscal responsibility, and for these reasons I will be voting against this budget.

The Chair: Any other hon. member wishing to speak? The hon. Member for Battle River-Wainwright.

Mr. Taylor: Thank you, Madam Chair. I'd like to start off just by saying that no government has ever taxed its way to prosperity. No government has ever taxed its way to a surplus budget. Hasn't happened. Won't happen. We keep spending like this, we're going to be in trouble. You know, if we look across the pond to Greece, you can see what happened there. You can see the fiscal problem

that they're in. Greece has got its own set of problems. You've got the U.S. The U.S. keeps moving their debt level up, and the U.S. keeps getting deeper and deeper and deeper into debt. We have so many different comparisons that we can look at, and we can go through country after country. Time and time, history tells us that you cannot borrow your way out of debt into a surplus.

Alberta runs the most expensive government in all of Canada. Raising taxes, asking people to hand over their hard-earned money via the taxes, well, that money does not make the Alberta government more efficient. In fact, I believe it's the opposite. We become less efficient when we tax. Albertans expect that their government will be good stewards of their money. You know, this is something I've been told time and time again.

When is the government going to look at how much money they're spending?

An Hon. Member: We just did.

Mr. Taylor: You did, too, and we're looking at \$47 billion; \$50 billion wouldn't surprise me.

How much money does it take to service that debt? How many positions are going to be lost? How many schools won't be built? How many roads, bridges won't be built as a result of having to service the debt on this? We need to make sure our fiscal house is in order.

You know, this budget is so important to my constituents. They expect any bill, any law that impacts them into the future – well, they expect consultation and consideration for these ones, and that means a timely amount of consideration and consultation. Our debt financing has increased to \$15 billion. Like I say, it's going to affect Albertans right across the board. You're raising taxes. You're raising the debt ceiling like the U.S. The U.S. kept raising the debt ceiling, and they'll just continue to raise the debt ceiling time and again.

You're raising taxes, sin taxes and taxes on everything. The carbon tax is going to be a tax across the board. It's going to hurt all Albertans. The fuel for railways, all of a sudden now it went from 1.5 cents a litre to 5.5 cents a litre. That's a huge increase when you look at it as a percentage. That's not reasonable. That's not asking to give a little bit more; that's a lot more.

Towns that are around my area where I live – Hardisty, Provost, Wainwright, Lloydminster – they're all feeling the pinch of what's happening here with this royalty review that you've put on there, pending, and the carbon taxes. They're all feeling how much it's hurting them with their jobs. People are worried about what's happening with their jobs.

Fifteen per cent is what you have right now for the debt ceiling, and that's roughly \$50 billion, and the servicing of that we'll have to pay back. I don't know how we're going to get around this very quickly. We spend \$2,000 more per capita than B.C. on operations. On capital B.C. is spending about \$10.7 billion. Alberta will be spending \$24.6 billion over the next three years. I should have said that that's for B.C. as well. B.C. is growing faster than we are, yet we're spending way more money.

We need to focus our taxpayer dollars more efficiently before we start hiking the taxes. If we look at ways to make sure that we're getting efficiencies, that's more important than just saying: tax this; tax that; just go and spend. We need to look at what we're spending on, how much we're spending, ways to maximize it. Ways that we can maximize it is through consultation. Bill 6 is a great example of not enough consultation. We need to go out, and we need to be asking the farmers about Bill 6, same as we should be doing when we're going to make huge increases in taxes. We should be asking Albertans what's more important.

An Hon. Member: We just had an election.

Mr. Taylor: Albertans aren't getting the value for their money, and we can see that. Like you said, let's talk about the election. I think in three and a half years we'll see a new election, we'll see a new government.

An Hon. Member: You can think all you want.

Mr. Taylor: I'm quite sure. Instead of thinking, let's go to some certainty of what I believe here.

Anyway, thank you.

The Chair: Any other hon. member wishing to speak? The hon. Member for Edmonton-Whitemud. [some applause]

Dr. Turner: Thank you, Madam Chair. Actually, I appreciate the cheers from the opposition. I am actually looking forward to discussing this in a rational way. I hadn't heard a lot of rationality, actually, from the other side this morning, so I'm happy to participate and bring some actual, real information to this Assembly.

I think what we're hearing this morning in this Chamber is a very interesting ideological discussion. On that side the ideology is that debt is the Satan. Debt is a four-letter word, but it has been proven throughout history, at least throughout economic history, that debt can be used as a very powerful means to improve the overall economy.

The name that's associated with that is Keynes. It's spelled K-e-y-n-e-s. Some people pronounce it incorrectly. Keynesian economics suggests that investing in our economy in a countercyclical way is the best way to deal with periods that we call depressions. In fact, the Great Depression was conquered by the application of Keynesian economics. The Nobel prize committee in economics has recognized this on at least five different occasions over the years up until the one given about three years ago. Countercyclical investment by taking on debt when the overall economy is in a depression is a proven way to deal with our problems, and that's what our government is doing.

Our government is investing in Albertans. Our government is making sure that we have schools today or tomorrow that our students need. If you listen to the members across the way, they would wait to build these schools until we were in surplus. That might not be for four years if the Minister of Finance is correct. We need those schools today.

10:00

I want to go back to some of the comments that were made by the previous speaker about – and I just couldn't believe these comments coming out that every jurisdiction that went into debt ended up in some sort of fascistic environment. I really think that was one of the most ridiculous comments that's ever been made in this Legislature. The previous Premier of this province, the leader of the third party in the early 1990s, basically decimated the province of Alberta. I lost a third of my colleagues in medicine to the depredations of that leader. My colleagues had to move to other provinces. The nurses that worked in the hospitals at that time that were shut down and who got laid off had to move to other provinces or to the United States, and they've never come back. It devastated this province, this mindless application of the cutbacks, and that's what the party across the way is suggesting. That's exactly what the party across the way is . . .

Dr. Starke: Madam Chair, a point of order.

The Chair: Hon. Member for Vermilion-Lloydminster, you have a point of order?

Point of Order Insulting Language

Dr. Starke: Madam Chair, we have a long-standing tradition in this House that we do not impugn the character of those that are not present. In addition, we have a long-standing tradition that we do not impugn the character of past leaders and past Premiers. We show them respect and honour. To use the term "mindless" to represent our past Premier, regardless of whether you agree or disagree with the past Premier, is the worst sense of disrespect. You can disagree, sir, but you cannot use terminology like this in this Chamber if you expect to have respect shown to you.

Mr. Mason: Madam Chair, if I can just respond to that, I want to correct one thing. It is not the leader of the third party but it is, in fact, former Premier Ralph Klein that is being referred to. That is not a rule. You may not refer to members by their name if they are a sitting member of the Assembly; otherwise, you can. There is not a rule that you cannot make comments on previous governments. If "mindless" gives offence, then I will on behalf of the member rephrase that to "incorrect policies" if that helps assuage the sense of the hon. member.

Dr. Starke: A point of clarification. I did not state the applicable standing order when I rose, and that was an error. It is 23(j), which is: "uses abusive or insulting language of a nature likely to create disorder." This was insulting, sir, to refer to a past Premier as "mindless." That is the worst form of insult.

Mr. Mason: I'm sorry, Madam Chair. I feel that I've dealt with that issue. If the hon. member wishes to continue, he can make those comments in his speech. But normally someone makes the point of order, somebody responds, and the chair deals with it. You don't get extra kicks at the can.

The Chair: Thank you, hon. Government House Leader.

I would just caution all hon. members that in speaking, we make an attempt to refer to policies rather than referring to individuals themselves. Just be a little more cautious as to your language.

We can proceed.

Dr. Turner: Thank you, Madam Chair. I certainly intended to refer . . . [interjections]

The Chair: The Member for Edmonton-Whitemud has the floor.

Mr. Mason: I would advise the Opposition House Leader to get a grip on his members.

Mr. Cooper: Madam Chair, rising on the point of order – I'm not entirely sure what point of order it was – while I can appreciate that this side of the House is slightly concerned this morning, mildly heightened, what we didn't see was a point of order addressed. What I think was asked for was a withdrawing or an apology about the comments. The hon. member on the other side had that opportunity, and he chose not to. I think that would do well to lower the temperament in the House.

Mr. Mason: Madam Chair, I don't want to continue this. I had intended to indicate to the House that the comments on behalf of the member were withdrawn. Obviously, an error on my part not to include an apology for that as well. I hope that that will settle the matter and that we can get on with business.

The Chair: Thank you, hon. Government House Leader.
Please continue, hon. member.

Debate Continued

Dr. Turner: Thank you, Madam Chair. I want to continue these remarks. I was referring to the time in the mid-1990s as an example of what can happen when a government doesn't plan well when they introduce massive cuts. This affected me personally, it affected my friends, it affected the people that I had worked with, and I certainly have strong feelings. It is my strongly held opinion that the policies of the government of the day were misinformed.

I do want to get on to other examples, though, from my own experience of where government debt has been a very good thing. My father served for several years in the Royal Canadian Air Force overseas. He missed the death of his father, came back to a Canada that was recovering from the devastations of the Depression and the contributions to the war effort. My father was able to acquire a half section of land only because the VLA, the Veterans' Land Act, basically subsidized his taking on of debt to do that. I know that there would be many other members in this Assembly that have similar family associations, where starting a business or starting a farm or buying a new home requires taking on debt.

This is good debt. This is debt that we're all committed to repaying at some point and that is going to add to the economy. I think this is a very good example of how you can use debt, or at least the funds acquired from debt, to invest in our future. There were allusions to governments that got into debt that seemed to get into real trouble. What about the United States of America? They have a debt, as was noted, which needs the limit raised regularly, of several tens or hundreds of trillions of dollars. They are the most successful economy in the world bar none. Bar none. The most successful economy in the world functions on government debt to a large extent.

I want to turn now to climate change. I hear a lot of nonsense from the other side that this is going to be a tax on all Albertans and that we should put aside trying to deal with climate change. All Albertans are telling us that we need to deal with climate change. My constituents, up until this morning, are e-mailing me with congratulations on the Premier's action on this. This involves a carbon tax. This is a good tax. The carbon tax is going to be reinvested in our climate change strategy so that alternate energy can be supported and we can support individuals, communities, institutions in dealing with the predations of climate change. I would urge the members opposite to consider those sorts of things when they're decrying the use of tax policy to get the economy going.

Thank you, Madam Chair.

10:10

The Chair: The hon. Member for Strathmore-Brooks.

Mr. Fildebrandt: Well, thank you, Madam Chair. Thank you to the member across for his mindful comments. Actually, I do enjoy our exchanges. We both sit on the Public Accounts Committee together, and I'm going to give him a hard time right now. He does certainly contribute a lot in the Public Accounts Committee, but that's not going to spare him from right now.

Where to begin? Well, let's just start with Keynes because that was out there. The member has, I suppose, announced himself as an avowed disciple of Keynes. Well, better Keynes than Marx. If we're going to have economists as our role models, I suppose Keynes wouldn't be the worst one in the Chamber that we might aspire to follow, but if we do want to follow Keynes, let's look at what he

would actually say. The member talked about countercyclical deficit spending. It's the theory that when the economy is down and government revenues are down, governments should be borrowing to, quote, prime the pump of economic spending, get the wheels turning. So Keynes said that in bad times you borrow money to fund the government in countercyclical spending, but in good times you pay down debt, and you cut back spending.

Well, Madam Chair, I'm not sure how that fits in the Alberta model. Alberta was borrowing money at \$100 a barrel. Alberta was borrowing money during the biggest boom in the history of this province. We haven't balanced the budget in nearly a decade. At what time are we supposed to actually balance the budget? Are we supposed to balance the budget at \$100 a barrel or at \$40 a barrel? Are we supposed to balance the budget in recessions or in booms? In Alberta it's all deficits all the time. This is not countercyclical spending. This is borrowing for good times and borrowing in bad. In fact, we drew down our sustainability fund, now renamed the contingency account, from \$7 billion to what is going to be virtually zero by the end of the fiscal year we're coming into now.

We have gone from zero dollars in debt to a debt that stands at about \$15 billion today and that will hit \$47 billion before the next election under the very best economic forecasts available. Now, the member is saying that we should be borrowing money in bad times. But what about the good times projected in their budget? Well, in years 4 and 5 of their budget they are predicting a 16 per cent increase in revenues. They're counting on some kind of economic superboom to get us out of this mess. They're projecting very good times coming up in years 4 and 5, but they still plan to borrow in those years. Every single year of this fiscal plan the government intends to borrow, including during the good times. Importantly, they have no plan to pay back a single dollar of that debt. They don't have a plan to pay back a single dollar. Their plan is to wait for us to come to government and pay it back for them.

As much fun as that might be, I believe it would take a Wildrose government a very long time to pay off the debt that this government is racking up in one short term. This is part of the problem we have with political economics, that you can have a fiscally irresponsible government for one term, and it can take decades to fix the mess. One term of the NDP in Ontario drove that province into the ground, and it took the Conservatives to pull it out of the ditch. It took two terms of Conservatives in that province to fix what the NDP did in one term.

We are still trying to pay off the debt from Pierre Trudeau. We're still trying to pay off the debt from Brian Mulroney. We ran a decade of surpluses, giving due credit to where it's deserved: the federal Liberal government of the day and later on the Conservatives for some time. In 10 years we paid off \$150 billion of debt. But how much did we take on in the years before? This is the problem. NDP governments and leftist governments of other stripes take five steps back, and it takes Conservatives a long time just to go one step forward to fix their mess.

If the member was honestly talking about Keynes and countercyclical spending, well, at least he would be on some firm ground in terms of having some economic theory to back that up. But this is not countercyclical spending. This is just more spending all the time, with no plan to ever pay it back.

You know, now that we're talking about former Premiers – and I'm going to be careful with my comments. I will be careful with my comments. But now that we're talking about former Premiers, the hopeful tone about debt did bring back a few memories. A former Premier, who will not be named, talked about debt as hope, that the more debt we had, the more hope we had, that debt was a good thing, and that the more debt you have, the more prosperous you will be. Well, there might be a time and place for debt: national

emergencies, wartime, major disasters, unforeseen economic downturns, when you balance your books in good times. Unfortunately, we've spent our rainy-day fund in good times. We haven't balanced the budget in a decade.

Now, we've been through much worse before, but the member is saying that we should be spending right now. A former Premier said that the more debt we had, the more hope we had, that debt drives the economy somehow. Well, let's look at other jurisdictions that have done this. Alberta since 2004 has been the engine of the Canadian economy. We have year after year had twice as much private-sector investment in our economy as Ontario and Quebec combined. That is an economic miracle. That wasn't debt driving investment into Alberta. It was the Alberta advantage. It was a business-friendly environment. It was low taxes. It was governments of a different stripe than us but conservative for at least a period that believed that you attract businesses not by taxing them and regulating them to death but by lowering their taxes and treating them all equally.

The member has said that the more debt we have, the better off we'll be. But let's look at what the other provinces have done. Ontario right now is about to go bust. Ontario has gone from the engine of the Canadian economy to a have-not basket case in the span of one decade.

Mr. Westhead: That's because of Harper.

Mr. Fildebrandt: Wow. The Member for Banff-Cochrane seems to think Ontario's debt is the fault of former Prime Minister Harper, speaking of former leaders. I'm surprised to learn that the current Member of Parliament for Calgary Heritage is responsible for the government of Ontario's finances.

This government is following the example of the government of Ontario. They're going to replace reliable forms of energy with windmills and sunflower seeds. The government is proposing to finance its very basic operations with debt. They are raising taxes at every corner. They are now imposing a backdoor provincial sales tax, an ND PST, which is a tax on everything. It's going to hammer every single Albertan in this province, every single small business. It's going to hammer the small drilling and service companies in my constituency.

10:20

They're following the examples of governments around this country that have choked themselves off through overspending and debt financing, believing that the answer to increased deficits is to continually increase taxes. But if you increase taxes and continue to increase spending, you're not going to fix your budget hole. You're just going to choke off the economy and keep the deficit in place. We are now, this year, facing the largest deficit in our history by far, a \$9.7 billion deficit as defined by net change in financial assets. It is twice as large as the next-largest deficit run in 1992 by the government of that day. We can't continue to do this year in and year out.

Again I'll thank the Member for Edmonton-Whitemud for his comments. I promise to be a little more friendly when we're back in the Public Accounts Committee. But I wanted to remind him that as much of a fan of Keynes as he might be, I do not believe that Keynes would approve of the policies of this government and this budget.

The Chair: The hon. Government House Leader.

Mr. Mason: Thank you very much, Madam Chair. I'm pleased to join in the festivities here with respect to this bill. Now, we've heard a lot today about history, both local history in the province of

Alberta and history going back to the French Revolution. I think the best thing you could say about some of the things that we've heard is that it's revisionist history. I won't deal with the history lesson that we received from the hon. Member for Drayton Valley-Devon other than to say that to encapsulate the French Revolution without talking about the failure to tax the aristocracy or the Weimar Republic without talking about an international, global depression or the role of inflation or to ignore all of those complex factors that made each situation unique is simply not a very credible argument to be made with respect to this budget.

Now, I want to say that it is worth looking, though, at some of the more recent history in the province of Alberta. I'm going to deal with the tenure of Mr. Klein as the Premier. I served with Mr. Klein. I knew him. I liked him. But at the same time I believe the policies of the government at that time were extremely damaging to the province in the long run and something we're still continuing to deal with. So I'd like to talk about that. I'll talk about it in terms of infrastructure because one of the things that happened during that period, quite apart from thousands and thousands of people losing their jobs in the health care sector, in education, and so on, and the impact that that had on the economy, was the failure to invest in infrastructure.

Now, to their credit, subsequent governments have realized the need to increase the investment in infrastructure to try and recover some of the infrastructure debt that was created. We did engage David Dodge, of course, with respect to this, to determine what exactly was the sustainable capacity that we had for spending on infrastructure. He made the case – and this is something I think is being completely ignored on the other side – that all governments and the private sector use debt all the time. It is a part of the machinery of any organization, that allows it to expand, to grow, and to make investments that will result in further growth. I think that this oversimplification of how governments budget is wrong.

Most families, for example, have significant debt, primarily through their mortgages. That's the normal way of financing a home. And, of course, we all accept that the debts incurred have to be repaid. That's not the question.

Let's take a look at the time when Ralph Klein was the mayor of Calgary. I served at that time on Edmonton city council, and we had two very different policies with respect to borrowing. In the Edmonton council we had inherited the policy that had been established by Mayor Laurence Decore, who went on to be the leader of the Liberal party in this place, and it was pay as you go for capital. In other words, you wouldn't borrow for capital. If you needed to build an overpass or pave a road, you had to save up the money first, and then, you know, you could build it. The result was that very little investment took place in Edmonton. At the same time Mr. Klein, who was the mayor of Calgary, was busy borrowing money for capital and making investments. What happened coming out of that? The economy of Calgary moved ahead. The investments were made that allowed the economy to grow whereas Edmonton constrained itself and fell behind.

That is, I think, an important question that people need to consider. How does investing and borrowing in infrastructure relate to future economic growth? This is something that Mr. Dodge talked about, and I think it's something that we need to bear in mind, that when you make strategic investments – and we're very much focused, by the way, in the capital plan on investments in infrastructure that have an economic return to the province or even to the government. So that is something we need to take into account.

You know what happened in Calgary? It had quite a significant debt, especially compared to Edmonton, but the economic growth that occurred there made the debt manageable because there was

more activity taking place. This is something that I think bears some thought as we consider this budget.

I want to leave with another point. I feel that I am compelled to make this point to some members opposite because I have had meetings with a number of MLAs on both sides of the House, including the Official Opposition, and it's pretty clear that there are significant infrastructure needs that have been unmet so far in people's constituencies, including on the other side. I've had any number of opposition MLAs ask me to support capital spending in their constituencies – and good for them because that's their job – but the point I always leave them with is that, you know, you need to consider that when the budget comes up, if your constituency and your municipalities are going to have their needs met, we need to have the means to do that. You can't have it both ways, Madam Chair. You can't say, "Don't borrow any money," and say: "You know what? I need my highway. I need this. I need that." That is exactly what's happening over there. They all want spending in their constituency, but they don't want to borrow for it.

The question is, then: how are you going to build the infrastructure that's necessary? Well, you can adopt the method that we tried in the city of Edmonton, but as a matter of fact, I think hon. members need to recognize and they need to see that they are saying, "Do this," on one hand and, "Do that," on the other hand. There's a contradiction there. It's very convenient for the opposition to have that sort of: cut millions of dollars, cut billions of dollars, but don't lay off front-line staff; don't borrow any money, but, you know, build me my overpass. Madam Chair, that's a little bit hard to stomach. I regret having to point that out, but I think that it was an important point to make.

Madam Chair, just to conclude, this budget will stimulate the province's economy. This will prepare us for a return to prosperity. This will get us back to balance. This will protect the public services that all Albertans want, and I believe all members of this Assembly should support this budget.

10:30

The Chair: I'll recognize the hon. Member for Innisfail-Sylvan Lake.

Mr. MacIntyre: Thank you, Madam Chair. The hon. Member for Edmonton-Whitemud was talking about the need for some rationality, and I would like to, if I may, take a moment and correct the hon. member in his understanding of economic theory. Countercyclical borrowing is incumbent on some things, and one of those things, if you studied economics, would be that countercyclical borrowing is incumbent on the organization's ability to service and repay the debt. Point two is that the very economic theory quoted by the hon. member specifically states that countercyclical borrowing is for infrastructure, not for operational needs.

Furthermore, the hon. Government House Leader attempted to correct us over here because, as he points out correctly, we have infrastructure deficits within all of our ridings and we are asking for those infrastructure deficits to be handled. But then what he's asking us to do is to vote in favour of an overall budget that covers, yes, the infrastructure deficits that we all have in our ridings but also to borrow money for operational needs, also to bloat the size of an already bloated government, and we simply cannot do that. There are elements within the budget that are needed, desperately needed, by every community within this province, but you're asking for carte blanche, and quite frankly you're not going to get it. You're not going to get carte blanche from this side of the House.

A little more education, I believe, might be needed for the other side. We've heard the term "revenue neutrality." Well, as a student

yet and a teacher – and as anyone who is a teacher in this room knows, you'll be a lifelong student if you're going to be a teacher – there is in the field of economics and business administration the term "revenue neutrality," and I would like to read to the House the definition of revenue neutrality. I'm very thankful that the hon. Minister of Finance is here since perhaps he could use this definition. I'm sure it would be useful.

To quote: taxing procedures that allow the government to still receive the same amount of money despite changing its tax laws; the government may lower taxes for one particular sector of its economy and raise taxes from another, but this allows the ultimate revenue that they receive to remain unchanged. That is the definition of revenue neutrality, and that is not what we have just seen. We have seen a government that is digging into the pockets of Albertans for \$3 billion to continue to bloat the size of government and to continue to waste money and to continue to justify the borrowing for operational expenses because this government doesn't know how to save money.

There is one more definition that I would like to cover, and that is the definition of arrogance: it is an insulting way of thinking or behaving that comes from believing you're better or smarter or more important than other people. I would ask you to consider: are you smarter than the authors of the texts and the teachers of economics? Are you smarter and better than the authors of the texts and the teachers and MBAs or even your own grandparents and your parents?

I challenge every member in this House to seek the wisdom of our elders that have gone before us and those that are far wiser than any one of us in this room. You will learn from your grandparents this old adage: you have to live within your means. We've all heard that from our moms, our dads, our grandparents, our forefathers. You live within your means, and when household revenue is down, spend less. It's just that simple. When dad loses his job or mom loses her job, you do not go the bank and borrow more money. You tighten your belt. You slow down. You get rid of that extra car.

There are any number of people in this room who are old enough now and have gone through the economic ups and downs that we all experience throughout this world in just plain living. I don't know anybody who went through the '80s and didn't learn that when you lose your job, you spend less. When your income is down, you tighten your belt and spend less. You find ways to spend less. You don't go out for dinner. You start eating beans and rice. You tighten your belt. This government doesn't understand the basic economics that every mom and dad down through time knows: when revenues are down, spend less.

Countercyclical borrowing is incumbent on the organization's ability to service and repay the debt. All we've seen in this budget is to spend more, tax more, spend more, tax more, spend more, tax more, waiting for – what? – some mystical day when the King of Saudi Arabia is going to drop off a cheque to you? It isn't going to happen. The price of oil is going down, so revenues are down. Spend less. Look for ways to save. Instead, you're bloating government on the backs of Albertans, and your days are going to be numbered because Albertans are not going to put up with it. You're going to be a one-term government that's going to sink our province so deep in debt that you will be remembered for a very, very long time.

Thank you.

The Chair: Hon. leader of the third party, did you wish to speak to the bill?

Mr. McIver: Yes, please. Thank you, Madam Chair. I won't be too long, you'll be happy to know, because I've been on my feet a

couple of times, but there are a few things that have to be said. This budget is, unfortunately, full of things that are not good for Alberta, and therein lies the problem. I talked at some length last night about the debt and that there's no reasonable plan to pay it off. You can't pay off a year's income debt with one week's pay. We talked about that, and I think most Albertans understand that implicitly and don't need me to go on at length about that again.

Among the other things that are of concern is the lack of cost control. What the government is right about, Madam Chair, is that Albertans love their services. What the government is wrong about is that they're going to put themselves in a position where they won't be able to provide those services because there won't be any money left. If you want to keep providing those services you're so fond of, you need to make sure there's some money left five years from now to pay for them. Some of us and some of you have kids and grandkids who are going to need those services later. Some of us have parents that are going to need those services either now or later, and some of us need those services now. These are things that this budget does not weigh or consider, unfortunately.

I've got to actually correct some of the revisionist history attempted to be created by the Transportation minister although I'm sure his intentions were nothing less than honourable, ever. But, you know, he spent some time on Edmonton city council, and I spent some time along with the Finance minister on Calgary city council. The Finance minister is a fine man, but we disagreed quite a bit then. He's a good human being. We just don't always see the world the same way. But he might even agree, because we were there for nine of the same years.

Unlike what the Transportation minister said, that the debt was quite manageable and that there weren't any issues after Mayor Klein was there, the debt was actually fairly big in the city of Calgary. The Olympics were coming. The city spent pretty heavily to build an LRT system, which still serves the city very well to this day. I'm not saying that it was a bad expenditure. Rather, we're talking about the level of debt. The level of debt was such that the city built very little infrastructure for the next decade after that. The next mayor after Mayor Klein, Mayor Al Duerr, was, in my view, unfairly criticized in many circles for not building enough infrastructure, because what a lot of people didn't really realize was that he was burdened with paying back a very heavy debt load, that had to be done. In my view, that mayor was unfairly put upon because he had to do what had to be done.

10:40

We're trying to avoid a future Premier and a future government having to stop building the things that Albertans need because we don't want the debt load to become so burdensome and so heavy that you have to stop providing the things that Albertans need just to pay for the poor planning that's gone on in the past. I hope I have, without taking too long, corrected some of the incorrect revision of history that went on here this morning. I also heard the minister say that you can't have it both ways, and I agree with that. If you borrow the money, you've got to pay it back. You've got to have a plan.

And you have to keep building infrastructure. Now, where I might disagree somewhat with the Official Opposition: I think borrowing is okay if you're spending the money on the right thing capitalwise and you have a plan to pay it back in a reasonable amount of time. I've heard it said: save the money. But the fact is that you can't teach the kids under a tree, and you can't do surgery in the local park.

An Hon. Member: Well, you can.

Mr. McIver: Or it's not recommended. I suppose you can do both of those things, but it's not a good idea in February. It's not a good idea in February.

The fact is that you have to keep building and you have to keep providing those services. Sometimes you have to borrow, and that's okay if you have a reasonable plan to pay it back. Telling people that you're going to save the money: nobody wants their six-year-old to wait to start grade 1 till they're 16 because we wanted to pay cash for the school. You can't do that. But you need to have a plan to pay it back.

The other thing that I'll take issue with is a return to prosperity. You know what? For decades before May 5 we mostly had prosperity, and we want prosperity to continue for this province. The hon. minister made it sound like Alberta hasn't had prosperity. Alberta has had the best economy in Canada and probably in North America for decades. Again, in fairness to my colleagues, what we're not blaming you for is the low oil price – I hope we never have, and I hope we never do – but you're doing just about everything you can to not help with the low oil price, and that's the concern.

I will try to start closing with the one advice – with further advice, not the one advice; I've already given some advice. The further advice I will give to the government is to listen to Albertans. Folks, it's not easy. We were in government, and we had to remind ourselves now and again how to listen to Albertans. Here's the tough thing about it when you're in government. Albertans will talk to you, and what's really easy is to listen to those that agree with you. What's a little more difficult and, I think, even more important is to actually listen to and hear those that don't agree with you. That's where you can actually learn something. With all due respect, Madam Chair, that's a lesson that I don't think the government has learned yet. You've been here more than six months now; it's kind of time.

Again, there'll be lots of people talking to you and agreeing with you, and it's all nice to hear the attaboys and attagirls, but you also have to hear the kicks in the pants: "Why did you do that? You're doing this wrong. Why are you not protecting my job? Why are you borrowing so much money? We won't be able to have schools 10 years from now. Why are you spending so much that we won't be able to pay the taxes? Why are you putting a carbon tax in place that'll make everything else less affordable? Why are you raising the minimum wage and taking away the very job that I have rather than helping the job? Actually, that job will disappear." These are the things that people will say to you that you don't want to hear, but it's so very important that you listen to them.

Because I don't believe . . . [interjections]. Madam Chair, I can tell from the cheap seats that that lesson – the hon. member just made my point. He just made my point. I've always found that even when people disagree with me tremendously, that's when I learn the most. I would respectfully submit to you and to the government that that's a lesson they have yet to learn, and at some point Albertans will punish them for that if they don't learn it.

Madam Chair, that's why I won't be supporting this budget. It's not good for Alberta. It will not bring us a return to prosperity. It will not create jobs; it'll actually kill jobs. It will not make it more affordable, and there's a big risk that unless the government changes course, five years from now Alberta will be in such a big hole that even – and I can't imagine it – if this group is still in government, they will have to do draconian spending cuts because the banks at some point will say no. That will indeed be a sad day. There's still time for the government to correct its course, and our advice is that the government does just that.

Thank you.

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

Ms Drever: Thank you. We as a province are dealing with a low barrel price, which has had an effect on many Albertans across many sectors. Massive cuts are not the solution. You don't lay off more workers in hopes of creating more jobs. I can say with confidence based on the conversations I've had with my constituents from Bowness, Cougar Ridge, West Springs, Valley Ridge, Patterson Heights, Greenwood Village that they understand that we have a debt in this province already and . . . [interjection] I'm not only talking about financial but in terms of infrastructure, social programming, schools. Cuts to these sectors will only hit Albertans harder during these tough economic times. Our constituents, like mine in Valley Ridge, need schools, or constituents like mine in Bowness who need access to DRP. We need transportation investments like investments in the Calgary ring road. This is not the time for massive cuts.

We can't state that we aren't listening to Albertans when our business leaders and job creators are praising this carbon tax. We are being praised in this province as leaders when it comes to our climate policy, which was clearly achieved by a collaborative effort between government, business, and Albertans.

This bill makes an investment in Albertans, and that's why I am standing here and supporting it. Thank you.

The Chair: Any other hon. members wishing to speak?

If not, then we will call the question.

[The voice vote indicated that the clauses of Bill 9 were agreed to]

[Several members rose calling for a division. The division bell was rung at 10:48 a.m.]

[Fifteen minutes having elapsed, the committee divided]

[Ms Jabbour in the chair]

For:

Carson	Horne	Payne
Connolly	Kazim	Phillips
Coolahan	Kleinstauber	Renaud
Cortes-Vargas	Littlewood	Rosendahl
Dach	Loyola	Sabir
Dang	Luff	Schmidt
Drever	Malkinson	Schreiner
Eggen	Mason	Shepherd
Feehan	McLean	Sucha
Fitzpatrick	Miller	Sweet
Ganley	Miranda	Turner
Goehring	Nielsen	Westhead
Gray	Notley	Woollard
Hinkley		

Against:

Aheer	Hunter	Rodney
Anderson, W.	Jansen	Schneider
Clark	Jean	Smith
Cooper	Loewen	Starke
Cyr	MacIntyre	Stier
Drysdale	McIver	Strankman
Ellis	Nixon	Swann
Fildebrandt	Orr	Taylor
Gotfried	Pitt	Yao
Hanson		

Totals: For – 40 Against – 28

[The clauses of Bill 9 agreed to]

[Title and preamble agreed to]

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

Hon. Members: Agreed.

The Chair: Opposed? That is carried.

Mr. Mason: Madam Chair, I would move that the committee rise and report.

[Motion carried]

[The Deputy Speaker in the chair]

Mr. Connolly: Madam Speaker, the Committee of the Whole has had under consideration a certain bill. The committee reports the following bill: Bill 9.

The Deputy Speaker: Does the Assembly concur in the report?

Hon. Members: Agreed.

The Deputy Speaker: Opposed? So ordered.

The hon. Government House Leader.

Mr. Mason: Thank you very much, Madam Speaker. That does explain some historical views.

I would request unanimous consent of the Assembly that notwithstanding Standing Order 64(2) the House should proceed immediately into third reading of Bill 9.

[Unanimous consent granted]

Mr. Mason: I have a further request, Madam Speaker, that any further divisions on Bill 9 should have the bells shortened to one minute.

[Unanimous consent granted]

Government Bills and Orders Third Reading Bill 9 Appropriation Act, 2015

The Deputy Speaker: The hon. Government House Leader.

Mr. Mason: Madam Speaker, I want to indicate to the House on behalf of the provincial Finance minister and President of Treasury Board that the Appropriation Act, 2015, lays out our fiscal priorities and our plan to stabilize core services, show a path to a balanced budget, and create jobs to grow and diversify the economy. I want to say that it deals with the priorities that Albertans told us, that it supports families at a time when they need that the most, it sets out a plan that we need now to ensure our province gets back to the path of prosperity for the future. I would ask all members of the House to support this bill.

Thank you.

11:10

The Deputy Speaker: Any hon. members wishing to speak to the bill? The hon. Leader of the Official Opposition.

Mr. Jean: Thank you, Madam Speaker. I'm pleased to rise today to speak on Bill 9, the Appropriation Act, 2015, or, for Albertans watching, the Alberta budget. It certainly took a long time to get here, and frankly we're very disappointed. Before Christmas,

especially, we thought we would see something exciting, but it's not. I will say to the hon. Minister of Finance – hopefully, he's watching – that this is an issue of timing and good management, and it's not just an issue of borrowing, borrowing, borrowing and spending, spending, spending.

The problem the Official Opposition have is that there's no plan in place that's realistic. The numbers are outrageously highly forecasted for revenues. In fact, what we've seen is that even the revenue projections over the last seven months are so far out of whack that there's no possible way, in reality, that this government is going to reach any of those revenue figures and that, certainly, the spending will far exceed any ability to pay it back in the near future. The difficulty with that is that when you're going in the wrong direction, you take a lot longer to get back to where you need to be.

Right now the challenging thing for Albertans is jobs. We're losing more than 1,500 jobs a week for Albertans, who are looking and wondering what's going on because their government is not responding to them. This is a situation that we haven't seen in decades, frankly. I remember being in Fort McMurray during the '80s, being in Alberta during the '80s, and I can assure you that it was not a pleasant time. It was a very bad time, and people were lined up, just like they are now, for the food banks. Food bank demand has gone up over 26 per cent just in the last short period of time, and we believe it's directly as a response to what's happening in the economy. The government is not actually taking any steps to improve the economy or to protect jobs.

Now, they talk about what they're doing to possibly stimulate the economy with a \$5,000 hiring tax credit. But let's be clear. That tax credit is not going to be seen by businesses for at least 16 months. You know, it's not going to stop anybody from being laid off. In fact, it's not going to create any new jobs for at least 16 months. Frankly, as an owner of more than 15 businesses, successful businesses, I might add, it would not encourage me to hire any employees at all. I can't imagine that anybody would be encouraged to hire any employees at all for a \$5,000 temporary situation, especially when you consider that \$5,000, Madam Speaker, as you know, when you're talking about an average income in Alberta is one month's salary. So what do they do? Hire them for a month and then lay them off? I'm certainly hoping that there are more details on the plan by the government that would ensure that they'll be good-paying jobs that people will be interested in hiring for under this program. I just don't see it. It's not worked in other jurisdictions, it hasn't worked for the federal government in the past, and I don't see it working, at least at this particular time.

We know as well that there are at least 100,000 Albertans out of work. That's a lot of people. That's a lot of people from the background of the highest per capita income in the country. That's a lot of jobs. Also, those highest income per capita jobs paid more tax than anybody else in the country per capita as well. It was a system that worked very well. Those jobs, that have just been lost in the last few months – 65,000 since, in essence, this government came into power – are a lot of jobs, and the government has done absolutely zero to stop the flow of jobs. Absolutely zero. I don't hear anything from the other side on how they propose to do anything different.

Now, the thing to recognize, too, is that 40,000 of those jobs are directly tied to the energy sector. Again, \$40 a barrel: everybody keeps talking about how we have to blame the \$40 a barrel. Well, I remember when it was \$8 a barrel. I remember when it was \$12. I remember when it was \$15, when Syncrude Canada, one of the top employers in Canada, said: if it reaches \$15 a barrel, we are going to be so happy. Well, it's at \$40 a barrel. Then during the '90s, for a 10-year period, guess what the average price of a barrel of oil was

in Alberta? Forty dollars a barrel. That's right, \$40 a barrel. Very similar to today. The economics have not changed very much in relation to that. In fact, we see some of the indicators, the core indicators and key indicators, that are very, very similar to that.

We did have somebody talk about mindless things earlier, and I don't want to doctor anything up about the particular thing that that gentleman brought forward, but I would like to turn ourselves back to it and talk about exactly what happened during the '90s with Ralph Klein. I think he was one of the best Premiers we've ever seen in this province, and I agree with my friend the leader of the PC Party in relation to that because, you know, he was able to make serious decisions. One of the serious decisions he made was to cut. Now, we've all heard on this side that we would like to find efficiencies of about 2 per cent. Two per cent. Ralph Klein in the '90s cut 20 per cent, 10 times what we proposed in the election. Twenty per cent.

What did that do? Let's talk about what that did to the economy in Alberta. Well, the first thing it did is that it brought a lot of private capital into Alberta. Even though private capital seems to be two dirty words to this government, it's not. They brought \$80 billion in private capital into Alberta during that period of time, a 10-year period under Ralph Klein. Eighty billion dollars in private capital. Do you know how much went into Ontario and Quebec? I know that you, Madam Speaker, know that. It was about \$72 billion.

More money came into Alberta during that time period because of the efficiencies that Ralph Klein brought forward and the good tax legislation he brought forward, lowering corporate taxes, lowering personal taxes, having a tax structure that worked well for people and that paid more and collected more income tax than any other province in Canada per capita as individuals. We saw more private capital come into Alberta during that period of time than went into our two largest economies, Ontario and Quebec. That speaks volumes about a person and a Premier that did a great job, a tough job for the province when it was necessary. Certainly, he became one of the most popular leaders of all time, not just in Alberta but in Canada.

Now, instead of talking about the best ways to defend and promote our energy sector, what I've seen clearly is that this government, the NDP has been a tireless crusader against our oil and gas producers, not just in the last, short period of time but overall, generally. I know that I was in Ottawa at the time when the NDP, the national party, which is the same party as this, though, a different division but certainly the same party, went to Washington, DC, not to encourage a pipeline, not to encourage oil, not to encourage Alberta jobs. They picketed. They went outside Washington and said: stop oil sands. They called it tar sands, but I have news for you. They don't produce tar; they produce oil from that product, so it's oil sands. The NDP went over there. In fact, I've seen, you know, some pictures of the Premier with "stop oil sands" signs. Now, that's not what you do to protect an industry. That's not what you do to protect jobs.

You know, you may be smirking over on the other side; some of you are. You have guaranteed jobs for four years, but Albertans don't have that luxury. They don't have a bureaucracy behind them that will provide them with all this information and a steady paycheck that goes into their bank account every month. They're even wondering if they're going to have a job tomorrow. A hundred thousand Albertans are out of work. Do you care? You're not doing anything for them. You're not doing anything for those Albertans that have lost their jobs, and you're not doing anything for the 1,500 Albertans that are losing their jobs every single week.

Now, you say, "Oh, we're doing so much; we're doing so much," but the truth is that you're doing nothing positive. In fact, the instability you're bringing into the economy – I wish there was one

businessperson on the other side that knew what stability means to businesses. Stability means jobs. It means investment. It means confidence in the future. You're not adding that by taxing, taxing, and more taxing.

You talk about promises that you made. Well, I never heard any promise about a carbon tax. It's in essence a PST because it's not revenue neutral. In fact, even your plan suggests that nothing more than 10 per cent will go back to low- or middle-income Albertans. Ten per cent. That's not revenue neutral, and it's not honest. If you were honest, you would've gone to Albertans and said: "Listen. We're bringing in a \$3 billion carbon tax. You need to know that before you vote for us because that carbon tax is on top of the \$1.5 billion in additional taxes that we're going to bring in against you if you do elect us."

Now, that's \$4.5 billion in new taxes that this government has brought in in a very short period of time. Who's going to pay that? Corporations? That's laughable. Corporations don't pay taxes. Corporations increase their prices to consumers and pay their employees less money because they can't afford it. You laugh again, but that's how it works, folks. They pay taxes that flow on to consumers, that flow on to their employees because it's not about . . . [interjections] It's not about that. Investment is down. Companies are fleeing Alberta.

11:20

And there's more laughter on the other side. I really wish that Albertans would come to this place and have an opportunity to explain how they feel. Farmers, businesspeople, they want to tell you. You can look at Facebook posts that have over half a million hits. Why don't you come to my Facebook and take a look? You can share my Facebook posts to your friends and see how it is.

Albertans are waking up. They are waking up and realizing what's going on, and that's why they're sharing what they are. That's why they're saying the things that they are, about how they don't like what you have done. They don't like that you lied and then brought forward a tax, that you deceived them on the basis of your vote. That's not what Albertans want. They expect their government to come in, tell them what they're going to do, and do that. Now, you've done that, but you've done a lot more than that, and what you're doing is damaging the economy. When people have to look at their cheque and what's coming in, they recognize that when it doesn't come in anymore, they have to adjust things, and they are seriously worried about paying their bills. Those 100,000 Albertans are very worried.

Truthfully – truthfully – there are 100,000 beds in the surrounding area of Fort McMurray. Those beds are camp beds. The oil sands plants in this province pay about \$185 a day, per person, to stay in those camps – that's right – \$185 a day to stay in those camps. Well, the camps are empty, and those camps did not hold Albertans. Some of them did, but very few. Most of them held other Canadians, and those Canadians were making between \$150,000 and \$250,000 a year. They're gone. They're gone. So those 65,000 jobs that have just been lost since the NDP came into power are a small, small portion of the real jobs that are lost in Alberta.

Those 100,000 jobs, the Albertans that are no longer here in Alberta: they say that those are just people collecting unemployment insurance. How about those people that have severance payments? How about those people that haven't started collecting unemployment insurance or have decided to leave the province? The number is much, much higher, and as I say, the government is doing nothing. It seems they don't want to do anything.

The *Calgary Herald* this week told the story of Catherine Appler, a Calgarian. She has worked in the oil and gas sector for some time.

She's aware of how it works, and she had a one-year contract. Well, she received the call from human resources: you're let go. Now, she accepted her two-week notice, understanding that this is what happens in the oil and gas industry, but now she's been out of work for nine months. I will tell you that things do not look any better.

I have a good friend by the name of Bob. He worked up in the oil sands, flew in and out from Calgary. He's been unemployed for six months now. He's been trying to sell his house in Calgary. Housing prices went down 20 per cent just in the last six months. He can't sell it anymore, but he can't afford to keep it.

Now, I remember being a lawyer in Fort McMurray doing foreclosure work for banks right after the '80s. Yeah. Nasty guy. Well, I'll tell you this: I have never felt worse in my life than watching what happens when people lose their homes. It was disgusting, it was depressing, and it was real, and it is real today. I talked to a good friend of mine in Fort McMurray that's been selling real estate up there for 30 years. That friend of mine told me that he's seen more keys given back in the last six months than he's seen in the previous 30 years. More in the last six months than in the previous 30 years: is that a laughing matter? I'm not laughing.

I remember seeing these people's houses taken and their lives destroyed. Everything that they've worked for for 20 years was gone through bad government policy. That was the national energy program, and I promise you that every business in Fort McMurray – every single one – went bankrupt except a couple because of bad government policy. Nobody cared. I'm hoping the government will care. This government should care because these are people that are actually counting on this government to make a positive difference, and we don't see that positive difference happening.

There are thousands upon thousands of stories just like this, just like Bob's, just like Catherine's, thousands upon thousands. Until you individualize them, you don't realize how many people are destitute, but they are.

What are you doing about it? "Let's bring in a \$3 billion carbon tax." Who do you think pays that carbon tax? I do. You do. But all the people that can't afford it do, too, because you're increasing the price of gasoline. You're increasing everything that goes into a petroleum product. You're increasing all the costs of the products people buy. You don't think so, but this is a PST. It's a provincial sales tax. You can call it whatever you want, but it's a provincial sales tax. It's a nonneutral carbon tax. The people that pay it – of course, the oil sands companies are happy. They thought they were going to be shut down or at least devastated.

Let's face it. Your own Premier – your own Premier – stood up with a picket sign saying: stop the oil sands. Do you think I'm going to believe now that she's had a call to the altar and she's going to turn around? This is just the way to do it. I've got pictures. I can show you. I've got one for you, too. This is a Premier that went against our oil companies, and now the oil companies were very nervous. I know that because I know all of those people, very, very many of them. I've lived in Fort McMurray my entire life, and I've dealt with the oil companies for a long time, but I don't work for oil companies. I work for Albertans.

If I was in big oil, I'd be pretty happy right now, too. You know why? Because the NDP government passed on all of the cost to consumers, to Albertans, every single cost to Albertans.

Some Hon. Members: Shame.

Mr. Jean: They should be ashamed of themselves, not only for coming out with one story during the election and doing something else. What's happening in three weeks from now or three months from now? What's the NDP government going to bring in next?

What new taxes are you going to bring in next to destroy the economy and the quality of life of Albertans?

An Hon. Member: Untrustworthy.

Mr. Jean: Totally untrustworthy. It doesn't matter because we are, unfortunately, stuck with these people for a while.

I think the Albertans that voted for you are feeling a lot of remorse. They are, and you hear it, too, because even though you may not believe that we can hear it, we see it. We see it on everybody behind the front row, everyone. You're worried, especially in rural Alberta right now. You should be worried. People are very upset. In my 11 years in politics I've never seen people this upset. I've never had a Facebook post that's gone to 500,000. Never. I am thinking that there are going to be some very angry people. I'm hoping that everything stays calm and we have the ability to have discourse. That's what I've encouraged all people to do because this is about talking. This is about persuading the government that they're headed in the wrong direction.

I only say that because, you know, when you start on a path, Madam Speaker, as you know, when you start on a road trip and you look at a map and you go down that road, if you're going in the wrong direction, it's going to take a lot longer to get back to go to the right place. It's going to take a lot longer to get back to where we need to go, which is, frankly, to give Albertans a good return on investment for their tax dollars. They work hard.

I'll tell you that in my riding they work very hard. I invite you all to come up there and see how people work in Fort McMurray, how they're away from their families for 14 hours a day – 14 hours a day – how they go back and forth on a road and then work very hard and come home and don't even see their kids before they go to bed because they're trying to create a better life. Well, those people are losing their jobs. It's not just about month-to-month anymore. Now it's about digging into savings, about losing the house, about losing the car, about having no RSPs for retirement, about having to extend your work life. It's not 55 or 60 or 65.

People have to work longer now because of your actions, because of your actions to create new taxes and to penalize Albertans when they're already down. When there are thousands of jobs that have been shed, what do you do? You penalize them. You kick them when they're down with another \$3 billion in additional taxes. Shocking. It doesn't matter. You don't seem to care, but I'll tell you that there are accountants in Alberta that have been laid off. There are a lot of engineers that have been laid off. There are truck drivers. I know that. Two of my sons have class 1 drivers' licences. Neither one right now drives. They have to do what they can to get jobs. Neither one is doing what they want to do because they're taking whatever jobs they can.

It's very common. My nephews own companies up in the Fort McMurray area. They're aboriginals. They have very successful companies. They're still doing fairly well, but most companies in that area are not. In fact, a lot of companies – look at Calfrac. I was driving down highway 2 a few days ago, and I saw the Calfrac yard. It's so full of sump trucks that they have no more room for sump trucks in their yard.

An Hon. Member: We need a sump truck for this speech.

11:30

Mr. Jean: You know, it's a laughing matter to some people. I hear the member on the other side. He should be ashamed of himself. While we're talking about people losing their jobs, he's talking about a sump truck needed here because of my speech. [interjections] Well, I can assure you that I listened to that, and I think that Albertans are listening to the trivial way that you deal

with this speech and how important it is that they've lost their jobs – 100,000 people. You've got your job permanently. [interjections] Yeah, for four years you do. I promise you that we will do everything we can and I promise Albertans that we will do everything we can to make sure this NDP government has one time.

It's for Albertans that I stand up today. It's for Albertans that Wildrose stands up every single day in this place and fights for their jobs, fights for their quality of life, fights for a different idea than this government has brought in. This government is already taking the most inefficient government in Canada and making it bigger. They're bringing in a carbon tax that, frankly, does nothing for carbon. It doesn't lower GHGs one iota. In fact, it's going to be about 30 megatonnes more than it currently is under their own plan. I've got it. I think it's on page 9 of your report. It shows that the megatonnes are not going down; they're going up.

So what are you doing with this money? Well, it's a slush fund, right? It's a slush fund to do all your pet projects, to try to get re-elected, to do all those things that you talk about doing in the best interests of Albertans. Well, who's going to pay it? Albertans pay it, and they pay it on the backs of jobs because there won't be jobs here. The jobs will be gone.

Albertans have never looked, I don't believe, to Alberta, the government, for handouts. I don't think that that's what they want. What they do want from their government is for their government to have their backs and not work against them, to not penalize them when they're down, to not kick them when they're in the penalty box. That's what this carbon tax is doing. That's what this budget is doing. It's kicking them while they're down.

They're looking for a government whose everyday focus is on their jobs, on their quality of life, and on our economy. Instead what we have seen from this budget is a dangerous and ideological agenda. It matches the rest of the agenda the NDP have brought in here and right across the country in previous governments, an agenda that seeks to interfere tremendously with the free market that we do have. It's not in the best interests of Albertans. This government is instinctively suspicious about businesses and believes, I would suggest, that businesses are not good things. Well, we believe differently here on the Wildrose side. We believe that jobs are created by businesses, not government.

Now, this government believes that there is no shortage of regulations or laws or new red tape that can't fix a problem. We disagree. Sometimes simpler is better. Sometimes smaller government is better. Sometimes bureaucracy and managing managers that manage other managers that manage managers to manage are not really a good thing. Smaller governments can be effective. We know that because every government in Canada is smaller and, in fact, has better results.

If you look at any organization that does matrixes and does tests on these types of results, you'll find that Alberta is in the middle or at the bottom of the pack on just about every single matrix, yet we're the most expensive, \$2,000 more expensive than British Columbia, without infrastructure. Let's take infrastructure out of it. Without infrastructure, before this budget and before the carbon tax we cost \$2,000 more for every man, woman, and child in Alberta than British Columbia, which has a very similar population; \$2,000 more for the same services, the same constitutional obligations.

Why? I'll tell you why: because the government is inefficient with what it does, and the government is too big. That's why we stand up for the people of Alberta. That's why we do it, because we believe, based upon objective evidence right across the country, that you, the NDP, could do a better job governing this province and governing the bureaucracy. You could do so through attrition. You could do so by freezing wages. You're not even prepared to do that. In fact, you gave civil servants a 7 or 8 per cent raise this summer.

When people are being laid off, you give civil servants a raise. The people that are paying their bills are the taxpayers of the province, and they're losing jobs, yet you give a raise.

Have you even thought about freezing wages? Have you even thought about pulling back some of those bonuses and those special privileges and perks for these bureaucrats that work for the people of Alberta that are losing their jobs? Have you even thought about that? Has anybody come forward with any proposals to be more efficient in your government, in your departments? Not one. Not one single minister has said that. Are you telling me that it's already running as effectively as it possibly can? More importantly, are you telling Albertans that? Because that's what you're saying: "Albertans, even though you're losing jobs, we want to give bureaucrats a raise. We want to give them more perks, and in fact we're going to hire 1,600 new middle managers." That's what you did just in the last few months.

Did you announce that in your budget? No, you did not. Did you announce it in your campaign? No, you did not. All of these little sneaky things you're bringing out now when you have a majority are things that you never said you would do. There is no authority to do so, but certainly it appears that you're going to push it through as quickly as possible, and that is not in the best interest of Albertans.

Now, I could speak a long time on this because I feel very passionate about it, and I know that the Government House Leader on the other side wants me to. I know he's very excited about my speech, but I'll try to wrap it up as quickly as I possibly can. Maybe we can have an opportunity to speak outside afterwards, and I can persuade you of some of my great policy ideas.

We do believe that every Albertan must be treated fairly. Everyone must play by the same rules. That means stop giving corporate grants and handouts. Stop being friends to the corporations here. We don't want to see more corporate handouts. If they can't operate without government handouts, they shouldn't be in business. We believe that stability in our two most important job sectors, energy and agriculture, are very important because they employ the most Albertans. In the 110-year history of Alberta it is these principles that have made Alberta great. It's these principles and the people that have made Alberta the best place to live and work and raise a family, but ever since the NDP took office, they have gone against every one of the key principles that Albertans stand for.

They have brought in policies that have had a direct negative impact on our economy, especially our energy sector, and now they are attacking farms. Do you know that we have more small farms here than anywhere else in the country? I think 47,000 small farms. And you're attacking those farms, which is a way of life.

There's absolutely nothing positive in this budget for Alberta businesses, which, we believe on this side, create jobs. The NDP remains stubbornly committed to a dramatic 50 per cent increase in the minimum wage. We believe that this will reduce the number of jobs and that it will reduce the number of hours. I've owned a Quiznos franchise. I can tell you that it will reduce the number of people because they can't afford it. Those businesses operate on very tight margins, and when you increase business taxes, increase minimum wages, all of these things at once – I'm not saying necessarily that these things can't be done appropriately over time, but you just keep kicking. They're down on the ground, and you just keep kicking. They think that you're going to walk away, and you turn around and slap them and kick them with a carbon tax. This is not what to do to the people who are our bosses. These people pay us to give them the best government possible, and you're not doing that.

There will be higher costs for everyone. There will be lower rates of employment and fewer hours for employees. Many small businesses are worried that they will have to close shop, but the NDP remains stubbornly committed to it. This goes right in the face of every empirical study and any economist. All of them say the same thing: don't do them together because it is a stability issue. It is about piling on and piling on and piling on at a time and place when they can't afford it.

11:40

If you do anything, I would ask the NDP government to slow down. Take some time. Maybe, just maybe, what you might want to do is consult with farmers before you put the bill in place. You know: we're going to have consultations. Well, you've already introduced the bill. How are you going to consult on a bill that you've already put forward? A postconsultation? Seriously, folks. What are farmers telling us? They're telling us that they're travelling six to eight hours to get to some of these meetings, consultations, postconsultations, but they're all fully booked except for, I think, a couple that just came online, and even those, my understanding is, are fully booked. Doesn't that send a message to you that maybe, just maybe, you should slow down and listen to the people that pay your salaries?

You know, I heard a great question from the PCs earlier this month, and it was in relation to the minimum wage. Now, with tax consequences we have the second-highest minimum wage in Canada because we treat people that are more vulnerable better than any other province in Canada. We had the second-highest minimum wage already. Now, you know, you have to wonder, when you do that, what the implications are going to be to these people, and I'm very concerned about them because these are the most vulnerable in our society.

One of the things that sort of shocked me about this was when the NDP came forward and promised that business taxes would fix things. You know, of course, I think some Albertans were hoping it would fix things and give them some more revenues. They promised, in fact, that it would bring in about \$805 million this year and \$2.6 billion over the next three years. Well, instead it was only \$250 million a year. All your calculations are off. That's what brings us the largest fear factor in this. When you bring forward these numbers on expenses, well, those are real. But your revenue projections are so far-fetched that they're in fantasyland. Even this particular one, you know, \$2.6 billion: it's only going to be \$750 million. We see it clearly now, and you do, too.

You need to readjust your figures. What we'd ask you to do is to readjust how many cheques you send out the door to bureaucrats, how many slush funds you create for your own desires and your own political ambitions. Stop. Think about what you're doing. Think about all the Albertans that are unemployed and create a program that actually keeps Albertans employed, not something that's going to happen 18 months or 16 months from today. Employers aren't going to rehire people for a \$5,000 tax credit. Be serious, folks.

There is a \$1.5 billion hole in revenue that the NDP promised just from these tax increases. It's just a testament to the fact that you cannot tax your way into prosperity. You cannot tax away incentive and expect your economy to grow. You've all heard it. I'm sure you have because I hear it. The Wildrose hears it. That is: businesses are leaving Alberta. They are going to Saskatchewan, they are going to British Columbia, they're going to Texas, they're going to Louisiana, they're going to South Africa, to Brazil. They are because of your tax rates, because of the instability you're bringing into the economy, because of the lack of clarity in your bills or any backup to your numbers.

By the way, the projected 27,000 jobs that the NDP say their policy is supposed to create is less than a quarter, 25 per cent, of the people who have already lost their jobs over the last year, and it's not even going to come into effect for another 16 months, 25 per cent of the people that have lost their jobs just since you've been in power. What are you going to do about those people? Nothing, because we've seen nothing. Your legislation is fixated on an ideological bent instead of worrying about the people that are losing their jobs, about making sure corporations can hire new people or at least sustain the people they have.

What are you doing? You're increasing the cost of government. You're increasing the cost to people that pay for that government, because they do pay for the government. They pay for your wage, they pay for mine, they are my boss, and we have an obligation to do what's in their best interest.

I am very worried about the energy sector only because of how many jobs it creates, because our obligation is to create jobs and to keep Albertans employed so they can have this great quality of life, so they can take those trips and have those music lessons and dance lessons and send their kids to the best schools and do whatever they would like to do with their family, to have choice. That is something we have here in Alberta that other places don't have: choice. Choice to do what we want with our money. Choice to go where we want to go, to educate our children, to farm how we want to within certain limits. We have choice, and the NDP are taking away that choice. Why? Because when people go into their pockets, they come up with nothing because the NDP government is not allowing them to keep money to spend how they want.

EnCana said as much earlier this year. In fact, this month they announced that they were moving money and jobs away from Alberta. Guess where they're going? Texas. They're going to Texas. For those whose livelihoods depend on the viability of the energy sector, hoping for a fair hearing, they're out of luck. The Finance minister, the Premier, all of the NDP caucus have made it clear. The only way that royalties are going is up. They say that they support pipelines, yet they don't support pipelines. They say that they support the oil industry, yet there are clear signals that they don't. They are simply spending too much money, and we'll have to pay it back. We will have to pay it back.

We've asked for a spending freeze. We've asked for a freeze on wages. We're asking just to calm down on your ideological agenda just to make sure we can keep as many Albertans employed as possible without borrowing too much money. I don't think that's too much to ask, just to step back, take a breath of fresh air, think about what you're doing, and watch the statistics, watch what's taking place. The idea that Albertans should have to pay more taxes and pay more for their power bills, pay more for their oil and gas, pay more for all the products they use, whether it be a phone or BlackBerry or whatever – they will be paying more. You have control of your policies. Please take a breath. Please step back. Please keep Albertans employed.

Thank you.

The Deputy Speaker: The hon. Member for Calgary-Mountain View.

Dr. Swann: Thank you very much, Madam Speaker. I'm pleased to rise and speak on Bill 9. I'll be as brief as I can with the time being as it is. Three goals, it seems to me, are forefront in this bill, the appropriations bill: number one, make sure that we're spending our money wisely where it is; number two, stimulate the economy while protecting jobs; and three, shift from a heavy overdependence on oil and gas revenue to an alternate economy.

With respect to ensuring that we review existing expenditures, I think there's no question, having worked in the health system for as many years as I have, that there are significant inefficiencies, and I was disappointed to see that there wasn't any evidence after six months that we were looking at some significant changes in efficiencies in the health system. We are indeed racking up a significant amount of debt, some of which is essential to deal with the current reality of low oil prices, but we cannot push this substantial debt onto the next generation. We have to start paying our way as we go.

With respect to stimulating the economy and protecting jobs, we've recommended that the small-business tax needs to be reduced. That would be a sustainable way to stimulate an alternate economy and protect jobs, not giving \$5,000 per job hire as a short-term subsidy to business.

We need to look at the linear tax issue in rural Alberta and make sure that it's more fairly distributed. There are billions of dollars available through linear taxation that are going to just a few opportunely placed municipalities. That needs to be assessed as an opportunity to stabilize some of our infrastructure spending without borrowing so significantly.

We need to see a much more clear commitment to a repayment plan for the debt that we're incurring, and that hasn't been forthcoming.

Certainly, we support the new clean technology incentives that we're seeing the government come forward with.

11:50

With respect to shifting from oil and gas, what we've seen over the last 25 years is a drop in royalty return to Albertans, from 27 per cent of oil and gas revenues in the early '70s, when Mr. Lougheed came in, to about 4 per cent of oil and gas revenues at this time, a shocking loss of revenue for the public purse. So we fully supported a need to review the royalty regime in Alberta.

We clearly need action on climate change and carbon, and I have to applaud the government for its bold, courageous steps on a carbon levy. It is, in fact, a provincial sales tax; don't get me wrong. The past government was not willing to bring in a carbon levy or incentives for improving our carbon emissions in good times or in bad. Clearly, there is no perfect time to bring in a carbon levy, but we are way, way late in getting moving on alternate clean technologies.

In order to give others a chance to speak, I will take my seat, Madam Speaker, and recognize that while there are some very good initiatives in this budget, we will not be supporting third reading.

Thank you.

The Deputy Speaker: The hon. Government House Leader.

Mr. Mason: Thank you, Madam Speaker. I believe we only have one more speaker to complete this item, and then we expect a division after that, so I would ask unanimous consent of the House to continue until we complete this item.

[Unanimous consent granted]

The Deputy Speaker: The hon. Member for Calgary-Elbow.

Mr. Clark: Thank you, Madam Speaker, and thank you to the Government House Leader and indeed to all members of the House for unanimous consent to continue this debate in a timely manner. Also, a special mention and thank you to the Member for Calgary-Mountain View for being so brief in your comments. I will also attempt to be brief.

What I think is important to recognize in this budget is that there are some positive aspects to this budget, which I can support. I believe that infrastructure spending is badly needed in this province, and I believe it is okay to borrow some money to build infrastructure to catch up, to create jobs. Those are laudable objectives and, I think, totally and entirely appropriate at this time. My question, though, is the scale of that infrastructure spending and the total lack of any sort of plan to pay back the debt that we're taking on. I'm curious about whether or not we'll be able to actually deploy this capital effectively and whether or not, in fact, we will find in very targeted areas that we have shortages of trades, which drives up costs and, in fact, doesn't achieve the objectives.

I'm supportive of the access to capital for entrepreneurs in this province. That is something that drives our economy in our province. It's a great source of pride for me personally as an entrepreneur, and anything we can do to support entrepreneurs and venture capitalists as they take risks, grow the economy, and create jobs is to be lauded.

Stability in education is also important, an aspect of this job. Stability in our public education, public health care systems is to be applauded as well.

But my problem with the budget overall is that the numbers simply don't add up, not only in this year – we know there's a \$6.1 billion deficit – but in years going forward. What I don't see in this budget is any sort of attempt to constrain spending or do more with less. Albertans all around this province – in their households, in their businesses, even in municipal governments – are doing more with less. This government has not chosen that path. They've chosen a path to feel like money is infinite, that it just comes from somewhere, that we just simply ask Albertans for more taxes, from individuals and from businesses, and that all we need to do is worry about the spending side. That's simply not true. This government ought to be doing more with less just like Albertans are.

Now, there's been a lot of talk in this House about our alternative budget, and I'm going to talk more about our alternative budget because I believe as an opposition member and as an opposition leader that it is my job not simply to reflexively oppose what the government does; it is my job to propose alternatives and to present Albertans with our vision and answer the question: all right; how would you do it?

Well, here's how we would do it. This budget increases program spending this year 2.54 per cent. We would also increase program spending, at about 1 per cent less. From 2014 to 2018 this government will increase spending 10.54 per cent. We would also increase spending but only at 5 per cent.

It's important that we constrain the growth of operational spending in particular. There is no thought given in this budget to operational efficiencies. There is no mechanism in place to enable the public sector – and there are tremendous people in Alberta's public service – to do their jobs more efficiently, to create a free market for ideas, to allow the front lines to suggest ways of operating more efficiently and more effectively. The culture needs to change.

There's \$4.4 billion – \$4.4 billion – allocated over five years to new projects and programs. That is a slush fund which we don't know where it's going to go. It makes it impossible to support this budget.

Personal income tax. While I am supportive of a progressive income tax, five brackets are too many brackets. A 15 per cent top marginal tax rate is too high. It disincentivizes individual initiative, and that is what this province was built on.

The corporate income tax increase, up to 12 per cent, is estimated to increase revenue by only \$250 million or \$450 million by 2017, but in fact the revenue decreases a billion dollars for each of the

next two years. Now, I know some of that can be attributed to challenges in the economy, but I have to think a significant portion of that is a result of tax leakage, of corporations deciding Alberta is no longer the lowest tax jurisdiction in the country. They'll find somewhere else to file their taxes. There are a lot of very bright accountants in this province who have found ways of doing that absolutely legally, and that is to the detriment of Alberta. If we lower taxes on corporations in this province by 1 per cent, we return Alberta to the low tax advantage that we've enjoyed for so many years, but we still generate enough revenue to fund those badly needed programs. This government's budget is out of balance.

There's a 4 cent per litre increase to locomotive fuel tax, which is a 267 per cent increase, which increases the cost to transport our goods, in particular our bitumen, by rail. In the absence of pipelines, that will become an increasing challenge. Now, I will say, speaking of pipelines, that I do broadly support the climate plan because I do believe it will result in and create the scenario where Alberta can finally see pipelines built and can finally get market access built.

I want to speak briefly about the job creation grant, which we've heard a lot about in this House. The very best-case scenario for any company is to create jobs in calendar 2016 and then claim this credit by the end of 2016. We don't know exactly how that's going to work. But if it works that the net number of jobs that you've created by the end of 2016 is greater than the jobs that you had at the beginning of 2016, what is to stop a company from creating a bunch of jobs on December 15, 2016, firing those people on January 1, 2017, yet claiming \$5,000 per job? Or let's take a best-case scenario. Let's say that Alberta's economy picks up in the fourth quarter of 2016. It would be wonderful. But those jobs would have been created anyway. Companies are claiming the tax credit for jobs they would have created anyway.

Instead, we need an investor tax credit to allow businesses to decide how best to deploy their capital to stimulate further investment in those businesses. It's not up to government to tell a business how to best operate their business; it's up to business to decide.

I'll talk briefly about energy price projections. In 2017 this budget presumes oil prices will be at \$68 a barrel. Today's forward curve – I just checked a few minutes ago. The average forward curve for 2017 is \$52.11. That's a \$15 difference. If we do the math on that, that is a \$2.7 billion hole in this government's fiscal plan. That's an enormous risk to this province, and I have grave concerns that this government doesn't fully understand that risk.

They're borrowing for operations. They're borrowing \$700 million for operations in 2016 and \$3.1 billion for operations in 2017, or over \$5 billion if their forecasts are wrong.

12:00

They have not done a sensitivity analysis on the credit rating downgrade; we did. My single budget analyst did a quick credit rating downgrade scenario. A 1 per cent increase in Alberta's borrowing rate because our credit rating is downgraded will cost us an extra \$700 million a year in debt-service costs alone, starting in 2017. That is a risk that this province cannot bear. How big a risk is it that we lose our credit rating? There are five scenarios that the Dominion Bond Rating Service uses. Three of those five are already offside for Alberta. Only one of them is debt to GDP.

With that, Madam Speaker, I want to say that I cannot support the budget. Thank you again to the House for the opportunity to speak.

The Deputy Speaker: Are there any other speakers to the bill?

If not, the hon. Minister of Finance to close debate.

Mr. Ceci: Thank you very much, Madam Speaker. I will just say that, you know, for the last three days I have been meeting with economists both in Toronto and here, talking about Budget 2016 and Budget 2015. On the whole they believe in the direction this government has presented before them. The debt-to-GDP ratio that we have put forward is supported by these same economists and by investment bankers and by others who would look at investing in Alberta.

Previously, a friend across the floor talked about the Calgary days, former Mayor Klein, and his significant investment all across that city. Yes, Mayor Duerr was hamstrung with the amount of debt, but I think that if we look at it, it was very different in terms of the proposal that this government is putting forward on debt to GDP. I don't know what the figure was that Klein had raised debt to in Calgary, but it was not the same as today. We are starting from a better fundamental place, with no net debt in this province. We have a plan before this province that will support programs, services, capital investments and bring us back to balance in 2019-2020, which is what we will do.

Thank you.

The Deputy Speaker: The hon. President of Treasury Board and Minister of Finance has moved third reading of Bill 9, Appropriation Act, 2015.

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

[Several members rose calling for a division. The division bell was rung at 12:03 p.m.]

[One minute having elapsed, the Assembly divided]

[The Deputy Speaker in the chair]

For the motion:

Carson	Hinkley	Payne
Ceci	Horne	Phillips
Connolly	Kazim	Renaud
Coolahan	Kleinstauber	Rosendahl
Cortes-Vargas	Littlewood	Sabir
Dach	Loyola	Schmidt
Dang	Luff	Schreiner
Drever	Malkinson	Shepherd
Eggen	Mason	Sucha
Feehan	McLean	Sweet
Fitzpatrick	Miller	Turner
Ganley	Miranda	Westhead
Goehring	Nielsen	Woollard
Gray	Notley	

Against the motion:

Aheer	Hanson	Pitt
Anderson, W.	Hunter	Rodney
Clark	Jansen	Schneider
Cooper	Jean	Smith
Cyr	Loewen	Starke
Drysdale	MacIntyre	Strankman
Ellis	McIver	Swann
Fildebrandt	Nixon	Taylor
Gotfried	Orr	van Dijken

Totals: For – 41 Against – 27

[Motion carried; Bill 9 read a third time]

The Deputy Speaker: Hon. members, the House now stands adjourned.

[The Assembly adjourned at 12:08 p.m. to 1:30 p.m.]

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