

Thank you for coming today.

The speech from the Premier today was a chance to address the very real concerns of job creators, of small business owners in Canada and Alberta to get us back on track. I've met with the Calgary Chamber of Commerce, the Edmonton Chamber of Commerce, chambers of commerce and business leaders across Alberta, and they're worried. They're trying to keep the lights on right now, trying to continue operating, and trying not to lay off their employees as much as they can.

But they're not investing right now, because they're uncertain about the direction of this province.

The Premier spent the last week on a junket around the Eastern provinces, then managed to repeat that same message here today. This was a chance to add something new to the conversation, something of substance, and that was missing.

The Premier said we would be the lowest tax jurisdiction in Canada. That is not true. As of October 1st, Alberta no longer has the lowest business tax rate in the country, Alberta no longer has the lowest income tax rate in the country. A 50% increase to personal income taxes and a 20% increase to business taxes is not a recipe for competitiveness.

She dropped hints about a large spending program which would only accentuate the massive deficit the province already has and has already been running. This was merely an opportunity for the Premier to invite business leaders to vote for Thomas Mulcair. And I've got to say, inviting business leaders in Calgary to vote for Thomas Mulcair is like the fox inviting the hen to dinner. It's a bizarre thing to do in a place that I think is rightfully worried about what NDP on two levels of government would mean.

We didn't hear much new from the Premier today, it was more ho-hum. It was a message trying to tell business owners and job creators to settle down and to be calm, that the sky is not falling, but she provided no details around that.

What makes you think that she was out there stumping for Mulcair? She called everybody the Prime Minister at one point.

Well, you know, the Premier said that she'll work with whoever the Prime Minister is, and of course the Premier has to do that, just as the Prime Minister has to work with whoever the Premier is. But it was certainly an endorsement for a potential Prime Minister Mulcair.

All we've from the government over the summer is carrying the water for the federal NDP party. Be it trying to bizarrely get business owners and business leaders in Calgary to vote for Thomas Mulcair or delaying the provincial budget until after the federal election so that people can't point to a record for the NDP anywhere on fiscal issues, or not endorsing the TPP - the Trans-Pacific Partnership.

The Premier talked about the need to create jobs and get our economy moving. Well, there's one thing the Premier can do today which she didn't, and that would be to endorse the Trans-Pacific Partnership trade deal.

A deal that is all win, no lose for Alberta, something that would be our economy moving.

Right now, beef producers trying to export to Japan pay about 38-50% in tariffs. That would come down to 8% in tariffs or even zero in many cases. That is something the Premier could do tomorrow, but

instead she's trying not to embarrass the federal NDP leader, and our Premier is being silent on an issue that could stimulate our economy right now.

They provided more information on job creation earlier in the summer, with numbers. And today in the showcase opportunity to the business leaders there were no numbers and she just made vague references to job creation. Do you see that as a function of trying to keep the lid on to the budget, or not saying anything that could be interpreted as controversial in the federal election campaign?

Well being fair to the Premier, she's not going to announce the details of the entire budget today. But she had the opportunity to put some meat on the bone, or provide any kind of superstructure of detail period, something she didn't do.

The so-called job-creation programs they've been floating before are really just robbing Peter to pay Paul. The idea that you're going to take money from one business and hand it to another to try and fund a so-called job-creation scheme that will just run up the provincial deficit in the meantime is non-sensical.

So if they're backing away from that, then that's positive. But we've seen no details whatsoever right now.

You guys put out a release about their China trip today. What do you actually want to see the government do on this trade mission?

Before we get to China, I think our government should probably reach out to Saskatchewan, a little more closer to home here.

The China trip is an opportunity to show that we're open for business, open for investment, for direct foreign capital investment - something we desperately need right now. Nobody is investing capital expenditures into Alberta right now, businesses are trying to keep the lights on and continue operating without laying their employees off. But we're not getting the capital investment we need. And that needs to come not just from here in Canada or in other provinces but from other countries.

And so the Minister has an opportunity to show we're open for business there. But it's got to be more than the Premier's trip across Eastern Canada, which really just said: we're open for business but continuing on with policies that are going to hurt businesses.

Does Wildrose support lifting the restrictions on Chinese state-owned enterprises investing in the oil sands that the federal government introduced?

When it comes to restrictions on state-owned enterprises it certainly is a different kettle of fish than private enterprises, and they should be treated differently. We should always welcome direct foreign investment, but there are real serious security concerns and national interest concerns if it's a state-owned enterprise. The position of the Wildrose is that we support the federal government's position around those restrictions, and would work with them as it's an area under direct federal jurisdiction.

What do think of the reception that the Premier received here from the lunch audience? Because even at the end of her Q&A she herself commented on how incredibly quiet it had been through the entire affair.

Calgarians are a polite folk. And I think that politeness was demonstrated in abundance today.

What do you mean, politeness was demonstrated?

This is not a business-friendly government. We've heard some business-friendly rhetoric, finally, but we've not seen business-friendly actions. It's a party that is instinctively anti-business and anti-capitalist.

Obviously a room full of business leaders is not perhaps her core audience. But you have to work with the government you have, and you need to be polite and civil to those who you might disagree with, because you still have to work with them at the end of the day. And I think Calgary business leaders at the Chamber of Commerce conducted themselves with dignity today.

That being said, you just mentioned you have to work with the government you have, have you kind of already made up your mind on where the NDP is going, or are you still willing to wait and see what happens in the actual budget? Or do you feel like you've seen enough?

Well, the question is, has the NDP decided where it's going? We're trying to be helpful and constructive with this government, we want this government to succeed. Just because we want to form government at the next election does not mean we want the government today to fail. We want to succeed, we're trying to be helpful and we're trying to be constructive.

On May 6th, I thought that this would be a center-left government that would govern like Roy Romanov. This is Alberta for goodness sakes, you can't govern like the BC NDP. I've been proven wrong so far at nearly every turn, where we've seen hardcore ideological decisions in the face of the facts, in the face of evidence, going directly against it at nearly every turn.

What's an example of that?

Well the minimum wage...

But she campaigned on that, what's something that would come as a surprise?

The NDP platform was never intended to ever be implemented. The NDP platform was a hardcore ideological document which was meant, in opposition, to pull who everybody expected to win the election, at least when the writ was dropped, in a particular direction. It was meant to make an ideological point, and to pull the government in a direction. It was never actually meant to be implemented as real policy.

How can you say that? You're the opposition, isn't that up to the NDP to decide their strategy? I'm confused, why do you think you know what their strategy was?

I don't. I think Rachel Notley herself said that she was not confident or even really expecting to win government when she became the leader of the NDP. And she's the Premier, she can do as she likes. We're a party, we're a caucus, that is grounded in solid economic facts, that is not going to engage in risky economic theories and experiments. The NDP are going to do whatever they like at the end of day, but virtually every credible economic study shows that raising the minimum wage, while well-intended, has very harmful economic side effects.

We've seen it at so many turns, with the royalty review, on many cases. But at the end of the day we're still going to see what the budget is. We're not going to say we're against the budget before we've seen it. But every indication we've seen in the pre-game show is that it's not going to be good for Alberta and Alberta job creators.

She mentioned that the private sector should create jobs, she put the onus on them. But in an environment where there might be increased taxes, the minimum wage goes up, there's a royalty review, etcetera etcetera. How can she expect them to do that in an uncertain environment?

I was pleased to see the Premier say that the private sector creates jobs not government. That's just facts. It'll be borne out if she does this in reality. Will her actions reflect her rhetoric? So far we haven't seen that.

It's hard for job creators to create jobs when you increase taxes by 20% on them, when you bring in a royalty review just when the oil industry is on its knees, when you raise the top personal marginal income tax rate by 50%, and you leave the door open to even more tax increases, well beyond the commitments in their election platform.

We're pleased to see that the Premier, rhetorically at least, says that businesses create jobs. We'll see in the budget if she does that in substance.

Did you hear anything in the speech that you think will reassure Calgary and Alberta businesses going forward? Since she was talking to, the speech was written for a Calgary business crowd, do you think there's any come-away, any positive reassurance in the speech that you heard, on any topic?

Well to be fair there was some rhetoric that would move in the right direction, like saying that businesses create jobs not government. I couldn't agree more with the Premier.

But this is going to come down to does her actions in the budget reflect the rhetoric in today's speech? Today's speech was really just the rehash of the speech that she gave to her friends down East. Didn't put any details before Albertans, other than to encourage business leaders to vote for Thomas Mulcair.

Based on everything you've heard, what's your projection for the deficit? Where do you think that number is finally going to end up?

I've been arguing about how big deficits are for years. The right way to calculate the deficit is not just merely your operational expenditures versus revenues, it's your net change in financial assets. So at the first quarter fiscal update, the deficit was at a projected \$9.1B for this fiscal year.

I expect it to be in that range unless we see new spending measures above and beyond what we saw in the mini-budget, the interim supply bill that was passed in the spring session. I certainly am expecting them to increase spending beyond what they said they would do in their platform at this point. Again, we're going to have to wait to see the details of that.

Right now we're looking at a \$9.1B deficit, which is twice the size of the next largest in Alberta's history, run by Don Getty. But that will grow considerably if we see new spending programs beyond what was in their platform.

What's the impact of the \$9.1B deficit?

This will erase our net fiscal position as a non-debtor province. We already have a debt that is right now about \$15B. The Tories ran up \$15B of debt, they wiped out \$18B in our rainy day fund, but netted against the heritage fund and our other savings that has still kept us in a net positive position. A \$9.1B deficit will move us into a net negative position, likely this fiscal year. If not this year, then certainly the next.

Has Notley invited you in to discuss and consult on the budget?

No, we've had no invitation to provide any input whatsoever to the budget. I certainly listen to people who don't agree with me, surely there's enough of them. When I was at Canadian Taxpayers Federation, for the first year in the 25 year history of that organization the PC minister, Doug Horner, refused to meet with me when I was there. Some governments can't handle criticism, they can't handle talking with anyone they disagree with. The finance minister refuses to meet with my successor at the CTF this year, and certainly hasn't invited us to speak with him this year. If invited I'll certainly be happy to share some thoughts.

Have you asked if you could go? Have you asked for a meeting?

No. Most of the stakeholders are invited to participate in their own way. So far we haven't seen the government reaching out on these issues. Frankly, I don't think there's going to be much that we would find to agree on in the budget. I've spoken with Minister Ceci, before the interim supply bill, we chatted, I tried to put forward some basic common sense measures that were non-ideological, they weren't left they weren't right, they were just about accountability and smarter ways to spend money. So far we've seen no pick-up on even those kinds of issues.

Thanks a lot guys.