

## Legislative Assembly of Alberta

Title: **Thursday, April 23, 1992**

2:30 p.m.

Date: 92/04/23

[Mr. Speaker in the Chair]

head: **Prayers**

MR. SPEAKER: Let us pray.

As Canadians and as Albertans we give thanks for the precious gifts of freedom and peace which we enjoy.

As Members of this Legislative Assembly we rededicate ourselves to the valued traditions of parliamentary democracy as a means of serving our province and our country.

Amen.

head: **Presenting Petitions**

MRS. GAGNON: I'd like to present a petition from 16 teachers from Connaught community school in Calgary. They wish a positive solution to resolution 226/91.

MR. JONSON: Mr. Speaker, on behalf of the hon. Minister of Energy I wish to present petitions from nine schools in the Calgary-Montrose constituency with the names of 222 teachers. These petitions deal with matters related to the Teachers' Retirement Fund issue.

MR. SPEAKER: Edmonton-Strathcona.

MR. CHIVERS: Mr. Speaker, thank you. I have for filing with the Assembly a petition from 31 Albertans regarding the Bench Insurance matter calling upon the government to institute regulatory safeguards and standards and to provide compensation to the victims of the Bench Insurance scam.

head: **Notices of Motions**

MR. CHIVERS: Mr. Speaker, it is my intention immediately after question period to raise under Standing Order 40 the following motion:

Be it resolved that the Legislative Assembly immediately establish an independent commission to review and make recommendations with respect to remuneration and allowances for MLAs.

MR. DECORE: Mr. Speaker, it's my intention under Standing Order 40 to deal with the following resolution after question period:

Be it resolved that the Legislative Assembly adjourn all normal business for 10 sitting days in order to exclusively deal with the urgent and pressing matter of the accumulating provincial debt.

head: **Introduction of Bills**

### Bill 235

#### Non-Degradation of Water Quality Act

MR. BRUSEKER: Mr. Speaker, I would like to introduce Bill 235, the Non-Degradation of Water Quality Act.

Mr. Speaker, this Bill would prevent the degradation of surface water and groundwater in Alberta by prohibiting the release of waters which are of lower quality than the water into which they are being released.

[Leave granted; Bill 235 read a first time]

head: **Tabling Returns and Reports**

MR. GETTY: Mr. Speaker, during the course of particularly, I guess, the Easter break there was interest and concern expressed by members of the Assembly and Albertans regarding the matter of the members' capital residence allowance. I'd like to table with the House a copy of my letter of April 16 to the hon. Speaker as chairman of the all-party Members' Services Committee, then a copy of the memo from the chairman of the Members' Services Committee to the members of the committee to deal with the matter in a meeting, and then with permission from you, Mr. Speaker, a copy of a memo to me from you, which is really private correspondence, where you say that you will call the meeting and are contacting the members of the committee. I thought all members would be interested in these documents.

MS BETKOWSKI: Mr. Speaker, I'm pleased to table responses to written questions 207, 213, and 332 as well as the response to Motion for a Return 223.

MR. GOGO: Mr. Speaker, I'm pleased to table the 1990-1991 annual reports for the following institutions: Athabasca University, Banff Centre for Continuing Education, and the University of Calgary.

MR. SPEAKER: Edmonton-Jasper Place.

MR. McINNIS: Thank you, Mr. Speaker. I wish to file two documents. The first is by the Portland Cement Association in the United States entitled Managing Waste: The Cement Kiln Alternative. The second is a document by the Canadian Portland Cement Association entitled The Cement Industry's Contribution to Canada's Green Plan, which includes a chapter on incineration of waste in cement kilns.

head: **Introduction of Special Guests**

MR. SPEAKER: The Minister of Culture and Multiculturalism, followed by Calgary-Millican.

MR. MAIN: Thank you, Mr. Speaker. I'd like to take this opportunity to apologize to 27 visitors from Riverbend junior high school for being unable to attend the photo session, but perhaps members of the Assembly would help me offer an apology by offering the group, including their teacher Mike Suderman, a warm welcome. They're in both galleries.

MR. SPEAKER: Calgary-Millican.

MR. SHRAKE: Thank you, Mr. Speaker. On behalf of the Hon. Elaine McCoy, the good MLA for Calgary-West, I take great delight today in introducing 36 students from one of Calgary's fine schools, the Calgary Christian school. They're accompanied by two of their teachers, Mr. Stan Hielema and Mrs. Meina Konynenbelt. They also have with them one of the parents who is also the bus driver, Grace Visser. They're sitting in the members' gallery, and I'd like them to stand and please accept the warm traditional welcome of the Legislature.

MR. CHIVERS: Mr. Speaker, it's my pleasure today to introduce to you and to the Assembly more than a dozen members of a group formed to deal with the Bench Insurance scandal. They are in the members' gallery with Mr. Del Steeves. I'd ask that they rise and be recognized by the Assembly.

MR. SPEAKER: Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Speaker. It's my pleasure today to introduce to you and to the Assembly 12 visitors from Coralwood Junior Academy. They are accompanied by their teachers Tony Reeves and Marilynn Nenninger. They are in the members' gallery. I would request that they stand and receive the warm welcome of the Assembly.

2:40

MR. SPEAKER: The Minister of Municipal Affairs.

MR. FOWLER: Thank you, Mr. Speaker. For similar reasons I was unable to attend the photo session with this group. I would like to introduce to you from the Albert Lacombe elementary school in St. Albert 58 students accompanied by their two teachers, Mr. Ken Kordyback and Mr. Ernie Klita. I would ask that they rise in the public gallery and receive the traditional welcome of this Assembly.

head:

### Oral Question Period

#### MLA Remuneration

MR. MARTIN: Mr. Speaker, as you are aware, all MLAs' reputations have been tarnished over the question of subsistence allowances in the past week. Because this government has been unwilling to submit the matter of MLAs' salaries, benefits, allowances to an independent commission, once again politicians have been publicly castigated for their behaviour. Now we have the Premier asking the Members' Services Committee to look into the matter once again. This illustrates the problem. My question to the Premier is simply this: how can the Premier justify having MLAs look into their own subsistence allowances when it was this process that led to the problem in the first place?

MR. GETTY: I don't agree with the hon. member at all. I think there's nothing wrong with people who have been elected by the people of Alberta to represent them here in this Legislature being able to deal with this matter. Now, on a longer term basis I have an open mind in terms of whether or not independent assessment, evaluation, and advice helps. Members know that in the end, either by regulation or by legislation, you have to do the final Act here in the Legislature. So referring the matter to the all-party Members' Services Committee when there was indecision by some members I thought was certainly appropriate, and I would hope, as per your response, Mr. Speaker, that the committee could meet and give us some advice.

MR. MARTIN: Mr. Speaker, again I should say to you and to the Premier that MLAs investigating their own benefits is not going to wash with the public. It's gone too far for that.

Now, Mr. Speaker, I think the basic principle here, the one that we've advocated, is that nobody, but nobody, should be reviewing their own remuneration and making those decisions. That's a fundamental principle. The Premier said that he has an open mind on this thing. My second question is brief: will the Premier now appoint an independent commission to review MLAs' salaries, benefits, and allowances? Forget about MLAs looking after MLAs.

MR. GETTY: Mr. Speaker, I actually dealt with the hon. member's question in my initial reply. I should also remind him that one of the things that would be extremely strange is to get a group of people looking at members' indemnities when they've

been frozen. I mean, that hardly seems to be the time to start getting someone to look at them, presumably perhaps to recommend an increase. We're freezing them.

MR. MARTIN: The Premier's stubbornness on this issue is hurting all of us, Mr. Speaker. It has little to do with whether our salaries are frozen or anything else. The public finds it offensive that MLAs set their own conditions of work and their own remuneration. That's what the problem is. My question to the Premier is simply: does the Premier not understand that it is fundamentally wrong for MLAs to be setting their own compensation? That's what the issue's all about.

MR. GETTY: Mr. Speaker, I fully understand the position the hon. member's taken. I've experienced as a member of this Legislature both, independent reviews and Members' Services reviews, and I think generally they've been fair and reasonable. I don't understand why the hon. member feels that this House, the elected members, should not finally set the indemnity. I remind him that that has to happen. The advice finally has to be picked up by members of this Assembly. I mean, you have to finally have the courage to make the decision and pass it in this House. Now, some people don't have that courage, but I think it's one of the responsibilities you take on as a member of this Assembly.

MR. MARTIN: Courage to set your own salary. That's why we have this problem, Mr. Speaker. [interjections]

#### Olympia & York Developments Limited

MR. MARTIN: My second question, because he's yelling over there, is to the Minister of Public Works, Supply and Services. Mr. Speaker, this government has run from the deficit this past week, but it can't hide. No matter how much this government pretends it's okay, Albertans are still faced with the frightening prospect of a \$15 billion debt that will have to be paid someday. So let's look at some of the reasons for the deficit. We see in the most recent public accounts that the government paid Olympia & York \$9.5 million for office space in downtown Edmonton. Now, that works out to approximately \$24 per square foot, or twice the going rate of similar accommodation in downtown Edmonton. How does the minister of public works now justify this inflated rental rate to Alberta taxpayers, who are faced with paying off a \$15 billion deficit because of this government's mismanagement?

MR. KOWALSKI: Mr. Speaker, the contract with Olympia & York was signed in the mid-1980s. It was signed at a time when the whole concept, of course, was revitalization here in the city of Edmonton, and it was a very welcomed approach. There are a number of questions on the Order Paper that I think will probably be raised dealing with some specifics with respect to these contracts. Perhaps when there's ample opportunity for greater debate with respect to it, we'll have an opportunity in the House to deal with it then.

MR. MARTIN: We just dealt with the budget. We have a burgeoning deficit, and we've got to get down to why we have this burgeoning deficit, Mr. Speaker.

If you recall, this was cooked up by Les Mabbott, chairman of the Premier's Conservative leadership campaign in 1986. Instead of renting at the time and where there was vacant office space, the government went in above market value – it was not tendered – and made this deal. My question simply to the minister: isn't it true that the reason taxpayers are paying double for this lease is because of this government's cozy deals with its friends?

MR. KOWALSKI: Mr. Speaker, I repeat that on the Order Paper there is a series of questions dealing with that leasing arrangement, that was signed six or seven years ago. As I recall, it was signed in market conditions of the day. Market conditions do change, as times do change as well, and what was signed in the mid-1980s dealt with the principle of market conditions at that time.

MR. MARTIN: That is absolute nonsense. The minister at the time admitted that there was a higher vacancy rate. He said that by 1990 – I have it quoted here – he hoped it would be around the market rate, so don't try to get around it that way.

Mr. Speaker, my question to the minister is simply this. Clearly this was a mistake costing us millions of dollars. Will the minister at least commit himself now to renegotiating this deal so we can save some badly needed tax dollars?

MR. KOWALSKI: Mr. Speaker, let me repeat it again. The hon. gentleman who functions as the Leader of the Opposition is making the statement that it's a bad deal. The minister of the Crown has basically indicated that it was signed during market conditions at the time it was signed. It's now 1992; a contract was signed in 1985 or 1986. So you have a difference of opinion.

We have on the Order Paper an opportunity for further debate during this session with respect to this, and if the Assembly agrees for the tabling of these documents with respect to the contractual obligations, the Minister of Public Works, Supply and Services will provide them. Then I would think the Leader of the Opposition would be very clear in his understanding of this matter. His understanding today I think is a little less than the truth.

#### **MLA Remuneration** (continued)

MR. DECORE: There is a cloud over this Assembly with respect to how Albertans see us in light of members of this Assembly taking pay and allowances, and I think Albertans will see that the Premier's action is simply one of sweeping the matter under the rug. I don't want that for members on the government side or in the NDP caucus or in my own caucus, and I try to offer constructive advice on what I think is a very, very serious situation. Mr. Speaker, I welcome the fact that the Premier has taken some action, but I agree with the comments that have been made by the hon. Leader of the Opposition that it's gone beyond a point where it's become very serious. Will the Premier commit not only to the action that he has taken but to introducing legislation and resolutions that will establish an independent commission of Albertans that will work in concert with the committee and that the committee and this Assembly will be bound by the final decisions of that independent commission?

2:50

MR. GETTY: Mr. Speaker, I'd say to the hon. member that I understand the intent of his question, but it was the one already dealt with for the Leader of the Opposition. Could I just draw his attention to the fact that what he'd be saying is: have an independent group and regardless of whether it's too much for the members to accept, say blindly that we'll accept. That's the point I was making with the Leader of the Opposition. In order to handle these matters, regardless of the advice you get from every direction, the members of the Legislature finally have to take the actions that are necessary to put it in place.

MR. DECORE: Cap or no cap there are questionable practices that are going on, and to simply have members who are benefiting

from those questionable practices sitting in judgment on those questionable practices is not the way to solve this serious problem.

So I ask again: will the Premier commit to legislation that will bind every member of this Assembly to the decisions of a final, independent tribunal working in concert? I think it needs to come to that, Mr. Premier.

MR. GETTY: Mr. Speaker, in a way this is the same line of thinking. The members of the Assembly, who are elected by the people of Alberta to make the final decisions here, to accept the responsibility, would have to judge whether the tribunal made a good or bad recommendation. Even if it's terrible, even if it's double whatever the current allowances and everything, we would be forced to take that and make it legislation. Surely the hon. member isn't taking that position.

In the end, Mr. Speaker, as I've said, I've experienced both independent commissions and Members' Services. They've tended to be relatively fair. I've told the Leader of the Opposition that I have an open mind in terms of longer-term indemnities for members, that that type of advice might very well be helpful. I also can't anticipate what the Members' Services Committee is going to recommend to us. We don't know. They may recommend some solutions, some proposals that none of the members here are currently contemplating. Those are things that I really appreciate. It's an all-party Members' Services Committee. I'm pleased that they are going to be meeting, and I hope they can help the House with this matter that's currently before us.

MR. DECORE: I appreciate the comments the Premier has made, that the final decision is a decision of this Assembly, but, Mr. Premier, we need to show some leadership, much stronger leadership. We have to go a lot further than the leadership that you are showing and that your government is showing. I'm asking again, Mr. Premier: will you agree to commit all of the members of your party – I commit mine – to be bound and to have legislation that will bind this Assembly on the decisions that are made by that independent commission? I think we have to do that, Mr. Premier, and I'm calling and pleading with you to do that.

MR. GETTY: Well, Mr. Speaker, the hon. member I think has repeated his question for the third time. But could I say to him that that is not leadership; that's an abdication of responsibility. That's what that is.

#### **Young Offenders**

MRS. MIROSH: In Calgary there has been increasing concern expressed regarding young offenders, whose crimes are on the rise. They're rising each year by 30 percent in total, but the violent crimes are rising at 75 percent. Mr. Speaker, stats have indicated that young people committing these crimes are between 15 and 18 years of age. It appears also that 50 percent of these young people have been repeat offenders. Albertans feel that their penalties for these crimes are not severe enough and should be attended to. My question to the Solicitor General is: can the minister indicate what his department is doing to address this very serious situation?

DR. WEST: Mr. Speaker, the question is directed to a very serious problem within our society today. As I look at some of the headlines – Society Victim of Young Offenders Act, Rash of Joyriders Setting Cars on Fire, and Courts Get Tough with Teen Car Theft – and the number of calls and the number of reports that I'm getting with concerns from Albertans, I have a deep

concern myself. I have asked my department to review the young offenders' programs as well as to make representation to the federal government about the Young Offenders Act. As an example of some of the things that are going on, I see for December '91 and January and February '92 that car thefts have increased in Calgary alone by 1,300 stolen vehicles in three months, in Edmonton 615 stolen vehicles. I am concerned about that, and I'm going to ask for a review of our penalty systems that will entail a look at wilderness camps with work orientation. I'm going to look at home custody reviews, alternative measures, working with community service to redirect different offenders to pay back society, community justice committees and their roles, representation to the federal government, consideration of the victims so often forgotten . . .

MR. SPEAKER: Thank you, hon. minister. Save some for your supplementary.

MRS. MIROSH: Mr. Speaker, the Young Offenders Act is of course a federal jurisdiction. My supplementary is to the Attorney General. People of Alberta are asking this government for protection from these young people and these vicious crimes, and they want assurance that the penalties fit the crime. Can the Attorney General address this Assembly with regards to his correspondence with the Justice minister, Kim Campbell?

MR. ROSTAD: Mr. Speaker, I've been through a series of Justice ministers' meetings across Canada. The Young Offenders Act has been on the agenda and has been heavily discussed, and there's been strong representation from all provinces that there is a need to readdress a number of elements in the Young Offenders Act. We have had agreement by numerous ministers of Justice federally that action would be taken. In fact, there are a couple of amendments before the House of Commons right now, but as ministers keep changing there, everybody has to get up to speed again, and we haven't had the alacrity that is needed.

MR. SPEAKER: Edmonton-Belmont, followed by Calgary-North West.

#### Research Council

MR. SIGURDSON: Thank you, Mr. Speaker. My question is to the Premier. The Premier has as recently as March 26 of this year spoken of the need to go beyond the traditional view of job creation by investing in a knowledge infrastructure, and that's a most laudable goal. Earlier this week we were saddened to learn that the Alberta Research Council will be reducing their staff by 10 percent because of short-term cash flow problems related to the current economic conditions. I would like to ask the Premier: how can he justify these cuts when it's essential that Alberta diversify its economy so that we're no longer just hewers of wood and drawers of water?

MR. GETTY: Mr. Speaker, the minister responsible for the Research Council isn't here. The acting minister is. I'll take his question as notice for the hon. minister.

I have to point out to the member that nobody likes it when the economy is down. The Research Council has been obtaining a certain portion of their revenue from contracts with the private sector, and when the private sector steps back, then there's an impact. There has to be. We cannot automatically ask the taxpayers to step into that void. We went through the process just last week of pointing out the financial restrictions that we face.

We feel, as a matter of fact, that now is the time to relieve the burden on taxpayers and are proposing a tax cut for Albertans. The hon. member is now immediately assuming the position that members of the opposition have continually over the years here, and that is to spend more, but we just can't do it.

3:00

MR. SIGURDSON: Mr. Speaker, I'd like to point out to the Premier that in the budget that was just released there was a 12.6 percent increase in the budget for the Alberta Research Council. It's taken years to build up the expertise of the pool of talent at the Alberta Research Council, and if indeed the economic conditions we're currently suffering are short term, we will have lost in a moment's notice what has taken years to build up. So I would like to direct my supplementary question to the chairman of the Alberta Research Council and ask him how much money of the 12.6 percent increase that was directed to the Alberta Research Council was dedicated to attracting the private sector to develop high-tech jobs for Albertans?

MR. BRADLEY: Mr. Speaker, I'm very pleased to respond to the question of the hon. member. The Research Council has had a budget in which we have shared, with the province of Alberta's grant, contract revenue from the private sector and other sources. The situation we find ourselves in is that in the last fiscal year our contract revenue was down \$4.5 million from our projections, and the same factor we find this year is that our contract revenue is again going to have a shortfall. In terms of the funds which the Legislature is being asked to give to the Research Council in this fiscal year, the provincial grant has increased. In fact, the base grant has had a small increase. The total 12.6 percent also includes funding for continuing the Chembiomed research. The Research Council is very appreciative of the funding of this government, the fact that our base grant has continued at the same rate with a slight increase for this fiscal year, but we find the circumstance is that the private-sector research has decreased.

In terms of working with the private sector, a number of our programs are related to working with the private sector in terms of joint research ventures and other types of contracts with them, and our efforts will continue in that direction. We see the Research Council as being very critical in terms of the long-term economic strategy of this province. We find ourselves regrettably having to make these reductions today, but we believe the Research Council will be in a stronger position in the future to respond to privatesector initiatives.

MR. SPEAKER: Calgary-North West, followed by Lesser Slave Lake.

#### Northern Steel Inc.

MR. BRUSEKER: Thank you, Mr. Speaker. My question today is to the hon. Treasurer. Steel industry experts anticipate that the secured creditors of Northern Steel will probably lose a million dollars of their investment. The Alberta government is an unsecured creditor. Since that's the case, do we stand to lose all of the \$14 million we've invested in that company?

MR. ELZINGA: Mr. Speaker, I'm more than happy to report to the hon. Member for Calgary-North West information that I've shared with this House on a fairly consistent basis. The reason for our involvement was that this was the largest steel fabricator in Alberta; it employed a good number of people. We were going through an economic downturn, and we felt we had an obligation

as the government to provide employment as best we could so that people could have meaningful jobs.

I also indicated to the hon. member that because of the financial difficulties they were facing, they went into receivership. This is in the hands of the receiver, and at the time the receiver does give us a full report, we will be very happy to share that information with the people of Alberta.

MR. BRUSEKER: Well, my supplementary then. Since the budget only shows \$6 million allocated for losses on loan guarantees and the losses on Northern Steel stand to be substantially more, where do you anticipate getting the extra money to fund that loss?

MR. JOHNSTON: Mr. Speaker, what we had to do was make an estimate with respect to the provision for losses. As I've explained to the House – and I'd be glad to do it again – on many occasions either on estimates or consideration of the Treasury Department votes, we have adjusted the way in which we recognize losses of our guarantees. Northern Steel at the date of last year was recognized as a provisional loss of about \$6 million, and it is reflected in the year ended March 31, '91, as a provision. Accordingly, any adjustments which may take place to that loss, should it be above or below the \$6 million, will be accounted for in the '92 year.

MR. SPEAKER: Lesser Slave Lake, followed by Stony Plain.

#### Education Quality

MS CALAHASEN: Thank you, Mr. Speaker. Approximately a couple of weeks ago the Minister of Education stood in this Assembly and talked about an increased focus on results. Well, teachers in my constituency are concerned about the minister's preoccupation with results. They believe this means tests, tests, tests. I also have in my hand a clipping from the *ATA News* that says that the minister is not paying attention to teachers' concerns about testing. Will the minister give teachers in my constituency his assurance that he is not out to test them and the kids to death?

MR. DINNING: Well, I most definitely can give the hon. member and her teachers that assurance. The primary purpose behind our evaluation system, Mr. Speaker, is to know how well our students are achieving, how well they're learning, whether it's mathematics or whether it's reading or whether it's science or whether it's defining and solving problems creatively. I say that the more we learn from evaluation, let's celebrate those results but, of equal importance, know where we need to exert more effort so that kids learn better in school.

Evaluation is most definitely an ongoing part of a teacher's responsibility day to day, week to week, month to month, but it's not just the exclusive domain of teachers to undertake that evaluation. It's also up to boards of education across this province, who are responsible for spending \$2.7 billion this year. I think it's important that boards ask their officials and ask their teachers what kind of results they're achieving. How well are their kids learning?

It's also our responsibility, Mr. Speaker, as the Minister of Education and as a government to know what we have to do to improve the quality of education that goes on in the classroom and also to be able to show taxpayers and parents how well kids are learning and how well those dollars that taxpayers are investing in education are being spent.

MS CALAHASEN: That's all fine and dandy, Mr. Speaker, but the Minister of Education spends approximately \$7 million a year

on testing and evaluation. The taxpayers are concerned about this money. Can the minister assure this Assembly that the education system is better off for this \$7 million expenditure?

MR. DINNING: You bet it is, because we're talking about \$7 million that's being spent in a \$2.7 billion system. Let's look at where we're spending that \$7 million. We're not only focusing on achievement tests in grades 3, 6, and 9, but we're talking about diagnostic testing to help teachers identify where kids are having problems in grades 1 to 6 in reading and in mathematics and a newly developed diagnostic testing program for grades 7 through 12 in learning and communication processes for kids in junior and senior high school. We're also talking about diploma examinations for students graduating from grade 12 and getting an Alberta high school diploma.

Mr. Speaker, \$7.3 million this year: that's about \$14 per Alberta student, when in fact we're spending a total of \$5,640 per student across this province today. I'd say that that's a very small but very significant and important investment in the long-term improvement of how well kids do in our schools.

MR. SPEAKER: Stony Plain.

#### Distance Learning Centre

MR. WOLOSHYN: Thank you, Mr. Speaker. According to last year's estimates 18 people lost permanent full-time positions in education devoted to the development and delivery of education programs, which include the Alberta Correspondence School, now known as the Distance Learning Centre. Coincidentally, last June, 13 people who were working in wage positions at the Correspondence School as editors, computer operators, clerical staff were told that they had a new employer, the new employer being the *Barrhead Leader* newspaper. To the Minister of Education then: why were these people laid off and forced to take a cut in pay when the newspaper was given a \$2 per hour fee for contracting back these same employees to the Distance Learning Centre?

MR. DINNING: As all Albertans have told us, in the interest of downsizing our government, Mr. Speaker, we have taken that message to heart. Where there are opportunities in the private sector to be devolving that responsibility back out to the private sector so that they can compete and deliver to us a competitively priced, quality service, we will do that. I think that is our responsibility as trustees of the taxpayers' dollars.

MR. WOLOSHYN: That method seems to me to be one of stabbing the poor old employees in the back. They're working for the department one day and for the newspaper the next day. The newspaper rips off 2 bucks an hour to have them work for them. At any rate, Mr. Speaker, on Wednesday the personnel administration office from the Department of Education said that 17 more full-time people will be given layoff slips. Given that the vast majority of the positions are being cut from the same area of the department's budget, will the minister now guarantee that no company or individual will be paid administration fees to employ these people to do the same work for the department once they've been cut off the job? What I'm saying is no more paying for contracting back.

#### 3:10

MR. DINNING: Well, Mr. Speaker, I don't accept the hon. member's contention that there is pain in putting out to the private sector a responsibility or a job that the private sector can do as well if not better than the provincial government. The hon.

member in this case is talking about our estimates, which will be up for debate in the days ahead, but specifically the Department of Education, frankly, for some unknown reason has found itself in the position of running and operating bookstores at the likes of NAIT and SAIT and Lakeland College and the Alberta College of Art. I think that the Learning Resources Distributing Centre under the responsibility of the Department of Education is not the place to be doing that sort of thing. Frankly, I think it should be done by the private sector. That's where the hon. member and I differ from a philosophical point of view. We believe that the bookstores at those three or four colleges should be operated not by the Department of Education, not by the government, and frankly not even by the boards of governors of those four institutions. They should be run by the private sector.

MR. SPEAKER: Edmonton-Jasper Place, followed by Westlock-Sturgeon.

### Waste Management

MR. McINNIS: Thank you, Mr. Speaker. On March 30 I met with two senior managers at the Inland Cement company who informed me that they have had discussions with two different companies who want to build a refuse-derived fuel plant so that they can burn garbage in the cement kiln in my constituency of Edmonton-Jasper Place. Those discussions were confirmed in the newspaper this morning. The proposed plant may be located next door to the cement plant where Waste Management Inc. has just gotten zoning approval to build an 80-metre high berm to cover garbage from the city of Edmonton and surrounding areas, which was recently approved by council. Regardless of the location of this refuse-derived fuel plant, I have a policy question for the minister. I've looked through the Action on Waste documents, and I find that the government's policy encourages the reduction of wastes and the recycling of waste materials, not incineration. I'm wondering if you can tell me why a technical committee chaired by a senior government official, Archie Grover, who was then the Deputy Minister of Municipal Affairs, recommended just such a refuse-derived fuel plant for the city of Edmonton. Is that consistent with government policy or is it not?

MR. KLEIN: Mr. Speaker, I'm not aware of the report, and maybe the hon. member would send me the report that he has. Mr. Grover is not my deputy minister. He's the deputy to the Minister of Municipal Affairs. It's not common for the Deputy Minister of Municipal Affairs to submit a report to the Minister of the Environment. Even you should be able to understand that.

With respect to the situation, I have in hand the press release from the hon. Member for Edmonton-Jasper Place. He talks about a 70-metre tower of trash - 70 metres. That is 28 storeys. That's almost the height of the Manulife building. I know the Manulife building; I had to wave a flag, the Oilers' flag, from the top of that building. It's inconceivable that anyone could build a tower of trash that high. I would suggest that Edmonton city council should have a height restriction on trash.

MR. McINNIS: An amusing anecdote for sure, but it doesn't answer the question. Inland Cement was an unsuccessful bidder to get funding from the tire tax proposed for later this year so they could burn tires in the cement plant. At the same meeting I was informed by the same officials that the company has decided on a one-month trial of tire burning at their own expense and a three-month trial of burning of waste oil. I'm assuming the department has not approved this already, but I would like the assurance of the

minister that he will have public hearings so that my constituents can have some input into the air that they breathe.

MR. KLEIN: Thank you. Mr. Speaker, the hon. member is absolutely right: there have been some test burns relative to tires and used oil. I don't know what has happened with respect to the Department of Health, but certainly there has been no application to the Department of the Environment for refuse-derived fuel. If indeed there is, this will be the subject of a very intensive environmental assessment.

MR. SPEAKER: Westlock-Sturgeon, followed by Calgary-Fish Creek.

MR. McINNIS: So you approved it.

MR. KLEIN: No, we haven't approved anything.

MR. SPEAKER: Thank you, hon. members. We're finished with that exchange.

### Gainers Inc.

MR. TAYLOR: Thank you, Mr. Speaker. The Minister of Agriculture seems to be flirting with the idea of replacing the three independent hog marketing boards of Alberta, Saskatchewan, and Manitoba with a single superboard. To the minister: is the minister using the superboard proposal as another delay tactic to divert attention from the need to put Gainers up for auction to the public sector?

MR. ISLEY: Mr. Speaker, the minister is flirting with any ideas that will rationalize the pork industry in western Canada and turn it into a growth industry again.

MR. TAYLOR: Mr. Speaker, Saskatchewan has already told him, "Not tonight, Josephine," so what's he talking about? Is the minister trying to delay the sale of Gainers until after the next election so that the public does not learn how much money we have poured into this rat hole?

MR. ISLEY: The simple answer to that question from this minister, Mr. Speaker, is no.

MR. SPEAKER: Calgary-Fish Creek, followed by Edmonton-Strathcona.

### Gas Exports to the U.S.

MR. PAYNE: Mr. Speaker, as you may be aware, respected energy analysts in Calgary are predicting that natural gas exports to the United States may possibly hit record highs of close to 2 trillion cubic feet this year. These same analysts are also anticipating improved gas prices as well, and that has to be good news for the oil and gas industry as well as for our own government's revenues. My question this afternoon is to the Acting Minister of Energy. In the natural gas related revenue forecast provided to the Provincial Treasurer in his budget preparations, were these very positive volume and price forecasts taken into account?

MR. HORSMAN: Mr. Speaker, it is difficult for me to answer with precision on that matter because of course, as members will know, the hon. Minister of Energy is leading a mission, today actually, to an OPEC and IPEC meeting in Vienna and then will be going on from there to lead a delegation to the Middle East

with the Alberta companies. So it will be a few days before he's back in the House to deal with this issue with more precision.

I can say that the forecasts which were made public within the last day or so obviously weren't available at that stage of the budget preparation. The Provincial Treasurer may want to supplement this answer, but I can say that in addition to this welcome and hopeful sign, as indicated by the hon. member in his question, I think it's important to note that when the minister returns, he will also have a better reading on the international energy pricing situation as a result of his discussions with both OPEC and IPEC, which of course is the Independent Petroleum Exporting Countries of the world, of which Alberta is an associate member.

I would therefore have to take the question really as notice, but perhaps my colleague the Provincial Treasurer might be able to give more response to the actual data which were taken into consideration in the budget forecast.

MR. SPEAKER: Supplementary, Calgary . . . [interjection] No, thank you, hon. Provincial Treasurer. Love to hear you, but . . .

Calgary-Fish Creek.

MR. PAYNE: Well, Mr. Speaker, the Leader of the Opposition and I both love to hear the Provincial Treasurer; therefore, I would like to direct a supplementary question to him. Declining natural gas revenues were, of course, a major factor in the deficit experienced in the 1991-92 fiscal year. Is the Provincial Treasurer in a position to comment on the extent to which these buoyant revenue forecasts will assist on the revenue side of his '92-93 budget?

3:20

MR. JOHNSTON: Mr. Speaker, it's probably a little too soon to go from caution to ebullience in terms of forecasting what's happening in the natural gas market, but there are some very important factors that need to be considered here. The gas market, of course, is only a North American gas market, and Alberta is one of the largest producers on the supply side for both Canada and the United States. Over the course of 1991 you'll find that the demand in the United States for natural gas has increased by about 4 and a half percent, and the demand for Alberta and Canadian gas into that export market has increased about 8 and a half percent to 1.6 trillion cubic feet of natural gas. By all estimates we expect that the volume of natural gas will expand considerably through '92 and '93. What is easier to predict is, of course, the volume; what is more difficult and somewhat treacherous, as we have seen last year, is to predict the price.

Now, what we can say, Mr. Speaker, if you look at the markets carefully for the demand for natural gas in the United States is that the three sides - Texas, Oklahoma, and the Gulf coast-Louisiana area - are in fact reducing their supply of natural gas by about 4 percent per annum. Secondly, in terms of fundamentals the number of wells drilled and rigs active right now is down to a 50-year low in the United States. That simply means that you have a collision of supply and demand taking place in the United States. What remains to be seen is: at what point does the so-called American gas bubble disappear, and at what point does the pressure on demand against the supply that's available domestically in the United States start to compress and show up on the price side?

We expect that through '92 the industry will operate at about 92 percent of efficiency; that is to say, it's producibility to deliverability will be running at about 92 percent. That bodes well on the price side. More recently, the price of natural gas on the markets improved in March, trading now about \$1.30 to \$1.35.

So fundamentally Alberta is in a very good position to supply as expanded pipelines come on stream and the price is firming as a . . .

MR. SPEAKER: Thank you. Thank you.

Edmonton-Strathcona, followed by Calgary-McKnight.

#### Bench Insurance Agencies Ltd.

MR. CHIVERS: Thank you, Mr. Speaker. My question is for the Minister of Consumer and Corporate Affairs. At a recent meeting with the victims of the Bench Insurance fraud Mr. Dave Hudson of the minister's office acknowledged that the department was aware of the situation for some time before acting to warn the policyholders that their policies were worthless. Given the urgency of notifying the policyholders that their policies were worthless, can the minister please explain this apparent attempt at a cover-up and the delay that ensued?

MR. ANDERSON: Mr. Speaker, I can assure the hon. Member for Edmonton-Strathcona that no cover-up has been attempted or succeeded in. Perhaps it would be helpful for me to give to the House the sequence of events that led up to that particular closure. On March 19 the department received a letter without backup information alleging that some of the Bench Insurance policies were in fact not covered by insurers. On the 20th the backup information was received. An immediate appointment was made with the RCMP. They were unavailable till Monday, the 23rd, the 20th having been a Friday. They suggested that more data was required, and the department sent a cross-section of policies then to both Lloyds of London and Dominion of Canada, the two insurers involved, and had ratified by the 26th the fact that indeed there were false policies. The RCMP indicated that there was a basis to move, and at that point in time the department together with the Insurance Council pulled the licence of the agency and applied to freeze the bank accounts that might have assets of those who were hindered by this particular company's action.

MR. CHIVERS: Mr. Speaker, it appears from the bylaws previously tabled by the minister, the bylaws of the Alberta Insurance Council, and the sequence of events here that part of the difficulty here is the balkanization of responsibilities between the superintendent of insurance and the department and the Alberta Insurance Council. I'm wondering if the minister will undertake now to disband the Alberta Insurance Council and put the responsibilities under one umbrella, with the minister or superintendent where they properly belong.

MR. ANDERSON: Mr. Speaker, if the hon. member has any evidence to back up his suggestion that there has been some failure as a result of the Alberta Insurance Council's operating with that total industry base that they have, then I would like to hear that. I haven't to date heard any information which would back up the hon. member's allegation. I would however say that the Insurance Council is an innovation and is in their third to fourth year of operation. We will be reviewing the relationship and the operation on an ongoing basis and try to make it better where there are suggestions that might fulfill that end.

MR. SPEAKER: The time for question period has expired. I know we've been off on a few days break. Perhaps again tomorrow we could have briefer questions and briefer answers. Please and thank you.

Might we revert briefly to Introduction of Special Guests?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.  
The Minister of Advanced Education.

head: **Introduction of Special Guests**  
(*reversion*)

MR. GOGO: Thank you, Mr. Speaker. As hon. members know, the cadet movement is one of the best citizen-training organizations in the province. Today we have with us from Lethbridge, where the members for Lethbridge-East and Lethbridge-West both reside, 30 visitors from the Royal Canadian Sea Cadet Corps, Chinook. With them are the leaders who serve by way of example for these people: Lt. Lori Bodie, Lt. Rodzinyak, Sub-Lt. Nicholas, and a parent Mr. C. Brophy. My information is that they're seated in the public gallery. I'd ask these cadets to please rise and receive the warm welcome of the members of the House.

head: **Motions under Standing Order 40**

MR. SPEAKER: Standing Order 40 request. Edmonton-Strathcona.

#### **MLA Remuneration**

Mr. Chivers:

Be it resolved that the Legislative Assembly immediately establish an independent commission to review and make recommendations with respect to remuneration and allowances for MLAs.

MR. CHIVERS: Thank you, Mr. Speaker. I've tabled, and it's been circulated with the Assembly, the Standing Order 40 motion. Of course, it's your duty to make a determination as to whether the circumstances surrounding the subject matter fulfill the condition with regard to urgency.

#### **Speaker's Ruling Emergency Debate**

MR. SPEAKER: Let's just pause for a moment, hon. member. This is a Standing Order 40 request, not 30. What you've just described is Standing Order 30. This is a 40, please, which is just simply urgency. The House determines.

Thank you.

#### **MLA Remuneration** (*continued*)

MR. CHIVERS: Thank you, Mr. Speaker. I submit that this is a matter of urgent, pressing necessity. It's a matter that I imagine many of us have had to deal with. There's been a plethora of calls and letters and articles in the newspaper regarding this matter. It's certainly a matter that the public is very concerned and outraged about. It's a matter that has been raised in this Assembly many times before and has not been acted upon, but the circumstances have changed. I submit that this is a matter which demands immediate attention at this time. It perhaps might have been different. On prior occasions the New Democrat caucus had attempted to present to this Assembly motions, and they've done that on a number of occasions: first, with Mr. Notley and then, secondly, with other members of the caucus. Edmonton-Highlands and the former Member for Edmonton-Strathcona presented motions to this Assembly to deal with the matter of remuneration and salaries through the auspices of an independent commission.

I submit, Mr. Speaker, that there is a compelling situation here. There is a great deal of concern with respect to members of the

public. They are concerned that the process is flawed, and having an internal review is not going to deal with the flaw in the process. I submit that there is a situation here where the process is flawed. This motion calls upon the Assembly to establish an independent commission to deal with the matter of urgent public importance, and I submit that in the circumstances there is a case of pressing and urgent necessity.

**3:30**

MR. SPEAKER: Thank you.

Under Standing Order 40 the request goes to the House. Is there unanimous consent for the matter to proceed? Those in favour, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: The matter fails on the basis of urgency.  
A Standing Order 40 request. Edmonton-Glengarry.

#### **Provincial Debt**

Mr. Decore:

Be it resolved that the Legislative Assembly adjourn all normal business for 10 sitting days in order to exclusively deal with the urgent and pressing matter of the accumulating provincial debt.

MR. DECORE: Thank you, Mr. Speaker. Under Standing Order 40 the motion that I've proposed today must be of "urgent and pressing necessity." We've now gone through the general statements with respect to the 1991-92 budget. The document clearly shows that Alberta is in very serious difficulty. The Auditor General's report shows us in clear difficulty. We have liabilities now exceeding assets. We've burnt up assets of some \$9 billion that existed in 1986, and we're at a position of less than zero. We have debt servicing costs of some 1 and a quarter billion dollars a year. This equates to the fourth largest department of government and offers government no flexibility to deal with problems that arise. Since 1986 the per capita debt for Albertans has risen more than 300 percent. This is in the context we now see, after the general debate on the budget, of no plan existing to deal with the structural deficit and no plan to deal with the debt.

Mr. Speaker, I and others have suggested that a call for help go out to outsiders. The government hasn't even taken up that suggestion. Therefore, on the basis that there is no plan, on the basis that only fuzzy words have been used by the Treasurer to relate to a plan, on the basis that extreme harm is likely to befall Albertans because of growing debt interest charges and a huge debt that will soon be \$20 billion, it's incumbent on members of this Assembly to find and put forward and agree on a plan, because the government hasn't been able to do it and won't do it.

MR. SPEAKER: A request under Standing Order 40. Those in favour that the matter proceed, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: The matter fails.



head: **Orders of the Day**

head: **Written Questions**

MR. GOGO: Mr. Speaker, I move that the written questions on today's Order Paper stand and retain their places except for the following: written questions 157, 159, 163, 164, 165, 289, 349, 350, and 355.

[Motion carried]

#### **Core Housing Incentive Program**

157. Mr. Wickman asked the government the following question:
- (1) How many core housing incentive program, CHIP, projects have not been able to service their debt,
  - (2) which CHIP projects have not been able to service their debt,
  - (3) how many of these CHIP projects has the government assumed, and
  - (4) how many CHIP projects have been foreclosed?

MR. GOGO: Mr. Speaker, the government must reject 157.

#### **Housing Programs**

159. Mr. Wickman asked the government the following question:

How many units remained in the core housing incentive program and modest apartment program portfolios as of December 31, 1991, and what percentage of these units, if any, will be reallocated to the rent supplement program?

MR. GOGO: Reject, Mr. Speaker.

#### **Northern Alberta Resource Plans**

163. Mr. Mitchell asked the government the following question: When will the regional integrated resource plans for the northeast and Peace River regions of the province be completed, and what is the timetable for drawing up subregional and local plans in the extensive forest areas in these regions for which no plans have yet been initiated?

MR. GOGO: The government will accept 163, Mr. Speaker.

#### **Grazing Lease Revenues**

164. Mr. Mitchell asked the government the following question: What is the total revenue obtained from oil and gas exploration, extraction, and related activities on Crown land by those holding grazing leases, and how many leaseholders received such revenues for the fiscal years 1988-89, 1989-90, and 1990-91?

MR. GOGO: Reject, Mr. Speaker.

#### **Pulp Mill Cost/Benefit Studies**

165. Mr. Mitchell asked the government the following question: What cost/benefit studies has the government carried out into the operation of pulp mills in Alberta and specifically into the operation of mills at Peace River, Daishowa; Whitecourt, Millar Western and Alberta Newsprint; Slave Lake, Alberta Energy Company; and the Athabasca River, Alberta-Pacific Forest Industries; and what were the conclusions of each study?

MR. GOGO: Reject, Mr. Speaker.

#### **FRE Pultrusions Inc.**

289. Mr. Bruseker asked the government the following question:

- (1) What are the terms and conditions of the \$962,000 in financing provided by the Department of Economic Development and Trade to FRE Pultrusions Inc. for the 1991-92 fiscal year, and
- (2) what financial assistance has been provided to this company by the government previously and on what terms and conditions?

MR. GOGO: Reject, Mr. Speaker.

#### **Public Opinion Polling**

349. Mr. Mitchell asked the government the following question:

- (1) How much did the government spend on public opinion polling during the 1988-89, 1989-90, and 1990-91 fiscal years,
- (2) how much did each government department spend on public opinion polling during the 1988-89, 1989-90, and 1990-91 fiscal years, and
- (3) what is the breakdown paid to individual companies?

MR. GOGO: Reject, Mr. Speaker.

#### **Solicitor General**

350. Mrs. Hewes asked the government the following question: How many pieces of written correspondence were received by the Premier's office and the Solicitor General's office regarding the appointment of Stephen West as Solicitor General of Alberta from February 21, 1992, to March 27, 1992?

MR. GOGO: The government rejects 350, Mr. Speaker.

#### **Home Care**

355. Mrs. Hewes asked the government the following question: How many Albertans have received home care services for the period April 1, 1990, to March 31, 1991, and from April 1, 1991, to March 31, 1992?

MR. GOGO: The government will accept 355, Mr. Speaker.

head: **Motions for Returns**

MR. SPEAKER: The Deputy Government House Leader.

MR. GOGO: Thank you, Mr. Speaker. I move that the motions for returns on today's Order Paper stand and retain their places with the exception of the following: 186, 187, 188, 189, 225, 226, 274, 299, and 344.

[Motion carried]

#### **Northern Steel Inc.**

186. Mr. McEachern moved that an order of the Assembly do issue for a return showing copies of all agreements between the government and Northern Steel Inc. or its directors and shareholders covering the provision of loan guarantees to that company and the government's decision to acquire a majority of the company's common shares.

MR. ELZINGA: Mr. Speaker, in responding to Motion 186 by the hon. member, I wish to refer him specifically to section 446

on page 129 in *Beauchesne's Parliamentary Rules & Forms*, the sixth edition, Fraser, Dawson, and Holtby. If you look at section 446(2), I will read it into the record.

The following criteria are to be applied in determining if the government papers or documents should be exempt from [publication].

It goes through a fairly lengthy list of items that should not be produced, and I will refer to a couple of them.

- (a) Legal opinions or advice provided for the use of the government.

Then we go to

- (e) Papers containing information, the release of which could allow or result in direct personal financial gain or loss by a person or a group of persons.

Mr. Speaker, I refer to that so that the hon. member does have a recognition as to some of the difficulty that we deal with in releasing the information to him. I should indicate to the hon. member that when we do involve ourselves in transactions, all of this information is made public in public accounts. We also have on a consistent basis issued releases of our involvements, recognizing the importance of our involvements in the economic well-being of this province.

If one refers specifically to the question that the hon. member has put on the Order Paper, Motion for a Return 186, I'm more than happy to explain to the hon. member the reason for our involvement with Northern Steel. As I've indicated in this Legislative Assembly in the past, we did involve ourselves with the hopes of maintaining a facility in Alberta capable of bidding on major projects in competition with fabricators outside of the province of Alberta . . . [interjections]

MR. SPEAKER: Order please. Could we tone it down just a bit?

MR. ELZINGA: . . . and we did. As we have made public in the past and as the hon. member is aware, we provided the company with a number of guarantees because we wanted to make sure that we did have those capabilities within our province because there were a number of major projects taking place in the province of Alberta that required that expertise.

As I indicated earlier, too, in question period, Mr. Speaker, this company is presently in receivership. When the receiver has completed his dealings with the company and has wrapped that company up, the information will be made available to the Alberta public as it will be made available to the hon. member. Recognizing the comments that I have shared with the hon. member, I'm sure he will be understanding as to why we reject this Motion for a Return 186.

MR. SPEAKER: Edmonton-Belmont.

MR. SIGURDSON: Thank you, Mr. Speaker. I'm pleased to participate in a little bit of this debate. Perhaps the Member for Edmonton-Kingsway may appreciate the reasons for the Minister of Economic Development and Trade rejecting this motion for a return, but I, as the Member for Edmonton-Belmont, have a lot of difficulty with the reasons that the minister cited.

I know that I've heard on a number of occasions in this session of the Legislature that we're going to have a freedom of information Act before the Assembly. Here's an opportunity for the minister of the Crown to stand up and say: "Well, we don't need a freedom of information Act. Here's all of the information you've requested." We didn't get that. I am, quite frankly, upset that the minister didn't stand up and offer us the information. He talked about information going before the Public Accounts Committee. As a member of that committee, Mr. Speaker, I don't recall the Minister of Economic Development and Trade

appearing before the committee last year. I don't know if a list has been prepared for the committee's work in 1992, but I would hope that the minister would have the opportunity to come forward and answer the questions that I'm sure many members of that committee would put to him regarding the contracts that this government has made with Northern Steel.

3:40

Now, Mr. Speaker, for the minister to stand up and say that *Beauchesne* 446(2)(a) and (e) are the two subsections that come into play – perhaps they do, but surely to goodness we could have had an amendment. Surely to goodness the minister could have stood up and said: "Well, let's amend the motion for a return so that we can deal with the information that is available. Let's deal with the information that we feel isn't going to violate 'legal opinions or advice provided for the use of the government'." There's got to be all kinds of information that the minister would want this Assembly to have. He could very easily have amended the motion for a return so that we could have had at least something before us so that the taxpayers of Alberta could see just what kind of deal this government has made on their behalf with Northern Steel.

What about section (e)?

Papers containing information, the release of which could allow or result in direct personal financial gain or loss by a person or a group of persons.

Again, why not an amendment? Is everything in the volumes of information tied up because of subsection (a) and subsection (e)? I can't for a minute, Mr. Speaker, believe that the minister expects Members of this Legislative Assembly to accept that as a reasonable position of the government. I think this is an opportunity for the minister and the government to once again stall the process, say, "Oh, well, we're not about to be exposing our weak side, so we're just going to reject it," and use a rather feeble excuse that's found, well buried, in *Beauchesne*.

Again, Mr. Speaker, the minister could have very easily amended the motion for a return and provided a great deal of information to members of this Legislature and all of the taxpayers of Alberta. I'm very sorry that he didn't do it.

MR. SPEAKER: Calgary-North West.

MR. BRUSEKER: Thank you, Mr. Speaker. I, too, would like to make a couple of comments on Motion for a Return 186 dealing with Northern Steel. The minister made a couple of comments from *Beauchesne* 446(2)(e): "papers containing information . . . result in direct . . . loss by a person or a group of persons." Well, that group of persons is the taxpayers of the province of Alberta. We are about to take a financial bath on this corporation, and the minister by not denying the fact that we are unsecured creditors therefore agreed that we are unsecured creditors. The industry experts that I have spoken to have suggested that all of the assets when they are sold – the land, the buildings, the equipment, the inventory on hand – perhaps may bring in about 4 and a half million dollars. The secured creditors have loans in excess of \$5.3 million. So as an unsecured creditor we stand to lose, as I understand it from the public accounts, \$14 million.

Now, I think it's important, in fact necessary for the government to be very forthright with what they're doing on behalf of the people in investing in a corporation like Northern Steel and now losing out on it and saying, "Well, gee; we can't provide that information because somebody might gain on it." No one's going to gain, Mr. Speaker. We only stand to lose. We took over the ownership of this corporation almost three years ago now. The

minister says that well, we got into this in an attempt to keep some particular type of steel-building capacity available in the province. Yet the truth of the matter is that when the projects that the minister referred to came forward, much of those contracts went outside of the province anyway because Northern Steel couldn't handle it. So the end result was we preserved some jobs temporarily for \$14 million. Most of those jobs have now been taken up by other employers. Other steel fabricators within the city of Edmonton have hired the majority of those workers, and they've now gone on to other employment elsewhere. In fact, the jobs have been preserved; they've been transferred from one location to another. So really I don't understand the minister's point of view here. I think it is incumbent upon the government to disclose the information on this deal. We are now, through the taxpayers, the sole owner of this corporation, and it's time for the information to come forward.

MR. SPEAKER: Thank you.  
Edmonton-Highlands.

MS BARRETT: Thank you, Mr. Speaker. I'd like to just examine this issue a little more closely in the context of the minister's comments. He said that jeepers, you know, we don't want to jeopardize the financial future one way or the other, citing *Beauchesne* 446(2)(e):

Papers containing information, the release of which could allow or result in direct personal financial gain or loss by a person or a group of persons.

Now, let's look at what the motion for a return actually calls for. It's not asking for current statements. What it's asking for is copies of all agreements between the government and Northern Steel Inc. or its directors and shareholders covering the provision of loan guarantees to that company and the government's decision to acquire a majority of the company's common shares.

[Mr. Jonson in the Chair]

If the government were, as it declares itself to be, inclined towards freedom of information – the Bill which we have yet to see – all this government would have to do to preserve the financial integrity of the reference made by the minister is move to amend to strike the reference “and the government's decision to acquire a majority of the company's common shares.” Then all we have to know are the terms and conditions of the loan guarantee. What's to hide about that? Whose financial security is going to be jeopardized? I'll tell you whose. It's the government's security that's going to be jeopardized. We suspect that as with a whole bunch of these huge ad hoc loan guarantees there's funny business behind them and that in fact the government didn't have a responsible position to play in this business in the first place.

I say that if the government is willing to give me a Throne speech in which they finally after – what? – 21 years in government declare that they've discovered a part of their collective anatomy, their ears, and they understand that people want freedom of information legislation – well, I sat through that Throne speech and the debate about the Throne speech. I don't even see the Bill on notice yet, Mr. Speaker. What kind of commitment is that? What kind of a commitment is it when the Minister of Economic Development and Trade stands up and cites an almost irrelevant reference in *Beauchesne* when he knows full well all he had to do was move to amend? He knows full well that the opposition has been more than accommodating in the amendments that have been sponsored by government both with respect to written questions

and motions for returns. If they make a good case and say, “Sorry; we can't give you such and such, but we'll give you the other stuff you asked for,” for the most part you'll find the New Democratic caucus saying okay. Every once in a while we say it's not okay because what they really want to do is hide the meat, the substance of the information we seek in the section that they propose to take out, but ordinarily this government knows it can count on the opposition to agree to amendments like this provided we can get some information.

In the long run, Mr. Speaker, it is information that we're not getting to date that is going to hang this government, that is going to get every single one of them thrown out of office. Let me conclude my participation in this debate by saying that I can hardly wait for that day.

MR. ACTING DEPUTY SPEAKER: The Member for Edmonton-Kingsway.

3:50

MR. McEACHERN: Thank you, Mr. Speaker. Of course, I reject the idea that the minister can just pass this off and say, “Well, you know, we've put enough information into the public accounts,” and that sort of thing. “If he would just look at *Beauchesne*, then he would find the reasons why we're rejecting it.” I looked specifically at the two reasons that he went to in detail. He talks something about no information that would entail a legal opinion. Now, what's that got to do with Northern Steel? Northern Steel's in the middle of a fire sale of its assets because it's a failed enterprise of this government. As far as I know, there's nothing in the courts. The minister didn't indicate that anybody's being sued or taken to court. Maybe somebody should be. Maybe the minister should be for misuse of tax dollars or something, but I don't see anything that's been released on Northern Steel saying that it's before the courts in some way or another and that we shouldn't be talking about it.

The other one was a rather odd one. He mentioned something about the government shouldn't release information if that information would in some way cause a gain or a loss to some individuals. What individuals? Loss of face for the minister? That's about the only thing I can think of. I mean, who in Northern Steel still has a stake? I think the government has 80-some percent of the company. I suppose there are some private individuals who have a few dollars at stake, but is anything he says or releases likely to affect the price that people are going to pay for the assets that are being sold off? I really can't think that there is any danger in anything he could say, any information he could give about the past history of that company that's going to change the value of a forklift in that warehouse that they're now trying to sell. The operation is not being sold as a going concern, and as soon as you are selling the assets of a company in a manner that's not the company as a going concern, then everything loses value and you're right down to: what is that forklift worth; what is that warehouse worth; what are those pieces of pipe or steel that are leftover products not delivered to somebody worth? That's what you're down to now, so I don't understand how the minister can possibly quote *Beauchesne* and then come up with those two feeble excuses and say that's the reason why he's not going to release the information.

Then, of course, he does the coup de grace: all this information's available in public accounts. Now, it really is, isn't it? A lot of information in public accounts about Northern Steel. I just happen to have the '90-91 public accounts on hand. On page 2.14, in this long list of loans and advances that the government has given to some 40 companies, it says: Northern Steel, 1991,

\$1 million; 1990, \$1 million. That's all it says about Northern Steel in the public accounts.

[Mr. Deputy Speaker in the Chair]

If you wanted to go to the Auditor General's report, which I also happened to do, you'd hear a few more things about Northern Steel and how it should be handled, but in any way you look at it, the information should be made available to us, Mr. Speaker. The Auditor General agrees with that. In section 2 under Treasury he says that Crown-controlled organizations – and he names four of them: Gainers Inc., Northern Steel Inc., North West Trust Company and its subsidiary – I shouldn't call it a subsidiary; it's a totally separate company – 354713 Alberta Ltd. Those are the four companies that the Auditor picks out as Crown-controlled organizations, companies of which the government owns 50 percent or more but less than a hundred percent. Now, I've got to admit that in the case of Softco, this 354713 Alberta Ltd., they gave one share to a lawyer so they wouldn't have to claim that it was a hundred percent owned by the government; otherwise, they'd have had to disclose the financial statements.

The Auditor General has some flexibility on how much he can say after he has seen the books – because he does get to see the books of these companies – but of course the Treasurer browbeats him and doesn't let him say any more than he once said. So there's one sentence that is put in this about Northern Steel. This is the Auditor General's annual report. This was supposedly for Northern Steel.

The financial statements at December 31, 1990 . . .  
So that's 15, 16 months ago.

. . . indicated that the company has incurred cash flow problems over the past several years and had a deficit.

Very enlightening; something that none of us knew, of course.

Now, I'm a little disappointed in the Auditor General, because he does go on on the other page to talk about how these kinds of things should be handled. I think it's very relevant to why the minister should change his mind and give us the information. The Auditor General says, and I'm quoting,

Although my Act permits me to include in my annual report financial statements that have not been made public, I would do this only if the matters reported in the financial statements were considered to be significant, and if it were not possible to achieve a more appropriate method of disclosure.

I rather think that what happened with Northern Steel is significant to the taxpayers of this province. We put a lot of dollars in. I'll get talking about those in a few minutes. I think the Auditor General should have released more information than he did about this. He goes on to say:

I believe that it is properly the responsibility of management to make its financial statements available and to be accountable for its use of public resources.

The management of that company is in the hands of this minister, and he should tell that management to make the information public. He should now tell the receiver of course; the management has had to turn it over to the receiver. This information should have been available on an ongoing, year-to-year basis.

The Auditor General goes on to make a recommendation with regard to all Crown-controlled corporations, and this would be an appropriate time to put it on the record. The heading is: Crown-controlled Organizations – Accountability.

Recommendation No. 3

It is recommended that the Treasury Department seek the necessary legislative amendments to achieve appropriate accountability for Crown-controlled organizations, including the disclosure of financial statements.

I guess what the minister is doing is basically hiding behind the fact that he isn't legally required to. In other words, this government has not got its act together and has not set out the rules for fair and appropriate and, let's say, timely disclosure of what's going on with the taxpayers' dollars. They have purposely done that, Mr. Speaker. They've made them more and more convoluted. We get the same thing out of the minister of TR and T when he won't release the statements on NovAtel. The 1990 statements finally came out in the public accounts, but where's the '91 statements? I mean, this government just procrastinates and hides and takes as long as they possibly can.

Softco, which I mentioned there a minute ago, is on the list of the Crown-controlled organizations. I believe it was July of last year when we got the last financial statements. The day before we got those statements we were 27 months out of date for any information about Softco. Now, that's a \$300 million company of taxpayers' debts, I guess we might call them, or assets. I'm not sure which they are, except that this government manipulates them in secret – or puts their friends in charge and lets them, I should say – and doesn't disclose what's going on with them except at the last possible minute. We are now something like 24 months out of date for any information on that corporation.

Now, I wanted to spend a minute talking about how this government got into this in the first place. They got into putting money into Northern Steel, as the minister said a few minutes ago, on the idea that somehow they were going to save jobs. They felt that Northern Steel was the biggest steel fabricator in the province and it was a serious matter that it might go under. As a matter of fact, there are a number of other steel fabricators in this province, and they have maintained all along that they were perfectly capable of doing the work and the job that Northern Steel was doing and that they would have absorbed the workers laid off by Northern Steel, that went bankrupt. They did not accept that it was a proper role for the government to hand money over to that particular company to try to rescue it in the face of the fact that there were several companies in the business in Alberta that could do the same job. In other words, they were picking out a company for taxpayers' dollars assistance over other companies.

This process is not a new one for this government. They've done a lot of it. We call it ad hoc financing. If the minister gets a request from some friends of the government that are in trouble with their particular company, the government thinks about it and considers it for a while and then they say: well, okay; yes, we'll do it. Because we're going to save jobs or diversify the economy: these are the two standard excuses. Too often it ends up pouring taxpayers' money down the drain, as in this case, and the company is still not rescued. Taxpayers' dollars have been wasted, and the minister has made a bad decision based more likely on patronage and who donates to whom in many cases than on trying to save jobs or diversify the economy.

By the way, the government has put something in the neighbourhood of \$23 million into this company over the last few years. Now, the minister is trying to claim that it's really only \$13 million or \$14 million in the company. That may be. Northern Steel may have paid some back. We don't know exactly. Again, we need the information to find out, and that's what we're not getting. What we need is a hard-and-fast accountability of what's gone into the company, what they have paid back, what the pattern has been – exactly what's happening – and of course we're not getting it.

4:00

The minister, when he was in full control and still hoping to rescue the company, thought he might be able to sell it off to the

private sector. So he put out a prospectus suggesting that this company was really a good one and that somebody should come along and buy it. One of the things they put in as an asset was some of the contracts the company had for the future so that it would look like a going concern. As I said a while ago, if you're trying to sell a company, it's really important that you can sell it as a going concern rather than a fire sale of just the hard assets. They're a whole two different things. One of the things that he had the gall to put in this prospectus – and I say “he” because the minister is totally responsible no matter who else put it in there – was that Northern Steel had a contract to do some of the steel fabricating for the new Al-Pac mill. At the time the prospectus was put out, the approval for the Al-Pac mill to go ahead had not even been granted yet. So this is the kind of manipulation and half-truths that we get out of this government on these kinds of situations instead of hard facts written out – here's what's happening exactly – checked by the Auditor, and certified by the Auditor to be a true and accurate reflection of what's going on. We just do not get those things.

When the minister decided to put money into this company, he started a process that we've seen happen in other cases as well. For instance, after he's put a certain amount of money in, he starts to have qualms about more money out of his own pockets. Now, this may be based on particular problems the government still has about how they finance these things. There are certain departments of the government – I think there are six or seven of them – that can put in a million dollars or a million and a half dollars without having to put out a press release or an order in council by the cabinet to say that they've done that. I don't know how many of the investments into Northern Steel were done by order in council and therefore a press release was put out to tell the world about it, and I don't know how many were done just by Treasury Board approval, which they can do quietly and without any kind of public announcement for up to \$1 million or a million and a half dollars.

You see, we don't get the information. I see the minister shaking his head, saying that I'm on the wrong track. That may well be, but that's because we have not had a summary of exactly what's gone on with that company: the amount of money that's gone into it, when, how much, on what terms, and when some of it came back, if any. We don't know whether the full \$23 million is still invested in that company and totally down the drain except for what we can get by selling the last few assets of the company or whether he's right that it is only – only – \$13 and a half million or \$14 million that we stand to lose when the company goes under. Actually, on that point, in October when he admitted that he was going to hand the company over to a receiver to liquidate, he said that we may lose as little as \$2 million. I would think that it should have been the other way around. Probably out of the \$13 million or \$14 million we'd be lucky to get back a couple of million dollars for the assets of the company. A realistic assessment would be that if it's not sold as a going concern, we're certainly not going to get back the \$13 million or \$14 million. The company, when broken up and disposed of in terms of assets, would not come up to that kind of value.

I want to go back to the thread I was on a minute ago about once the minister decides to put some money in. How many times and how much he decided personally to put in, how many of those had to go through cabinet and how many just through the Treasury Board, I don't know. We do know that at some point along the line he then decides – and this is the kind of thing that happened with Myrias and GSR as well – that it might be better if he just sent the company to one of the government agencies to get a little more money. I can't remember if Alberta Opportunity

Company had any money in Northern Steel or not, but I do know that Northern Steel got an export loan guarantee program.

So now we go from the minister financing, which is not acceptable, I think – the people of Alberta from the left wing right through to the right wing have spoken; friends of the government have said that government should not be putting money into individual specific companies out of ministers' offices: ad hoc funding should be dead, defunct, done, and no more. However, we all have some thought that some of the programs for handing out money might be of some use. They may be beneficial if the rules are right and it's administered properly and that sort of thing. What I worry about is – I'm sure it occurred in the situation with Northern Steel – that after the minister puts in a certain amount of money out of his own department, he then decides that the next time they need more money he will send them to one of the program administrators for money. I cannot possibly see how the minister could do that and then sit there and not phone the administrators of that program and say, “Give these guys some money.” Even if they don't, even if the administrators know that the company was referred by the minister, if they know that there are taxpayers' dollars involved in it already, their judgment as to whether that company qualifies or not has to be affected by the source of the referral, and it is not right. In other words, our program funding also gets messed around when the minister decides that he has given enough out of his own department's pockets – the taxpayers' pockets; let's face it, that's where it comes from – and then starts sending them for some of the program funding.

The export loan guarantee program, in case the minister thinks it has been totally a success – and I know he likes to brag a lot about it as one of the more successful government programs – has its own problems. I'll remind him of one that I've mentioned in the House before that I think he should be looking back at and rechecking just how successful that program is. One of the criteria for getting funds out of the export loan guarantee program is that you will pay back, clear off that loan guarantee within the year. When we got a copy of the minister's 1989 briefing document, I counted 111 companies listed in that book that had had money for over a year. There were more companies in there than that, but at the stage that we got the book only 111 of them had had money for more than a year. Forty-six of them had not complied with that one-year requirement; 46 of them had gone over the one year. Now, that's not a very good success rate. Maybe some of them later came through with their money. I don't doubt that they did, but some of them probably didn't too. The minister should take a look at the criterion and how well it's working. I just pass that on to him as a recommendation.

There's another rather strange anomaly that occurs when you start this kind of business where the government puts some money into a company and then starts sending them to other programs for money. The Northern Steel case was cited to me just the other day by a business friend I was talking to. He said that he applied for a loan guarantee under the export loan guarantee program. He was told well, okay; you'll have to do this, this, and this, and one of the requirements was that he would have to put up his house. In other words, what they were saying to this man was that every cent he had and owned had to be put on the line before the government's money would be put on the line. Now, in some ways that's fair enough; maybe that's one of the criteria, and that's the way it is. But he said, “How come that applies to me, but Northern Steel didn't have any problem like that?” The people behind the desk that were handing out the money laughed and said, “Well, you know who owns Northern Steel, don't you?” So what you end up with is a government owning a company and

then sending that company to other government programs to get more money because the minister has become embarrassed about handing out more money from his own office. Absolutely extraordinary.

If you think this isn't an important concern, just take the Myrias situation and see how it's comparable and gets even more convoluted. In the Myrias case the minister hands out a certain amount of money, and then Myrias needs some more. So the first thing you know, you've got them applying to Vencap for some money. They get 7 and a half million dollars there. Pretty soon they're sent to Alberta Opportunity Company, and they get a few million there. Then pretty soon they're sent to the export loan guarantee program, and they get a little money there. So a company can get money from four different sources in the Alberta government all because some minister started handing out money to them on a one-on-one basis as if somehow they're going to pick a winner. Of course, it's not the role of the government to pick winners in industry. It doesn't make any sense.

#### 4:10

The attempts to pick winners in Myrias and Chembiomed both were rather strange. The government put a certain amount of money in, and then backed out sort of halfway. With Myrias I remember the minister saying at the end that we put in \$20 million and lost it. Then he says: oh, well, what you need to realize is that there's a German company over there that got \$140 million from the German government. Well, if we're going to play in the big leagues, then you'd better play in the big leagues or else not get into the big leagues. Chembiomed was even sillier. We put in \$46 million that we can attest to, not counting a lot of the preliminary work that was done with the university and not charged to the project. So we put in nearly \$50 million. Then we decided that was enough. The government was getting embarrassed about the amount of taxpayers' dollars that was about to be wasted, so they pulled out. Then the minister stands up and says: well, what you've got to remember is, you know, that it takes \$200 million and 10 years to commercialize a medical breakthrough. Then why did he ever sit down to the poker game? Why did he ever get into the game in the first place if he didn't have the \$200 million and the 10 years? If you don't have the staying power, you don't get there.

MR. SIGURDSON: Strip poker, and we lost.

MR. McEACHERN: Yeah, that's right. We got stripped of our assets.

Mr. Speaker, this motion for a return is a very good one in that it gives one a chance to point out some of the problems that the government needs to take a look at. The minister embarked some time ago with some of his colleagues on a project called *Toward 2000 Together*, and I commend them for that. I think it's important that we re-examine our economic policies, and I take some pride in that it was our caucus, I think, that pushed on the government hard enough particularly on the ad hoc funding, exactly the kind that got us into Northern Steel, that led the government to decide that they had to go and consult Albertans and reassess their economic policies.

So I commend them for doing that and for setting up the hearings and so on, although why so many of them were in secret I'm not quite sure. I would like to see more of the information coming out of those circulated more generally. I'm sure that the people who came spoke candidly and told the government what they thought, but I can't help thinking that the government didn't really open up as much as they should have. On the questionnaire

they put out, I didn't see any questions, for example, on: was the Alberta stock savings plan a good idea or not; was the SBEC program a good one; are Vencap and the Alberta Opportunity Company together meeting the venture capital needs of small businesses in Alberta? There are some hard, specific questions that the government could have asked and got some excellent feedback on, and those things were not on the agenda.

Now, if some people had the courage to speak out on them, so be it. That's good, but the government should have been putting those kinds of hard-and-fast questions, not the mushy kinds of questions of should government be involved in the economy. Of course the government's involved in the economy. The three levels of government together in Canada make up over 40 percent – I think it's some 44 or 46 percent – of the economic activity in the country, so automatically you're involved. I guess one of the things that I find so hypocritical about the Tories is that they run around at election time saying: "The government's got to get out of business. We've got to downsize government. We've got to have less government." Then they run the biggest and most bureaucratic government in the country and interfere in the economy the most. So it's not a question of whether you will interfere in the economy or not. It's not even worth asking that question. Governments do interfere in the economy. They tax people. That's an interference in the economy. They provide services, so they buy goods and services. That interferes in the economy. The question is not whether you will interfere. The question is: on what basis do you interfere; on whose behalf do you interfere?

I fear that what this government does most of the time is interfere on behalf of the Al-Pacs and the Daishowas of the world in the name of creating a few jobs. Why don't they help local people with local projects, and why don't they try to do something about creating a climate in this province where labour and business work together on developing our economy? Instead what they do is try to pick winners. They've been losing on trying to pick winners for a long time, and Northern Steel is one of those losers.

Then the final sin is not so much that they try to pick winners and fail, because at least I guess you might say that they're trying to do something to help the economy. Lord knows we need to diversify the economy; Lord knows we need jobs in the economy. So at least they're trying, but if that's the way they're going to do it, Mr. Speaker, they're inevitably going to fail, because it's not the role of the government. I remember the Treasurer saying it specifically in talking about the Alberta stock savings plan when I was suggesting that you might load extra credits for somebody locating in a rural area as opposed to the city or when they might give extra credits for somebody creating a whole new industry that had never been operated before in this province. He stood up and said that that would be trying to pick winners; governments can't pick winners and losers. Boy, have they spent six years proving that to be right. That was back in 1986 when he brought in the Alberta stock savings plan. You know, he hasn't even had the courtesy to give us a summary of what happened with the Alberta stock savings plan: how much money we lost or spent, how many jobs were created. Nothing. They've just let the program die in total silence. Because we're not pumping money directly into it, it even disappears from the public accounts. So we know nothing of whether that program was any good or not. At least it was a program and not individual ministers handing out money, which is the fundamental mistake that this government made, and Northern Steel is one of those.

Mr. Speaker, I would like the minister to reconsider whether the people of Alberta have the right to the information that he's withholding or not. It isn't only that their economic policies have

been wrongheaded but the fact that they won't account for them to the people of Alberta in a systematic and comprehensive way. That's the real sin that they commit. I think the minister should reconsider and give us the information that we've asked for.

[Motion lost]

#### **Magnesium Company of Canada Ltd.**

187. Mr. McEachern moved that an order of the Assembly do issue for a return showing copies of the audited financial statements of Magnesium Company of Canada Ltd. for the fiscal years 1990 and 1991.

MR. ELZINGA: Mr. Speaker, I have a few comments relating to Motion for a Return 187. I should indicate to the Assembly that this is very similar to a number of other motions for returns that are on the Order Paper, namely 188, 189, 266, and 274. Recognizing the latitude that the hon. members took as they were speaking to Motion 186, I'm going to take that same latitude in responding to 187.

As hon. members are aware, approval was given for our involvement in November of 1987. Information was released as it related to our involvement in this project. We had indicated that we were going to be involved in a loan guarantee for the Magnesium Company of Canada, and it was to be phased in. The first phase limited our involvement to slightly in excess of a \$100 million loan guarantee. We recognized at that time the importance of magnesium to the further development of our province. Because of the increased price of our Canadian dollar and the low prices of magnesium, we also recognized that this company was not as successful as we had hoped. As a result, they made a decision themselves not to continue with the project any longer. We are going through an analysis of it right now, Mr. Speaker, and hopefully we will be taking over and securing the plant in the very near future. We wanted to make sure that all liabilities were taken care of prior to us assuming that role.

I'll not cite the parliamentary rules and forms that I indicated earlier, but I would refer members back to my statements as they relate to some of the difficulty we have in complying with the request by the hon. Member for Edmonton-Kingsway. I must say that I find the credibility of the New Democratic Party lacking, because it was only a short while ago that the New Democratic Party put out a release indicating that we had spent certain moneys by paying the president of Northern Steel. I'm not going to indicate the hon. member, but it was totally, totally inaccurate. If the hon. member would have had the courtesy to contact our office, we would have more than happily shared that information with him. We did everything within our power to make sure that the employees and their severance aspects were taken of. I appreciate the recommendations that I did receive from the hon. members, but they didn't have the courtesy to recognize the error of their ways. All of a sudden they were silent after putting out a fictitious, erroneous, totally incorrect news release making accusations that held no truth whatsoever, Mr. Speaker.

4:20

Also I say to the hon. members that the hon. member suggested criticism as it related to our economic policies. Well, doggone it, this province is the envy of any other area in North America because of the economic growth that we've experienced. If one examines what has taken place on the North American continent, in fact worldwide, a recession is taking place, yet we've experienced actual growth within this province when both energy and agriculture have been flat on their back. They don't care about the jobs, Mr. Speaker. That's where we're involved, with the

jobs. The hon. member says we feed our friends. Well, what a bunch of rubbish. If we were to follow the hon. member's advice and not involve ourselves in offering loan guarantees because of the default rates, the first thing we would do away with is student loan guarantees. Student loan guarantees which are administered by my colleague have a default rate of some 19 percent, and the hon. member is saying that because our export loan guarantee has a default rate of 3 to 5 percent we should do away with it.

The hon. member is incorrect, too, in that it is a program, and it is assessed by the financial institutions. We only do it on a basis of the assessment of the financial institutions. If the hon. member wants to be critical, I don't mind that, but I wish he would be honest, and I wish he would be factual, which he never is in this Legislative Assembly. I can go through . . . [interjections]

Let me deal with the opposition House leader. She says *Beauchesne* is irrelevant. She said earlier that *Beauchesne* was irrelevant. Now, that shows you the respect these hon. members have for the relevancy of our rules.

#### **Point of Order Relevance**

MR. McEACHERN: A point of order.

MR. DEPUTY SPEAKER: Order please. The hon. Member for Edmonton-Kingsway on a point of order. [interjections] Order.

MR. McEACHERN: The minister is not addressing the motion before the Assembly. He's addressing the previous motion.

AN HON. MEMBER: What's your citation?

MR. McEACHERN: Who needs a citation for something as simple as that?

MR. ELZINGA: Mr. Speaker, I'm indicating to the hon. member the importance of this project and a number of our projects that we're involved in as they relate to the economic well-being of our province just as he did a short minute ago. I didn't stand up and call him to order, even though he indicated and bridged a number of topics dealing with Myrias, dealing with this, dealing with that. Now because I touch a nerve, the hon. member wants to jump up and say, "No, no; he can't say that." He talks about freedom of information? He wants to curb what we can contribute. Now, there's a man who speaks out of both sides of his mouth.

#### **Debate Continued**

MR. ELZINGA: I want to indicate that we take no pride in the areas where our involvements have not worked out as well as we would have wished, but if one examines the record and if one examines the record fairly, one will see that this province has experienced economic growth because of that involvement. Look at the record, Mr. Speaker. I share with you the record.

Since 1985 in excess of 120,000 jobs have been created in this province. Compare that to what is taking place on a national level. Despite the North America wide recession, we are projecting, as the Provincial Treasurer indicated in his budget, the creation of another 15,000 jobs. We compare that to the province of Ontario which has lost jobs. Again we can compare, and I will do so when we speak on our budgetary estimates, what is taking place in a number of socialistic provinces as compared to what is taking place here. We can go through . . . [interjections] Well, I thought I would only take as much time as the hon. member

took as he related to the previous motion, and I hope he doesn't mind again, Mr. Speaker. For some reason they want us to listen to all their babble, and we sit here patiently and don't interrupt them, but the moment we indicate something to them which is truth and fact, it hurts.

Let's review the record. Let's look at the record: value-added production in agricultural products now exceeds primary production.

MR. McEACHERN: What's that got to do with magnesium plants? Come on. Get on to the magnesium plant.

#### **Speaker's Ruling Relevance**

MR. DEPUTY SPEAKER: Order please. The hon. Member for Edmonton-Kingsway will have to admit that he made a very wide-ranging speech closing the debate on Motion 186. The House and the Chair accommodated his desire to cover the waterfront. Now why can't the hon. member carry on in the same spirit in Motion 187?

#### **Debate Continued**

MR. ELZINGA: Thank you very much, Mr. Speaker.

Let me indicate to the hon. members, too, that as I indicated in the past, and the Provincial Treasurer underscored it again in question period, when there are actual losses in these companies, all that information is made public. They're asking us for information prior to a determination as to when it's going to take place. We believe that within this company itself there are assets that exceed our exposure. We also believe that there are indications of interest recognizing the importance that magnesium is going to play in further development in the auto industry. I indicate to hon. members that because of that strong belief and because of that confidence we have in the Alberta population, we have seen an actual growth within this economy, which, as I referred to earlier, has not been the case in other parts of Canada and has not been the case in other parts of North America.

Our manufacturing investment within this province over the last number of years has tripled. Our advanced technologies have increased dramatically within this province, and this was one of the components of it. We recognize, though, that this one didn't work out as well, but if we examine what has taken place in the advanced technology firms, we've got some 50,000 people at 1,000 firms producing in excess of 3,000 products which didn't exist some 20 years ago. That's because we weren't timid. That's because we didn't mind involving ourselves to a degree in supporting the private sector and making sure that we could provide meaningful employment for our young people, employment that would offer jobs on a consistent basis.

I put out, too, some time ago the record which gives straight answers to our involvement in the economy, and it offers a number of suggestions as to why we did get involved. We recognize that we went through a very severe time as it relates to the economic well-being of our province, and because of that we recognize the importance of us being involved. We recognize also that had the New Democratic Party been involved, if we are to listen to what they are suggesting now, they would have done away with student loans because of their default rate. They would have done away . . .

MR. McEACHERN: We never said that.

MR. ELZINGA: I can only bridge what the hon. member's suggesting, because under an export loan guarantee program . . .

[interjection] Well, I look forward to the hon. member saying that he wouldn't, so then it is on the record.

We recognize the default rate is high there, but we also recognize a greater responsibility in providing education for our young people. We look at our involvement with the agricultural community. The hon. member says we shouldn't have got involved. We helped thousands of farmers with the farm credit stability program. Our small business interest shielding program: another program that helped thousands of small businesspeople.

Mr. Speaker, they just can't pick out on an ad hoc basis the occasional company that has not gone that well. What we are suggesting is that because of those involvements, involvements such as are highlighted in Motion for a Return 187, this economy is strong. I can go through a long list of forestry involvements, specific economic development proposals that we've been involved in, advanced technologies, our direct support for municipalities in making sure that there are infrastructure support systems put in place for the municipalities within the province of Alberta.

I would return to his criticism as it related to the export loan guarantee program. Mr. Speaker, I don't mind if they would be constructive in their suggestions as to how we can improve it, but for him to suggest that this is simply a ministerial decision is totally inaccurate.

MR. DEPUTY SPEAKER: Thank you. I regret to interrupt the hon. Minister of Economic Trade and Development, but pursuant to Standing Order 8(3), the Assembly is required to move to the next order of business.

head: **Public Bills and Orders Other than  
Government Bills and Orders  
head: Second Reading**

4:30 **Bill 204  
Dangerous Dogs Amendment Act**

[Mr. Jonson in the Chair]

MR. MOORE: I move second reading of Bill 204, the Dangerous Dogs Amendment Act.

To begin, Mr. Speaker, I'd like to clarify one point here so a lot of the dog owners out there will understand there may be amendments coming at committee stage. I think I should clarify that point. In the schedule with the Bill, we inadvertently included rottweilers, but I intend to amend that and take them out at committee stage. So in this Bill we're actually addressing pit bulls and the control of that particular breed.

What gave me the incentive and urge to bring this Bill forward was a concern for public safety. We saw across the country various attacks by dogs, especially pit bulls, and the serious consequences of those attacks. People are maimed and maimed for life by these dogs in unprovoked attacks in most cases. It's a public concern and not a dislike of dogs or a dislike of pit bulls generally. I must admit right now that I wouldn't know a pit bull if I saw it because I am not the one that would have to control them. But I know and people around the country know the record of pit bulls.

I think to start we should deal with how breeds develop, because this is what we're dealing with in the principle of the Bill. This breed has developed and now we're faced with the actions of that particular breed, Mr. Speaker. It's been bred to such a point that it's unpredictable, and because of its size and strength, any attack is very serious. Now, we know we have responsible breeders. Most dog breeders are of that calibre; they're responsible people. They breed various dogs. They make sure they're bred properly



and trained properly and controlled. It's not those we are looking at. We are looking at those that breed these dogs for purposes other than being a family pet.

If you look at the background of pit bulls, their original purpose was for fighting, and since then they have been bred and cross-bred up to a point where we have a very unpredictable, very vicious type of animal out there. Now, there are exceptions to the rule; there's no question about that. I've heard from a lot that have pit bulls as family pets. There are those exceptions. But the breed itself started out in that way.

When we come down to talking about breeding, you must understand how breeds come. Not too many of our domesticated breeds in cattle or dogs arrived from pure wild stock. They have been developed over the years by crossbreeding and proper animal husbandry to bring them up to the purebred breeds we have today. I'd like to compare breeds that have been developed in other animals, comparing them to the pit bull situation. We look at cattle. Those members from Calgary are quite aware that one of their mayors, Harry Hays, developed a Hays converter, a breed of cattle. He did that by crossbreeding, brought up and established that breed. Across the world it's a recognized breed, a purebred Hays converter. He did it by crossbreeding. He crossbred holstein and so on and came up with this breed. It was recognized and it is identifiable. I want to make the point that it's identifiable. Any cattle show you go to and there's a Hays converter, everybody knows the Hays. It may look like a holstein cow, but it's still a Hays converter because it was developed and has certain characteristics.

In Lacombe, to come back to my own constituency, in recent years we developed at the research station what they call the Lacombe hog. I think they took four breeds of hogs. They started out with those four breeds and crossed them, keeping proper records, and came out with a purebred Lacombe breed of hog. Everybody knows that. They go to the shows and they're identified and recognized. Nobody says they don't exist. They do exist, and they're a recognized breed.

MR. TAYLOR: What do you get when you cross it with a pit bull?

MR. MOORE: I'm coming down to it, Mr. Westlock. I'm coming down to pit bulls now.

They have been crossbred to the point that they are a breed, but we have all the professional breeders across Canada saying: "Hey, they aren't an identifiable breed. Because they didn't go through responsible breeders, they didn't go in our programs, they're not an identifiable breed. How are you going to do anything with them? They don't exist. They just aren't there. They're nothing out there because they're not an identifiable breed." I find that very, very hard . . . Just because there are irresponsible breeders, I have this Bill here to try and control irresponsible breeders. They have developed a monster out there, a monster that's attacking citizens every day. Children are being maimed.

Just for a moment I'd like to give you an idea why I'm concerned about this pit bull. Kennel associations right across this country have phoned me, and they've all been phoning you. It's quite a lobby, a very strong lobby. I never knew that if you spoke about people's dogs, they'd get as excited as this. They have been saying: "It can't be breed specific because you can't identify it. We don't recognize it at the kennel association, so it doesn't exist." I can tell you right here I don't buy that.

Let's just go over a year. January 10, 1990, from the *Calgary Herald*: "The dog responsible for the weekend mauling of a three-year-old child in Falconridge has been" done away with. It goes on to say that it was a pit bull.

I got ahead of myself. On January 6, before that, in the *Edmonton Journal*:

A five-year-old girl was bitten in the face Thursday afternoon by a pit bull while she was visiting with family friends at a South Side home.

Let's go to March 12, 1990, the *Calgary Herald* again. It's talking about the bylaws on cats and dogs. It talks about a report from Winnipeg. It says:

Our first report comes from Winnipeg, where that city's council voted 27-2 to ban pit bulls from within city limits . . .

I don't know how they could do that, because I've been told by every dog breeder and kennel club in the country that it's not identifiable. But city council in Winnipeg could identify them.

. . . and to classify all pit bulls now in the city as dangerous dogs.

It goes on to say about it:

. . . their precedent-setting actions by nervous constituents or by the plight of nine-year-old Candace Allard, who required 200 stitches to repair her face and hands after an encounter with a pit-bull, is a moot point.

Now, let's just move up another few days to April 29, 1990. This is the *Edmonton Journal*.

A muscular pit bull tore down a chicken-wire barricade inside a house and crashed through a bedroom window Saturday before biting a police officer.

That's sure a family pet. That's what we like crashing through our window in the morning.

Let's go on a little further, Mr. Speaker, to May 10. We'll just jump up 10 days, down to Calgary again.

A Calgary woman is demanding a tougher animal control law after two pit bulls attacked and killed her boyfriend's cat Wednesday morning.

Poor cat. But if they only ate cats, I wouldn't be concerned, Mr. Speaker. I'm concerned that they go after children. [interjections] I might as well have the cat owners against me; the dog owners are too.

All right; the *Calgary Herald* of May 11. I'll just go up another day. Calgary-Forest Lawn MLA Barry Pashak said:

"Those pit bulls should be treated in the same way a dog would be treated if it had injured a small child."

Pashak described the fellow here, and I won't use his name, as irresponsible for not having the cage areas padlocked earlier.

He was

charged with letting a dog cause damage to other property, having dogs running at large.

There you are. Mr. Pashak is concerned over there, and I'm just carrying on with his concern. I hope those in the Official Opposition will be supporting my Bill.

#### 4:40

All right; we'll go on. This is the *Calgary Herald*, May 11, around the same time again.

A Calgary pit bull owner accused of ordering his dog to attack a neighbor will stand trial on assault charges . . . He was charged with aggravated assault after his pit bull mauled his neighbor . . . on her lawn.

We aren't going through this very fast, but I'm going to get there. It shows there's a lot of concern, Mr. Speaker.

This is the *Calgary Herald*. We'll get up to June 6 here. It goes on to say about this gentleman:

Brown was walking by a house in the 3000 block of Centre Street North about 7:13 a.m. when she saw the pitbull on the porch.

"I walk that way to work every day. It was the first time I'd seen him," she said.

Brown said she thought the dog was tied up, but then it sauntered down the steps towards her "and in the same manner calmly bit me."

She was walking to work. That dog had no right to bite her. She had the right to be there. That dog should have been controlled, and that is why I have concerns.

Now we're up to July 20, back to Edmonton.

The owner of a dog that killed a poodle and bit a woman's hand now faces fines of up to \$5,000.

The man was issued the penalty tags for violations of the restricted dog and vicious dog bylaws.

Another attack.

October 15, back to Calgary. It seems they take turns, Mr. Speaker.

An autumn stroll to Fish Creek Park ended abruptly . . .

The hon. Member for Calgary-Fish Creek is here. I imagine he heard of this.

. . . for Angela McIvor and her roommate Lori Hansford. One of the two runaway dogs pounced on McIvor's back, knocking her to the ground and biting her on the leg.

"They came up from behind us. There wasn't even time to think and I didn't really know what was happening."

It turned out there were two pit bulls on the loose. We shouldn't have that when we're walking in our parks. Both dogs were purebred pit bulls. They call them purebred even though they are not a recognized breed. They don't exist in the eyes of all dog breeders across Canada. They are a nonexistent, nonrecognizable dog.

Let's go to the *Calgary Herald*, October 16. The mayor is speaking:

"I'd be prepared to consider looking at insurance policies for pit bulls" said Duerr, noting insurance would compensate for fines under the vicious dog bylaw.

It goes on to say:

One woman attacked while raking leaves in her yard required more than 30 stitches to close wounds in her legs. The two dogs were put down . . . with the permission of the owners.

Another two pit bulls that didn't exist and now definitely don't exist.

October 17 - we move up a day - on banning of pit bulls from Calgary.

I'll give you some of the attitudes we have out there on pit bull breeding. October 18, Calgary again:

A guy named Ron Havard stopped by the Command Dog College in southeast Calgary Wednesday. He brought a rust-colored, female pit bull named Donis.

"This dog came out of a top Canadian fighting dog, Little Red," Havard said. Proudly, he introduced Donis to Jay Bissell, a partner in the school who has 12 years experience as a handler.

"The male of the litter is so wicked, you couldn't get close to it," Havard kept talking.

That's what goes into the breeding of this animal.

I guess we slipped over. I have a whole one on '91, but we won't go into that. I think we covered '90 very adequately, but the story goes on, and I have it right here.

So we see that in the development of breeds, we've had a breed develop that's not being controlled out there, and responsible breeders aren't taking responsibility for it. The people breeding it are irresponsible, and that is why we in this Legislature must take action to protect the public. I know I'd have the support of responsible breeders, only they fear everything else. They say, "As soon as you do pit bulls, you're going to take my dog" or "What's going to be next?" That's the fear out there. But I think if we work together, responsible breeders and this Legislature, we that are responsible for the safety of people, can come up with legislation. We can have people walking our parks that aren't afraid of being bitten.

Since I introduced this Bill I've had several letters from women, Mr. Speaker, who've said: "I used to walk the parks here. I wouldn't walk again without my husband. I used to like walking. I won't leave my house because I have a fear of these dogs." That's not right. The city and the streets belong to people. I

don't think the dogs paid for them; the people did. I think I'm on the side of people. Since I introduced this Bill, I've talked to just about every dog breeder in the country. The lobby was very intense, and I can say it ran about 50-50: 50 percent against the Bill and 50 percent for the Bill.

The ones that support the Bill realize it is a dangerous situation and the thing should be corrected. Let's talk about those against the Bill. They were concerned, as I mentioned before, about being breed specific. "Don't be breed specific because you might get my breed." I said, "No, that isn't it." "Well, you have a section in your Bill that says that the Lieutenant Governor in Council can add other names." I said, "That is only there for a reason." The principle of that being there is that if these irresponsible breeders get controlled in pit bulls, they will develop another breed. And they will come out. There's no question that these irresponsible breeders do it. Like the criminal element, you stop them with some law and they find another way of breaking the law and getting around it. We have that so we don't have to wait three years if they create another of these nonexistent breeds that's not recognized by anybody but is a monster out there. We as legislators, who protect the public and should be seen as protecting them, can say, "We will add that dog," and don't wait for a year or two to amend the Act while more youngsters get bitten. One youngster more is too much.

I have heard, Mr. Speaker, from many very responsible people who have said: "Well, this is just a fad because it's been worked up. Pit bulls got the bad name. It will be another one. The attacks by pit bulls are going down, and your Bill doesn't really mean anything. It's going to be gone." I say it isn't going to be gone. The total number may go down from 100 attacks a year or 200 attacks a year. I say even one more attack, the maiming of one more youngster walking out there innocently minding her own business and getting bitten and torn up by one of these dogs, is one too many. I think we in this Legislature have the obligation to make sure that doesn't happen.

They talk about muzzling. They don't like to see a dog muzzled. Some people think dogs have rights. I say dogs have rights. I've heard that so often lately. "Dogs have rights, and you've got to recognize that. Your Bill certainly doesn't recognize it." I say, "Well, that's fine." What they object to very strongly is that a pit bull should be muzzled when it's in public. Now, I don't think that harms a pit bull. In fact, the other side, those for the Bill, say, "You didn't go far enough; you should say all large dogs, because large dogs instill fear, even the most gentle German shepherd when it walks down the street." There isn't even a male around who likes to think he's very brave who doesn't watch out of the corner of his eye that German shepherd or Doberman pinscher walking down to him. There isn't one of you around this Legislature who doesn't.

4:50

So those who support the Bill say it doesn't go far enough and all large dogs should be muzzled. The other side says this is an injustice to dogs that haven't done anything wrong and have to be muzzled. I say that muzzling doesn't hurt them. Now, let's talk about muzzling. We have hockey players, some of our stars, who go out on the ice after they break their jaw. They wear a mask. They sure can't eat; they can't bite anybody. They can't do anything, but they go out and play hockey and enjoy life. That mask there doesn't hinder them, and it's not going to hinder a big dog to wear a mask when it goes down the street either. It sure gives contentment and a feeling of security to the people who meet it. They go down there without fear in their hearts.

I can feel for the little old lady walking down the street who sees that big dog coming. I mean, this is a nice family pet; I've got him on my leash; can't you see I'm holding? But that little lady or young lady or old man or young man or little child has a fear of that dog. But if that muzzle is there, it isn't going to hinder the dog any more than it does the hockey player. I don't see any difference, and I think that would make our trails a lot safer. If big dogs, all of them – I haven't gone to that extreme with this Bill. That isn't in it, but a lot of people have brought that to my attention. You know, slip a muzzle on all big dogs when you're out. If you put a collar on, it just snaps on to his collar. It'll hold on. It isn't hurting him. There's no injury. There's no pain. It just keeps him from taking a mouthful of somebody's leg and gives people a feeling of security. That's what we want to have, a feeling of security out there.

I'm not against dogs in any way, shape, or form. I'm just after this monster that's been paraded out there, called a pit bull, which isn't recognized by any kennel group across Canada. They don't recognize it. It doesn't exist. You can't regulate that. How are you going to do it? You've got a stupid Bill. There's no way of recognizing the pit bull.

I want to tell you a little story, Mr. Speaker. This is not a tall story; it's a true story. One of the people who phoned me was very concerned about this Bill and said: "How are you going to identify that pit bull? Nobody recognizes it. It's a mixture. It's been bred by irresponsible breeders. We don't even recognize the breeders. Most of them are dope peddlers of this or that. We don't know." I said there are certain people who can do it. "Well, I'm a bylaw enforcement officer. I know that 90 percent of my complaints are with dogs. And do you know something? The most complaints I have are about these little poodles and terriers that come yapping out and are a nuisance. I get the biggest number of my complaints about them. I suppose you're going to do this to them." I said no; I never heard of anyone maimed by a terrier or a poodle. I've never seen that. They are a nuisance, and they scare people. There's no doubt about it. They're loud, and they're there. Well, he said, "I've had many convictions over the years." He told me how many convictions for terriers and how many of this. Very impressive. He only had nine pit bull convictions, but he had all these other convictions. I said: "Well, there's something that just doesn't add up here. How did you get nine pit bull convictions when 15 minutes ago when we started this conversation on the phone, you said: 'How are you going to identify this. Nobody recognizes it. I am a bylaw enforcement officer. It's a nonrecognized breed. How are you going to do it.' How did you identify those nine pit bulls?" The answer was very indignant. He didn't think about how the situation was developing. Very indignant, because I was questioning his ability to identify a dog, he said, "Well, any silly ass who's enforcing the law knows what a pit bull is." [interjections] That is exactly the statement made to me, and I'm quoting it from him. If it rakes the virgin ears of the people across the way, I withdraw it.

Now, I think the animal can be identified, and I know we can control it. You say: "How do you know when you've just introduced a private member's Bill that has 50 percent of the people against it? All the dog breeders across Canada are against it, and you say, you know, that it will control it." Well, all I can say is that we go to Great Britain. Great Britain has had this Act in for a year, and the best I have been able to get is that they have had a very substantial drop in attacks by pit bulls and pit bulls are coming under control. They do point out a fear that there may be another breed of the so-called underground breeding that will come forward, and we recognize that. There's always that, and at that time we will have to address that monster as it develops. We just

can't turn it loose. This isn't aimed at legitimate breeders; it's at those irresponsible people out there, the macho types that want a big, vicious, strong, unpredictable dog. I don't know why they have them. We know these types of people. I've been talking with police forces around here, the ones that have dog kennels. They tell me some great stories about the type of people breeding them: very irresponsible. They're very high on the drug trade. The police can identify these pit bulls. They know the kind of dog, and they know what they're dealing with.

One thing I can say, Mr. Speaker, about the Bill itself – and this is what makes good legislation. We make good legislation in this building – I'm sure the Official Opposition over there recognizes that – excellent legislation, because we go out and get input from the people. I want to tell you that this Bill has raised public awareness of the problem from coast to coast. The Kennel Club saw that. They went to every kennel club so they could phone me. But I've had a chance to talk to them, and I find they're very responsible people, coast to coast, at the kennel clubs. They realize there's a problem out there, but they don't really know how to control it.

Quickly, because I think I'll be running out of time in a moment, I'd better come around to say that the whole concept of the Bill is to bring some protection to the public before the fact. Our present Bill goes after the fact. We have everybody saying it's not the dogs; it's the people that breed them. I agree. There isn't anyone in this room or anywhere – they say it's not the dog; it's the people that breed them that are at fault. But how do you protect the public by saying "We're going to get the breeders" until the dog does something. We have to wait for some little youngster to be maimed before we do it. I say we have to put some restrictions before the fact, and that's like muzzling and proper yards that youngsters can't climb into. We had several cases where kids coming home from school climbed over a fence to pet a dog and got torn up. The onus is on the owner to do that.

We've got to go before the fact. We can't wait till after the fact. One more child is one too many in my estimation. We've got to make sure that anybody that owns these dogs is going to control them and they're going to be muzzled when they go down the street and in public. People will not feel fear in their own streets and their own parks, afraid to go out just because somebody's got a big dog out there, a pit bull. They shouldn't have to do that. It isn't asking much of the owner to put a muzzle on, and it isn't hurting the dog. So it's before the fact to stop these attacks from coming, and that is a concern of mine. Of all those that have been against this Bill, Mr. Speaker, I haven't had one that has told me how they're going to curb it before the fact. They always say: "Get the guy; get the dog. Fine him hard." Well, I intend to fine hard if I have my way with this Bill, but that's after the fact, after somebody is injured.

It's not our role here to wait till people are injured. It seems to me we brought in seat belt legislation. Remember that? That's long before anybody got injured, and we put it in. I want to tell you that there were a lot around this table that said that was great, a great thing to have. We brought it in to protect before the accident even happened. We didn't go far enough back. I said we should curb the drunk driver and we'd have it beat, but nobody listened to me on that one. I said it was after the fact, the seat belt, really. But if it's the case that we could do that with seat belts, why can't we do that with an Act like this? We have a responsibility, Mr. Speaker, to protect the public.

5:00

MR. ACTING DEPUTY SPEAKER: The Member for Edmonton-Beverly.

MR. EWASIUK: Thank you, Mr. Speaker. I rise to speak to Bill 204. In principle I think certainly no one can disagree with the intent that the member has put forward. He addressed and certainly gave us an oration on crossbreeding hogs and cattle and touched on dogs occasionally, and I think he's right. The problem – and he referred to the pit bulls – is indeed the problem that seems to be the major issue in his Bill.

He had a lot of clippings that he was referring to, obviously, or cases where the children and adults have been bitten by vicious and dangerous dogs. One shouldn't have to tolerate that sort of thing happening in our society today. However, I've listened as carefully as I can, but I don't recall him making reference to individuals being bitten by dogs other than pit bulls. There is a fair amount of history that in fact says that has occurred. In fact, quite recently here in Edmonton I believe there was an Irish setter, actually a family pet, that for some reason or other attacked a couple of children. We had an incident here also in Edmonton where, I believe, one of the Chinese- or Japanese-bred type of dogs, who are extremely friendly animals, for some reason or another attacked another dog, a small dog, and it created some difficulties.

So while I say I agree with the principle and the intent of the Bill, I do want to make the same argument, perhaps, that the people from the Canadian canine club have made, which is that in presenting a Bill of this nature, one cannot be breed-specific. I'm pleased the member has indicated that there will be an amendment forthcoming that would in fact remove that provision in the Bill, although as I understand it, he's making reference that the pit bull terriers are going to be the identified species. It's interesting that when you talk about animals, and the pit bull species and the terrier particularly – I think there are some 23 breeds of terriers. Indeed, the problem that is created is that the crossbreeding is, in some cases, intentional, where they're in fact producing something referred to sometimes as a fighting machine. They're used for the purpose of dog fights. I guess in some societies that's acceptable. So it's very difficult to sort of blanket, even in reference to pit bulls – that all pit bulls are branded in the same way and identified as vicious and dangerous animals. I'm not sure that we can, in fact, do that.

The problem is not unique to Alberta. It's not unique to Canada. In fact, it's a worldwide problem. The United States is really experiencing major difficulties with the dog issue, if you want to call it that, and some states have passed legislation to address the problem. In seeing their legislation, it would appear to me that they have been attempting to be as fair as they can to both the assumed victims of vicious dogs, but also there is some indication of consideration for dog owners. The legislation that has been passed by and large does not make a breed-specific reference, acknowledging the fact that you can't really cover all the bases by doing that because different dogs at different times in fact become vicious and dangerous. It's important that when we talk about legislation, we provide that type of protection to those dog owners who are responsible, who are maintaining their animals with proper and safe methods so that their dogs, whatever breed they might be, can be considered safe dogs. Just briefly, that type of practice can be applied to almost any animal, because depending on how they are treated by their owners will reflect the type of animal you may have, and that applies to something as small as a cat or as large as a horse. I think it all depends on how the animal is treated by its owner.

I know of an incident that disturbed me somewhat about an individual who had a rather large dog; a young pup, in fact, but it was quite large. He bought it for security purposes. He wanted to ensure that it would respond to strangers, so he had this animal

put in his vehicle and then asked a friend to go over and whip it so that it would become vicious and would then respond to attack individuals that approached his home or his vehicle. It wasn't a pit bull; it was a dog that's commonly known as a pet in many homes. Those are the kinds of things we're talking about. We're talking about dangerous and vicious dogs, but really we're talking about individuals and how animals are treated by those people. I would like to be able to support this Bill. I think the intent is correct, but I think there is a fair deal that's actually deficient in the Bill over and above the fact that it intends to be breed-specific.

It also might be quite appropriate if the legislation was provided to municipalities to be able to pass bylaws within their own jurisdictions to deal with animals. The city of Edmonton, who had an experience with pit bulls several years ago, did indeed pass their own bylaw to deal with, I believe in that case, pit bulls. I think it may refer to dangerous or vicious dogs. They imposed, first of all, a license fee that was quite prohibitive. Secondly, the fines if a dog was in violation of the bylaw were quite substantial. That in effect had an impact on many of the owners of something called a pit bull to either abide by the bylaws or they were forced out of the city. Now, that doesn't necessarily solve the problem. The pit bulls are still there, and the dangerous dogs are still around. Nevertheless, I think it is the onus of the municipalities to make that determination.

I would also point out is that you really can't legislate against having vicious and dangerous dogs. People will find a way around it. What you really are going to develop is an underground breeding group that is going to breed these vicious animals and make them available, for whatever reason, to other individuals. I don't think you can legislate it. I think you have to use a process of education, eliminating the need and purpose of that type of animal to exist. Then you might be able to cope with it. The way it is now, the way this Bill is before us, I really don't feel it's going to deal with the real problem.

#### 5:10

I have a document – perhaps the member may well have received it, if not all of us – from the Canadian Kennel Club. They make some suggestions in closing in their letter that I thought was a responsible position. First of all, they would suggest that there be an imposition of “stern penalties on irresponsible owners.” I agree. If the owners are fined adequately and sufficiently – the member does make references to \$1,000 for a first offence and \$5,000 after subsequent offences. The club also suggests the establishment of

a well defined procedure for dealing with dogs proven to be dangerous, which includes, if necessary, the destruction of such animals.

There's nothing in this Bill that, in fact, addresses that particular concern. There must be some provisions if animals are found to be dangerous or vicious, and there really should be some provisions that they can be destroyed. I think the member alluded to this, but they talk about a leash bylaw – I'm not sure what that necessarily means, but I would suspect that animals will not be able to be let run loose – running at large bylaws, and they say: confinement on private property – child-proof from the outside and dog-proof from the inside.

I think there are ways and means of dealing with the issue that meet the kinds of requirements and ideas the hon. member has presented in this Bill. As I say, the Bill is deficient in a number of areas and really will not deal with the problem that he wants to address. On that basis, I couldn't support the Bill. I don't own a dog, but I do sympathize with good, responsible dog owners. If they are privileged or wish to own an animal and an animal is treated in a fair and proper way, all animals are good animals. I think it's how they are cared for by their owners.

[Mr. Speaker in the Chair]

Mr. Speaker, to conclude, the legislation should in fact be based by municipality. I think municipalities can indeed handle the issue perhaps better than we at the provincial level can. And the Bill, because it does have the option of additions to what might be considered a vicious or dangerous dog, does become breed-specific. Therefore, I couldn't support the Bill on that basis.

MR. SPEAKER: Edmonton-Gold Bar.

MRS. HEWES: Thank you, Mr. Speaker. I have a lot of sympathy for this particular Bill and for the reasons the member has put it forward and has expressed. Those of us – and there are many in this House – that have been involved in municipal politics know there are a couple of things that really preoccupy people in urban areas in our province. One is garbage; no question. The other one is dogs at large. Both of those are major problems and will continue to be. It's unfortunate when we have to legislate such things as dogs at large. It's too bad. It's not the kind of legislation that I like to feel is necessary. But there are other forces at work in our communities now that I'm sure have provoked this member to bring this Bill forward.

Mr. Speaker, I'm a dog owner, and I have a very large dog. She's a crossbred Saint Bernard and Lab, so she's a big dog, but like me, she's a very gentle soul, very sweet disposition, not aggressive, very kind. [interjections]

MR. SPEAKER: Come to heel, hon. members.

MRS. HEWES: But I'm aware when I walk that dog on a lead that she frightens people simply because of her sheer size. I understand that, and I'm very careful with her and cautious with her in spite of her good nature, because dogs do threaten people in our cities and our towns.

Mr. Speaker, with increasing urbanization there's come increasing concern over security, and that's not just security for commercial and industrial places in our communities but in residential neighbourhoods as well. I think that brings about a great deal of interest in dogs: dogs to protect personal property, dogs to protect households, as well as dogs to protect commerce and industry. The result of that is that we see dogs used by enforcement, by police. We see dogs kept caged around factories, and we see dogs who are bred for that particular purpose. I think the member who presented the Bill spoke very well to that, that we're seeing dogs bred with vicious characteristics for security purposes. Now, I know that the police departments in our urban centres like to see dogs in neighbourhoods because they alarm neighbourhoods when there are intruders around, but they are very uneasy when there are dogs in neighbourhoods that are bred for attack purposes and become a danger not just to children but to all citizens in a community.

I realize the original legislation here has been around for a long time and that in the interim many municipalities have developed their own particular bylaws to deal with vicious dogs, but rural areas don't have them, and I recognize this legislation would go a long way to cover that. It would allow a justice to declare a dog as dangerous and order that it be kept or destroyed. Of course, there has been a nominal fine.

Mr. Speaker, I was interested to hear the member state that he plans to amend the legislation to take out the named rottweiler breed, leaving in only the pit bull. That, as I understand it, would conform with what the Canadian Kennel Club is suggesting, because the rottweiler breed is a registered breed, and in fact

we might find this piece of legislation in conflict with the federal Animal Pedigree Act.

Mr. Speaker, the new legislation in its requirements in dealing with what are described as dangerous dogs is quite excessive in many ways, and I'm sure dog owners might describe it as that. It prohibits pit bulls from being bred, dangerous dogs from being bred, demands they be neutered, "be kept in an enclosed area" away from the public, be muzzled and on a leash when in public, prohibited from straying or being out of control. The fines are, I suggest, commensurate with the description of dangerous dog and would hopefully make owners more responsible. Further, the legislation would be used in all parts of the province not covered by municipal bylaws that cover the same matter.

It's my understanding that the SPCA, both provincial and local branches, and the Calgary Humane Society are not comfortable with this legislation as it is because it could be breed-defined. They would prefer to see owners charged and fined. To be sure, most of us agree with that. We feel that the animal is not the problem, but rather the owner who has bred the animal or keeps the animal, knowing it to be vicious, is the problem. But there really is no other way to get at the owner other than to make it known that this is an unacceptable animal in our community and must either be confined or somehow prohibited from being in contact with the public.

5:20

Mr. Speaker, both the city of Edmonton and the city of Calgary suggested that they were in favour of this legislation, but perhaps there should be even more dogs listed. I recognize that the legislation would allow for that to happen, as other dogs, if they had been inbred and became dangerous or bred for those vicious characteristics, could be added to the list by the Lieutenant Governor in Council. Or should the owners and breeders of pit bulls become more responsible and take greater care of their animals, those could be deleted from the list, so I think that is covered.

Mr. Speaker, the fines: yes, I've spoken to that, and I believe them to be far more realistic than what is presently in place.

The member indicated that there had been extensive consultation and input. I'd be grateful if he would provide Members of the Legislative Assembly with a list of those groups, because some of the ones I contacted relative to this Bill had not in fact had information and had not been consulted. It seems to me that we must ensure that there is sufficient consultation in order that all sides of this particular issue can be heard, because perhaps there can be some ways other than the amendment he has already indicated that the legislation can be improved.

Mr. Speaker, just finally, I would hope that breeders and owners with potential fines and constrictions that are proposed here would take this kind of legislation or its potential to heart and would operate in a far more responsible manner.

MR. SPEAKER: Calgary-Bow.

MRS. B. LAING: Thank you, Mr. Speaker. I'm pleased to speak to Bill 204 this afternoon as I believe it is an issue that has certainly generated much discussion and attention. The purpose and the intent of the Bill addresses the issue of dog owner responsibility and also protection of the public. It's a Bill that I know has been prompted by constituents' concerns and by the public's desire for greater protection and control of dangerous dogs.

First, the amendment in Bill 204 aims to provide greater protection for the public against attacks by dangerous dogs,

ensuring that the dog owners take proper measures and necessary precautions when the dogs are in public to have them muzzled or leashed, and really that's not unfair or extreme. Secondly, the Bill requires owners to keep their dogs "in an enclosed area which is designed to prevent the dog from escaping or the public from gaining access" to the dog. It's not unreasonable for individuals to be able to enjoy their backyard and their property without worrying about a dog leaping the fence to come in and raise havoc around the barbecue pit. I don't believe anyone should have to live with that threat or that fear, so it does address public protection.

There are a few elements, though, that I have a problem with, and one of them is that certain breeds have been identified as dangerous. I feel, really, that this is unfair. A dog that's been raised in a kind and disciplined manner is not overly aggressive or dangerous, and one of the gentlest dogs I've encountered was a young female pit bull, a mother with a full litter of puppies and absolutely gentle. Many fanciers of this breed, whatever the definition is, feel that with correct breeding and proper training, these dogs are not any more dangerous than others.

In the schedule for this Bill there were two breeds. Although I understand the one is being withdrawn, once you start a list, where do you stop? Some people would like to see a German shepherd included or perhaps a bullmastiff or Doberman pinscher, and it's very difficult to decide which to include and which to exclude. Personally, one of the most vicious dogs I've ever encountered was a wirehaired terrier that came charging across the road and attached itself to my ankle. You can't always go by size or by characteristics.

Rather than identifying certain breeds, I feel it should be the responsibility of the owner that's looked at rather than the dog. The owner must be cognizant of the needs of the animal: a large, safe, enclosed area to exercise in in the city, not, as we sometimes see, a balcony, which provides the dog with very little room. They need adequate water and food to maintain good health, protection from extreme cold and heat, access to veterinarian services for maintenance, regular checkups, and inoculations. They must also continue that level of good health by providing care when it's needed. We practise preventive medicine with our own health, and I feel that should be extended to pets we would like to have.

Proper care and training of the pet dog is part of responsible

ownership. Perhaps we should require all new dog owners to take a lesson in obedience classes with their dogs. Training the owners how to care for the dog and how to train it, in my opinion, would prevent many of the episodes of dogs causing problems with attacks. Perhaps all the dogs should be registered, and one of the requirements would be that the certificate of obedience training be presented when you take out your mandatory dog licence. This would be very similar to giving the pink slip for our car insurance when we get our car plates every year.

Another one would be to develop a safety program that could be taught in the schools and also could be shown on television, teaching people that a dog that is loose is usually frightened, it's unpredictable, and people have to learn to stand back and be careful. Especially where children are concerned, they should be taught not to run up and grab the animal around the neck. I feel this is one of the responsibilities that would ensure good ownership.

In view of the hour, I'd like to adjourn debate.

MR. SPEAKER: Order please. Having heard the motion, those in favour of adjournment of debate, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. The motion carries. No need to stand to vote, hon. members. Thank you.

Deputy Government House Leader.

MR. GOGO: Mr. Speaker, the business of the House this evening will be estimates of the Department of Advanced Education, plus other business if there's time. I move that when members do reassemble at 8 o'clock, they do so in Committee of Supply.

MR. SPEAKER: Having heard the motion, those in favour, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. The motion carries.

[The Assembly adjourned at 5:28 p.m.]