

## Legislative Assembly of Alberta

Title: **Wednesday, June 17, 1992**

2:30 p.m.

Date: 92/06/17

[Mr. Speaker in the Chair]

head: **Prayers**

MR. SPEAKER: Let us pray.

Heavenly Father, we ask you to renew and strengthen in us the awareness of our duty and privilege as members of this Legislature.

We ask You also in Your divine providence to bless and protect the Assembly and the province we are elected to serve.

Amen.

head: **Presenting Reports by  
Standing and Special Committees**

MR. SPEAKER: Calgary-Foothills.

MRS. BLACK: Thank you, Mr. Speaker. The Private Bills Committee has had under consideration a Bill and reports as follows. The committee recommends to the Assembly that the following Bill be proceeded with with some amendments: Bill Pr. 9, the United Farmers of Alberta Co-operative Limited Amendment Act, 1992.

MR. SPEAKER: Is there concurrence of the members?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.

head: **Introduction of Bills**

MR. SPEAKER: The Member for Edmonton-Gold Bar.

### Bill 278 Public Service Pay Equity Act

MRS. HEWES: Thank you, Mr. Speaker. I beg leave on behalf of the Member for Edmonton-Glengarry to introduce Bill 278, the Public Service Pay Equity Act.

This legislation will create a system of pay equity within the public service.

[Leave granted; Bill 278 read a first time]

### Bill 321 Children's Advocate Act

MRS. HEWES: Mr. Speaker, I beg leave to introduce Bill 321, the Children's Advocate Act.

This Bill will expand the authority of the Children's Advocate making the office a more independent body, similar to the provincial Ombudsman.

Thank you.

[Leave granted; Bill 321 read a first time]

### Bill 21 Election Statutes Amendment Act, 1992

MR. BRADLEY: Mr. Speaker, I beg leave to introduce Bill 21, the Election Statutes Amendment Act, 1992.

Mr. Speaker, this Bill amends both the Election Act and the Election Finances and Contributions Disclosure Act and generally provides provisions which will better facilitate the conducting of elections in the province of Alberta.

[Leave granted; Bill 21 read a first time]

MR. STEWART: Mr. Speaker, I move that Bill 21, Election Statutes Amendment Act, 1992, be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

head: **Tabling Returns and Reports**

MR. ISLEY: Mr. Speaker, I'm pleased today to file the required number of copies of a document entitled A Proposal for a North American Continental Market for Barley.

MR. GOGO: Mr. Speaker, I wish to file my response to Written Question 368, asked by the hon. Member for Calgary-McKnight.

MR. SPEAKER: Thank you.

The Member for Edmonton-Strathcona.

MR. CHIVERS: Thank you, Mr. Speaker. I have for tabling in the Assembly copies of a petition and coupons signed by 4,520 Canadians declaring their support for the policies of official bilingualism and multiculturalism. The impetus for this was the Premier's comments late last year, and I'm sure the petitioners will be pleased with the . . .

MR. SPEAKER: Thank you. [interjection] Thank you. The Chair assumes this is not under the heading of petitions. This is just a filing.

MR. CHIVERS: That's right.

MR. SPEAKER: Thank you.

head: **Introduction of Special Guests**

MR. SPEAKER: The Member for Rocky Mountain House.

MR. LUND: Thank you, Mr. Speaker. It gives me a great deal of pleasure today to introduce to you and members of the Assembly some 17 leading and experienced residents from the beautiful town of Sylvan Lake. They were driven here today by a former mayor of the town of Swan Hills, as a matter of fact the second mayor of the town. I would ask them to rise and receive the cordial warm welcome of the Assembly.

MRS. HEWES: Mr. Speaker, I'm privileged today to introduce to you and through you to other members of the Legislature a number of representatives of the Michener Centre Parent Organization who are here to observe the debate on Bill 25: Mr. and Mrs. Keates, Dr. and Mrs. Keohan and Mark Keohan, and Mairead Lavigne. I understand they're in the members' gallery. I haven't been able to establish that. If they are, I hope they will rise and receive the welcome of the Assembly.

MR. DAY: Mr. Speaker, it's a real honour to introduce to you students, parents, and teachers from St. Teresa of Avila school in Red Deer. They're seated in the members' gallery. The teachers accompanying them are Kathy Dombroski and Joe Lepage, and the

parents and helpers coming along on the trip with them are Colleen Caddy, Mr. Erkkka Ala-Tauriala, Mrs. Ellen Johnston, and Mrs. Debbie Johre. I'd ask if they would all stand and receive the warm welcome of the Assembly.

head:

### Oral Question Period

#### NovAtel Communications Ltd.

MS BARRETT: Mr. Speaker, I'd like to file with the Assembly today a copy of a second financing agreement dated March 16, 1992, between GMD Limited Partnership of Greenville, North Carolina; Palmcell, a subsidiary of GMD; and NovAtel. I'll tell you, this agreement makes for interesting reading. Two years before this agreement was signed, NovAtel lent this company \$2 million under the same sort of provision that it was lending everybody else they could find money; that is, no performance guarantees at all. Listen to this – this is really interesting – just one little excerpt from this agreement. It says:

Whereas, GMD has failed to satisfy certain Conditions Precedent specified in the Loan Agreements, the satisfaction of which are preconditions to Lender's obligations to advance funds under the Loan Agreements . . . GMD has urgent need of Working Capital under the Loan Agreements.

What do you think, Mr. Speaker? Sure enough; NovAtel agreed and lent them another half million dollars. My question to the minister responsible, the minister who pulled the plug weeks later, is: how can he tell the Assembly that only three of the companies that NovAtel was financing were failing when in fact at least four now are failing?

MR. STEWART: Mr. Speaker, the hon. member is incorrect. The loan is not in default.

2:40

MS BARRETT: Mr. Speaker, the legal counsel to GMD told our office today, quote: the prospects for GMD's continued operation are grim. In the document that I have just filed, GMD itself said: we haven't got the money to repay you; can you lend us some more? NovAtel said yes. How can the minister assure Albertans that we haven't lost yet another 2 and a half million dollars through NovAtel on this failed American venture?

MR. STEWART: Mr. Speaker, there are no existing indications at all that current provisions for losses have not been adequately provided for.

MS BARRETT: Yeah, and I believe in the tooth fairy, Mr. Speaker.

Another interesting element in this whole story is that a Rusty Irvin, somebody who has a financial interest, that is ownership, in GMD went to work at NovAtel as a salesperson and was privy to a lot of inside information. We discovered that just a few minutes ago, Mr. Speaker. Will the minister now admit that controls at NovAtel were so lax that things couldn't have been worse if they took out ads advertising free money?

MR. STEWART: Mr. Speaker, I think this is another good example of incomplete information, inaccurate information done strictly for political motivation. I will just recite the fact that when the hon. member raises the name of this former employee and suggests that through his influence this company received its loan, the commitment letter in respect to that loan was delivered in 1988, much before any transfer of employment. The commitment letter and the legal obligation with respect to that loan took place in 1988.

MS BARRETT: Yes, and the subsequent happened in 1992.

MR. STEWART: Well, it's not a debate, Mr. Speaker. I'm just saying how important it is to put this matter into the hands of the Auditor General. This sort of political grandstanding and individual investigations are not in the interests of taxpayers. The opposition has got to show more responsibility and more concern for the taxpayers of Alberta than what they are now showing.

MR. SPEAKER: Second main question, Edmonton-Highlands.

MS BARRETT: I'd like to designate that question to the Member for Edmonton-Kingsway, who I'm sure will agree that we need a public inquiry, Mr. Speaker.

MR. SPEAKER: Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Speaker. Yesterday in this Assembly we learned that during the period it was owned by the government, NovAtel lent \$34 million to S & P Cellular Holdings, a Tuscon-based cellular phone company. We learned that S & P is currently in default on one loan and the taxpayers are on the hook for another due in October. We know that S & P used the money to finance a corporate takeover, not to set up a cellular telephone system. Will the minister confirm that NovAtel was advised in a July 9 letter from the company principal, Sarkice Nedder, that S & P was not profitable at that time?

MR. STEWART: Mr. Speaker, again incomplete information, half-truths at the most. Those matters are properly in the hands of the Auditor General. It is our position and our firm position that the Auditor General has got to have every bit of opportunity to deal with these matters first and to have an open and complete review of all matters pertaining to this. The opposition cites example after example which they contend are in default when in cases they are not in default.

Currently we are being advised by the portfolio managers – and I think this is a serious matter – that indeed the portfolio and a number of the accounts are in jeopardy by the types of headlines and the political grandstanding that's going on, and that's not fair to the taxpayers of Alberta, Mr. Speaker.

MR. McEACHERN: Mr. Speaker, he's just worried about whether it would be fair to him or not, and we don't owe that minister anything. He doesn't deserve anything better than he's getting, and that's to be really embarrassed about what he's doing.

In fact, Mr. Speaker, I'm happy to table Mr. Nedder's letter along with another letter written by S & P general counsel, Ronda Byerly, on June 20, 1991, to a New York investment banker, Samme Thompson. In this confidential letter – and it's high-lighted and no wonder – Ms Byerly reports that NovAtel's decisions concerning funding of current acquisitions are now considered on a case by case basis. Thus, no upper funding limit exists at this time.

Is this why NovAtel was racking up such substantial losses and why taxpayers are on the hook: because to NovAtel the sky was the limit?

MR. STEWART: Mr. Speaker, the other day the hon. Leader of the Official Opposition tabled documents in the House, made certain allegations, and just happened to forget about the fact that there were 10 conditions in the letter itself that he didn't refer to. Now, I don't know whether the same situation exists here or not, and that's why we have to put this into the hands of the Auditor General so that he can do an independent review, report back to

the Assembly, not to government but to the Assembly. He's independent, he has the capability of doing this sort of review, and he should do it. We should remove it from the type of political grandstanding that is exhibited to be abroad.

MR. McEACHERN: Don't you wish.

In her letter to Mr. Thompson, Ms Byerly refers to a letter from the NovAtel treasurer, Peter Mitchell, a letter that she says indicates that there is no upper limit on the amount that NovAtel would commit to the U.S. corporation takeovers. Now, I've produced most of the story. Will the minister agree to table the letter from Mr. Mitchell?

MR. STEWART: Mr. Speaker, if the hon. member has information that he thinks is so important to this situation, let him put it to the Auditor General on the same sort of basis as we are providing and co-operating fully with the Auditor General.

MR. SPEAKER: Calgary-North West.

MR. BRUSEKER: Thank you, Mr. Speaker. I, too, would like to ask some questions to the minister responsible for the NovAtel disaster. NovAtel financing operations at one time offered an \$81 million line of credit to CC Communications. This company really had no firm game plan, as indicated by a series of activities that I want to outline. I think it's important that the people of Alberta get a real understanding of the kinds of foolish activities that this government was involved in. In May of 1991 CC Communications, which was being funded by government money, offered to buy General Cellular Corporation, which was also being funded by government money. They wanted to buy it: one government corporation buying out another one. Can the minister explain why this ridiculous situation would be allowed to occur and in fact encouraged by his department?

MR. STEWART: Well, Mr. Speaker, that was yesterday's scenario. I guess they're being repeated one after the other and going back to old territory. That was yesterday's story, and we dealt with it fully yesterday.

One of the points that the hon. member has got to recall is that the parameters with respect to all the systems financing were determined by the NovAtel board, the NovAtel management, in fact even a subsidiary of NovAtel down in the United States in collaboration with the NovAtel board. Those parameters were set, and the financing arrangements were established in accordance with the types of financing arrangements which were prevalent in the industry at that time. They were done for marketing purposes. Those decisions were made, those decisions should be examined, and they will be examined, Mr. Speaker, by the Auditor General.

MR. SPEAKER: Supplementary, Calgary-North West.

MR. BRUSEKER: Thank you, Mr. Speaker. The truth of the matter is that at that time NovAtel was 100 percent owned by the government and this minister was responsible for NovAtel. It's on his shoulders.

Mr. Speaker, I want to go back to that same issue, because by that time, May of 1991, it must have been clear even to this minister that General Cellular Corporation was in deep financial trouble. Will the minister now admit that allowing that ridiculous situation that I just outlined to occur was nothing more than an

end run in an attempt to hide another taxpayer infusion of taxpayer dollars into a company that was failing in the United States?

MR. STEWART: Well, that's nonsense, Mr. Speaker. If the hon. member has information that he feels has something sinister in it, something improper, let him put it with the Auditor General. Indeed, that's the place for this review to take place. These sorts of accusations and allegations without fundamental backing are just destroying the opportunity for the taxpayers of Alberta to fully realize on the systems financing that exists.

MR. BRUSEKER: Mr. Speaker, the only thing that's really preventing Albertans from fully understanding the story is this minister's failure to provide the documents to Albertans.

Mr. Speaker, the ultimate irony in this whole scenario that I want to complete with this third question is that CC Communications received this \$81 million line of credit and then turned around and made an offer to buy NovAtel financing operations. In other words, they wanted to buy the corporation with its own money. So my question to the minister is: since this occurred a year ago, did any alarm bells go off either in NovAtel financing operations, did any alarm bells go off in the department, did any alarm bells go off in the minister's head that maybe something was going on in NovAtel that wasn't quite right?

2:50

MR. STEWART: Mr. Speaker, again we have an example. The hon. member is suggesting that this company may have wanted to make an offer but didn't. The matter of the sale of NovAtel was in the hands of international consultants. They pursued the potential opportunities for sale of the company throughout the world. They talked to 60-some potential buyers. They boiled that down to about 11 that were interested, and we got the unanimous recommendation of the management committee and the international consultant. The advice that we took and the action we took were in keeping with that sort of advice.

MR. SPEAKER: Smoky River, followed by Edmonton-Strathcona.

### Agricultural Marketing

MR. PASZKOWSKI: Thank you, Mr. Speaker. Yesterday in this House Motion 219 was debated. It was brought forward by the hon. Member for Vegreville, and the intention of the motion was to provide for agricultural assistance to the farmers. It appeared that this assistance would be coming at the taxpayers' expense. Clearly a more effective way and one that all farmers of this province would endorse is a plan for a better price for their grain. One such way is achieving this through the development of a North American continental barley market. To the Minister of Agriculture: what is the status of this opportunity?

MR. ISLEY: Mr. Speaker, the document that I filed earlier, which I hope hon. members will take the time to review, is some good work done by the Alberta Grain Commission, a body that is very often criticized by the Member for Vegreville, and outlines very clearly a proposal under which farmers could have the best of both worlds. They could have the option of marketing their own barley anywhere in North America to any purchaser in North America, or they could have the option of remaining with the Canadian Wheat Board and marketing their barley through the Canadian Wheat Board. I believe it's a win/win situation. I simply hope that politicians and producers will study it closely and carefully and

free up our progressive farmers who want to do their own marketing.

MR. SPEAKER: Supplementary.

MR. PASZKOWSKI: Thank you, Mr. Speaker. My supplementary is also to the Minister of Agriculture. I understand the minister recently met with his federal counterpart in charge of grains and oilseeds as well as the Canadian Wheat Board. Would the minister share with this House some of the items that were on the table and discussed?

MR. ISLEY: Mr. Speaker, it is indeed correct that I met Monday with the Hon. Charles Mayer, the minister in charge of grains and oilseeds and responsible for the Canadian Wheat Board, whom we had earlier shared a copy of the proposal with. The purpose of Monday's meeting was to discuss it in more detail. We analyzed the pros and cons, the positives. There was some discussion as to whether there would be leakage out of Canada through the U.S.A. into the world market. I think we concluded that if there were a leakage, it would only be triggered because our producer was getting a better price for his product. I have no idea at this point in time whether or not the order in council will be passed to implement it, but I think that after a thorough assessment there's a good chance we may be able to free up the market for our producers.

MR. SPEAKER: Edmonton-Strathcona, followed by Edmonton-Whitemud.

#### Tuberculosis in Corrections Facilities

MR. CHIVERS: Thank you, Mr. Speaker. The Solicitor General's arbitrary and unreasonable denial of access to opposition MLAs to correctional centres gives rise to concerns about what it is that he's concerned about that we might discover if we were allowed to visit. For example, we know that TB testing at Drumheller Institution found a significant increase in positive responses for TB. Will the Solicitor General undertake comprehensive TB testing at the provincial corrections to ensure that the incidence of TB is not increasing?

DR. WEST: Mr. Speaker, I answered this line of questioning yesterday. The Drumheller Institution is run by the federal government. There were probably three questions in here. I'm answering the last. We have a complete and comprehensive health policy within our correctional facilities in the province of Alberta.

MR. SPEAKER: Supplementary.

MR. CHIVERS: Thank you, Mr. Speaker. The situation in the U.S. has been dramatically illustrated by the fact of a very significant increase of TB in the overcrowded institutions in that country. I'd like to draw to the Solicitor General's attention that a couple of years ago Alberta reduced its TB testing program significantly. Since the risks are high and the cost is low, will the Solicitor General undertake to immediately restore full testing for TB in Alberta correctional facilities?

DR. WEST: Mr. Speaker, as a veterinarian I do have a considerable amount of knowledge as it relates to TB, and we were part of the process in helping to eradicate certain levels of TB in the nation over the last many decades. We have health departments and health officials that do an excellent job in looking after such things as TB and its epidemiology, and they're spread throughout

our system. We have come a long way since one of my uncles used to spend time locked away in an Ontario sanatorium many, many years ago. I am very proud of this country called Canada and our health officials and our health structure that has helped to take TB down to a level where we no longer have to have that sort of incarceration for TB.

MR. SPEAKER: Edmonton-Whitemud.

#### Administration of Justice

MR. WICKMAN: Thank you, Mr. Speaker. Two teenagers were sentenced Tuesday to probation and community work for their part in the beating and torture of a mentally handicapped man who later died. This was a cruel and vicious act on a likable handicapped youth who volunteered his time in an extended care centre. A sentence of probation and community work is unbelievable. To the Attorney General: will the Attorney General commit to appealing the sentence handed down by Queen's Bench Justice E. A. Marshall?

MR. ROSTAD: Mr. Speaker, in a range of very heinous crimes I couldn't think of one that's probably more heinous than to abuse, degrade, and inflict cruel punishment on somebody who is handicapped. There were four perpetrators in this particular instance: two who received disposition in a court yesterday and two that had been disposed of before. The so-called leader of the group received eight years in sentence less two years for time spent in custody waiting for his trial. The other one received a one-year sentence plus some other community service. I can assure the hon. member and all interested – and I'm sure that's the broad, broad community that is very interested in this – that it is being analyzed and will be proceeded through the appeal if indications are such.

MR. SPEAKER: Thank you.  
Supplementary.

MR. WICKMAN: Thank you, Mr. Speaker. Again to the Attorney General: how does the Attorney General expect Albertans to have faith in a justice system that is so riddled with inconsistencies that on the one hand we see a sentence of probation and community work for the act that was just referred to and on the other hand we see the sentencing of five weeks in a correctional facility for a 15-year-old youth that skips classes?

MR. ROSTAD: Mr. Speaker, when you lead in with a comment, with due respect, it's usually very, very suspicious of what's following. In this instance that's a preposterous comparison. First of all, I would like to indicate to the hon. member that the Attorney General does not control or influence judges. In the Canadian legal system our judiciary is independent of the executive and the Legislature. As evidence is put before the court, the court in their discretion metes out the penalty based on that evidence. We then look at the evidence that was put before the court to enable an assessment to ensure, on the basis of the facts that were put before the court, whether there can be an appeal. In this particular instance, we've done that.

In the other instance the hon. member refers to, the truancy case, that is also being appealed, but that is being appealed because the other side thought the decision was not done correctly. I'd also like to clear up for the member, who obviously hasn't been listening for the last two days in the Legislature: the child was not put in jail because of truancy; he was put in jail because

he did not live up to an order of the court. That is a completely different situation.

### 3:00 Constitutional Reform

MR. PAYNE: Mr. Speaker, my questions today are directed to the Minister of Federal and Intergovernmental Affairs regarding his timely meeting yesterday in Calgary with Claude Beauchamp, a prominent Quebec businessman involved heavily with the Quebec business organization Regroupement de la constitution et economie. Can the minister report any progress made with respect to the Quebec business communities understanding of and possibly support for Alberta's Senate reform position?

MR. HORSMAN: Mr. Speaker, I had the opportunity yesterday, as indicated by the hon. member in his question, to meet with M. Beauchamp. He gave me his reasons for advancing a proposal to reform the Canadian Senate which would involve a weighted system of votes although there would be equal numbers from each province. It also gave me the opportunity, however, to expand upon and explain to him why Albertans feel it is so important to have a Senate which truly reflects the interests of each of the member states in the federation, the provinces. We had a very useful dialogue.

I wish I could say that I came away from the meeting with an endorsement by Mr. Beauchamp of our proposal, which has of course been well researched in advance by the people of Alberta over a period of almost 10 years now. I can't say that, but I certainly think he has a better understanding of the depth of feeling that Albertans have for this issue. As we have expressed concern for and recognition of the depth of feeling in Quebec for their desire to be recognized as a distinct society relative to their language, culture, and civil law, so also it is important that I impressed upon him and he started to understand the depth of feeling that exists in western Canada to see a Senate that truly reflects the federal principle in the federal Parliament.

MR. PAYNE: Mr. Speaker, in view of the province of Quebec's absence from the constitutional reform negotiating table, I would like to ask the minister if M. Beauchamp shares the Alberta view that his province should indeed be at the table during this Canada round?

MR. HORSMAN: Well, Mr. Speaker, I certainly impressed upon him how deeply we feel is the importance of Quebec returning to the table so that we are not receiving their views through the mouths of others, no matter how highly regarded those mouths might be. We must know and hear directly from Quebec what their concerns are and how they respond to the concerns of Albertans and other people in western Canada and in the smaller provinces, particularly with respect to reforming the Senate.

Yes, M. Beauchamp recognizes the importance of Quebec returning to the table, but he emphasized to me again the views expressed by Quebec through him and as we've heard them clearly defined to us that Quebec will not return to the table until such time as they are guaranteed a veto on future constitutional change. Therefore, there is a real dilemma for all of us. In the days and weeks ahead, I hope that we can resolve that dilemma, but I made it absolutely clear to M. Beauchamp that Alberta will not consent to a veto for Quebec or Ontario until such time as we receive meaningful, true Senate reform based upon the model which has been developed here in Alberta. It's known as equal, elected, and effective.

MR. SPEAKER: Vegreville.

### Farm Credit Stability Program

MR. FOX: Thank you, Mr. Speaker. The farm credit stability program has made over \$2 billion available to farmers by way of 9 percent loans from banks. It's a good program for farmers but even better it seems for banks, which make over \$58 million a year for administering this low-risk, government-guaranteed program. Now, recognizing that this cost is almost three times the cost of loan administration through the province's own ADC, will the Minister of Agriculture agree to end this sweetheart deal with the banks, take the administration away from them, give it to ADC, and save the taxpayers some money in the process?

MR. ISLEY: Mr. Speaker, the Provincial Treasurer may wish to add some comments since the program is administered through his department.

SOME HON. MEMBERS: He's not here.

MR. ISLEY: Well, I'll make him aware of the question.

I will respond to it first as well. I think the hon. Member for Vegreville misses a number of points when he grabs one figure and says that there's a sweetheart deal here. If he thinks the thousands of loans that were done under the farm credit stability program could be delivered through the organization of the Agricultural Development Corporation, he has a lot to learn. We would have to build up a very big bureaucracy at an ongoing cost. We would then have had to direct farmers to deal only with one financial institution.

I think if we were ever to redo a program as attractive and good for the industry as the farm credit stability program was, we would follow the same wise decision of delivering it through all of the financial institutions – the Treasury Branches, the credit unions, and the chartered banks – giving the farmer the right to choose which lending institution he would use. I think any credible analysis would show that that would be the cheapest way of doing it.

MR. FOX: Well, maybe the minister should give taxpayers the right to choose, because they want their money spent wisely, according to commonsense priorities, and want it to benefit farmers and the communities they support, not banks.

I'd like to ask the minister: because the \$40 million that could be saved through our proposals here could be used either to lower the interest rate on all of the farm credit stability loans from 9 percent to 7 percent, could be used to make it into a revolving program to make new money available, or could be used to enhance the existing beginning farmer loan program, I'd like to ask the minister which of these positive New Democrat proposals he's actively considering?

MR. ISLEY: Mr. Speaker, I would be very interested in where the hon. Member for Vegreville took his economics course. I would be very interested in seeing the analysis where he suggests that that program could be delivered for \$40 million less than it is today. If the hon. member is making that claim, then I think he should file in this House his economic analysis and how he's going to show those cost savings. I realize that it is a philosophy of the NDP for the state to control everything, but I have certainly never been getting lobbied from the farmers of this province to restrict their borrowing opportunities. I challenge the hon. member to put forward his analysis which is going to show the savings of \$40 million.

MR. SPEAKER: Calgary-Forest Lawn, followed by Edmonton-Gold Bar.

### Plains Indian Cultural Survival School

MR. PASHAK: Thank you, Mr. Speaker. The Calgary board of education has put the Plains Indian Cultural Survival School on notice that at the end of 1992-93 they will no longer be funding students over the age of 20. This decision will in effect put the future of the school in doubt because two-thirds of its enrollees are adults. The board is forced to make this difficult decision because the province has been unwilling to properly fund the adult education programs in this province. My question is to the Minister of Education. Will the minister take the necessary steps to ensure that the unique and beneficial programs at the Plains Indian school remain in operation and available to native students in Calgary?

MR. DINNING: I will do my best, Mr. Speaker.

MR. PASHAK: Mr. Speaker, as the minister knows, the closure of this Plains Indian program will be a great loss to the native people not just of Calgary but of Alberta. Many of the native adults from the Plains Indian school will show up at the Viscount Bennett Centre to further their education, only Viscount Bennett does not have the ability to accommodate these students because provincial funding for adult education has been capped. My question is to the minister. How does he expect Viscount Bennett, another adult education program, to meet the Premier's objective of a high school diploma for all 25-year-olds when funding is not provided for these increasing demands?

MR. DINNING: Through good management, Mr. Speaker.

### 3:10 Social Assistance Policy

MRS. HEWES: Mr. Speaker, in answer to my question some days ago, the Minister of Family and Social Services left the impression that the situation of issuing welfare cheques to employees of his department when payroll cheques were not forthcoming was a single isolated incident committed by one individual. The actual chain of events shows something quite different, and perhaps the minister needs to be reacquainted with this case. My question to the minister is: does the minister know that this was not just an individual action but that it was condoned by a top-level supervisor at headquarters and had been an accepted procedure by his audit section?

MR. OLDRING: Mr. Speaker, again I would remind the member that, as she knows, this particular matter is before the courts, so I have to be somewhat cautious in the response that I give. Let me say this. For the most part we have very dedicated, committed workers that work within the parameters and within the framework and within the guidelines and policies of this department. Regrettably there have been some exceptions to that, and if there are exceptions, we will act very quickly, we will act very swiftly, and we will act appropriately. In this instance, because of the gross improprieties that did occur, we've stepped in with the full force of the law, and it is now before the courts.

MRS. HEWES: Mr. Speaker, that certainly doesn't explain where the payroll cheques were. Why didn't the people get paid? Employers can't get away with this kind of thing.

Mr. Speaker, how was the practice allowed to happen? What assurance is there from the minister that it's not happening throughout the province?

MR. OLDRING: Well, Mr. Speaker, obviously there are in place remedies that are available. From time to time if there are situations where payroll cheques are delayed, whatever the reasons might be, there are remedies available that can occur within policy and procedures. They're available very quickly. Obviously, we want to be a good employer. We are a good employer. For the most part we get cheques to employees on a very timely and in an appropriate manner. If in some unusual circumstances for some unusual reasons there are delays, there are remedies available within practice and within policy.

### Administration of Justice

(continued)

MR. DAY: Mr. Speaker, yesterday the shocked and grieving mother of a deceased 24-year-old, mentally impaired Edmonton man is reported to have said:

They assaulted my son and beat him and beat him and beat him and tortured him . . . His life was worth more than probation, my God.

I just have no faith in the justice system, none whatsoever.

She's referring, as we've heard, to the fact that two of the individuals involved in this inhuman torture and beating received probation and community service. As the Attorney General is considering the appeal, will he also please find a way to communicate to the judiciary of this province that the young offenders themselves tell us that community service for violent crime is an absolute joke and that because of an out-of-touch parole board system the eight-year sentence given to one of the men in fact could be as little as 16 months? Will he please communicate these frustrations to the judiciary so that some faith can be restored in our system?

MR. ROSTAD: I will.

MR. DAY: Mr. Speaker, I also understand that there is some difficulty for us as elected people in terms of communicating directly with judges. Can the Attorney General advise us today if there is a means where the public themselves can call, phone judges and let them know their feelings on cases like this? Is there a means or a channel to do that?

MR. ROSTAD: Mr. Speaker, judges are not immune from corresponding with individuals on a full range of matters. They certainly would not be able to discuss a case that was before them in any view. Frankly, I should advise the Assembly that this matter is definitely before the courts, and we should allow the courts to go through, as I mentioned, the appeal, if that's where it ends up, and let the disposition come. Frankly, your comments through *Hansard* or through papers or through individuals are very, very important, and judges are not immune, as I mentioned, from taking those communications.

MR. SPEAKER: Stony Plain.

### Speech Therapy

MR. WOLOSHYN: Thank you, Mr. Speaker. On Monday, June 8, the Minister of Education stated that he expected school boards to provide special ed services that they are responsible for regardless of the cost. I assume he holds Alberta Health equally responsible to provide their mandated programs to schools. School boards across the province have indicated that the level of speech pathology services is severely lacking, resulting in children being deprived of their rights to achieve their potential in school and hurting their preparation for life. Will the minister guarantee

that the level of speech pathology service will be determined by children's needs and not unrealistic Health department budget priorities so that children under the care of school boards across this province receive adequate speech therapy?

MR. DINNING: Mr. Speaker, I will raise the matter with the Minister of Health upon her return to the Assembly.

MR. WOLOSHTYN: Mr. Speaker, we have an Education minister who insists that the local school boards provide services they cannot afford to deliver, and we have a Minister of Health who is permitting health units to withdraw mandated services such as immunization, TB, and speech therapy from specifically the provincially operated school on the Enoch reserve called Kitaskinaw. When will the Minister of Education – and this is within his mandate – ensure the reinstatement of health services to Kitaskinaw school by either accepting financial responsibility on behalf of the health unit or negotiating payment from federal Health and Welfare, as I urged the Minister of Health to do some time ago?

MR. DINNING: Well, Mr. Speaker, the hon. member has generously offered to bring representatives of the school and the band council in his constituency into my office for a discussion in the next few days or weeks, and I look forward to having the discussion with them at that time.

MR. SPEAKER: Calgary-McKnight.

#### Copyright of Educational Material

MRS. GAGNON: Thank you, Mr. Speaker. The Minister of Education has found another devious method of off-loading expenses onto local school boards. My question today deals with the issue of copyright. Alberta Education is negotiating a contract with Can-Copy, a collective of publishers of print material who have the authority to sell their copyright for \$1 per student. All school boards must participate in this provincial plan. My question to the Minister of Education is this: because many school boards are in dire financial straits, will the minister change his mind and arrange for the government to cover the costs of this program rather than deduct it from the school foundation program?

MR. DINNING: No, Mr. Speaker.

MRS. GAGNON: The man of few words has been very glib lately, Mr. Speaker.

My second question. Could you tell us this much, Mr. Minister: does the contract with Can-Copy limit the numbers of copies teachers can use? This is very important especially for elementary teachers to know. Who will . . .

MR. DINNING: Oh, I thought there was another question coming, Mr. Speaker.

I appreciate that the hon. member is looking for more information, and now that she's asked me a question, I can do that. The whole purpose of copyright, as all members of this Assembly know, is to protect the ownership of intellectual property, whether it's books or magazines or newspapers or video materials or what have you, and it's something that is fundamentally important. What I admire a great deal about the teaching profession is how much they respect the ownership and the protection of the ownership of that intellectual property. School teachers go to great ends not to break that copyright that's associated with those materials.

Mr. Speaker, our efforts are to respect that ownership but at the same time maximize its availability to teachers and to schools and to students to enhance children's learning. I think that we're on the right track. My colleague the hon. minister of public works may want to supplement my answer, because his department is helping us to negotiate this contract to ensure that for the minimum cost a maximum amount of educational material, literary material – books and other material – is available to our teachers so that they can share it with their students.

MR. SPEAKER: Wainwright.

3:20

#### Waste Incineration

MR. FISCHER: Thank you, Mr. Speaker. My question is to the Minister of the Environment. Finding suitable landfill sites and disposing of garbage have been problems for many of the communities throughout the province. Alberta Environment and the Wainwright Regional Incineration Authority have set up a research incineration facility in Wainwright. The first burning system within the incinerator was unsuccessful, as, among other things, it failed to meet emission standards. The transition to a new technology has been very slow and painful. Could the minister indicate what the status of this project is now?

MR. KLEIN: Quite simply, Mr. Speaker, we've allocated about \$2 million to this project, and we understand that the costs have escalated from 1990 costs of about \$2.4 million to something in excess of \$4 million, so we're short about \$2 million. We're working with the Wainwright Regional Incineration Authority to find the additional \$2 million. Perhaps there could be some funding through the federal government's green plan, but we will be meeting shortly with the authority to determine various funding alternatives.

We believe that the research is necessary, especially as it relates to regional systems and smaller municipalities. We know that you can get a fairly clean burn if you're consuming a lot of municipal waste, but what we're trying to do is get the same kind of burn, a clean burn, on much smaller units. That is the purpose of the experiment.

MR. SPEAKER: Wainwright, supplementary.

MR. FISCHER: Thank you. To the minister. As our landfill sites are beginning to get very full and we're near the airport and our airport authority is not wanting any expansion there, could the minister indicate what time limits we've got for approval from your department?

MR. KLEIN: Well, I could say: in the fullness of time. We're going to try and meet with the authority within the next two or three weeks, and hopefully at that time we can, first of all, explore alternatives for funding from elsewhere and, if not, put in place a schedule to fund this particular project. We're still looking for completion of the project by September of 1994.

MR. SPEAKER: Edmonton-Calder.

#### Day Care System

MS MJOLSNESS: Thank you, Mr. Speaker. In responding to concerns about day care quality, the Minister of Family and Social Services has indicated that minimum standards are in place for child care and that parents have a choice in selecting care with higher standards if they so wish. What this minister forgets is

that many parents don't have that choice because their choices are limited by many things but, in particular, what they can afford. My question to the minister is this: will the minister take immediate action to significantly raise the subsidies to low-income parents in the province so they can afford to pay for high-quality child care?

MR. OLDRING: Mr. Speaker, the member knows full well that a large component of the reforms that we brought forward involve the shifting of additional dollars into the subsidy side. In the last couple of years we have seen significant increases to the subsidies that we are providing to low-income families as well as an increase in the ceiling those subsidies are available under.

MS MJOLSNESS: Mr. Speaker, operating allowances are being decreased, and we don't know what the subsidy levels are, but one thing is for sure: the fees that the parents have to pay are increasing. We know of a mother of four children who, because she could not pay for her day care fees, went on social assistance. That's the kind of choice this minister is giving a lot of families. I would ask this minister: is this the type of choice the minister expects parents to make, or will he commit to raising subsidies to a level where parents truly have a choice for themselves and their children?

MR. OLDRING: Mr. Speaker, the member by her own acknowledgement in her preamble pointed out that she doesn't even know what the subsidy levels are. She's saying that they have to be increased, but she doesn't even know what they are. I guess that as a starting point I need to provide her with that information so she knows what it is she's starting with.

In terms of affordability of day care, Mr. Speaker, again I would point out that an independent survey of day cares right across Canada pointed out that Alberta had the second most affordable day care in all of Canada, second only to New Brunswick. So I think that's a fairly significant point to make. Because of the commitment we've made as a government, because of the effort we've made to work with day care operators and with parents and advocacy groups, we have been able to make sure that there is affordable day care in Alberta. We've been able to make sure that there are reasonable standards in Alberta.

That's in stark contrast, Mr. Speaker, to what other provinces are experiencing. I know that I've mentioned Ontario in the past, a very grim situation there, where the day cares are beyond capacity, the waiting lists are lengthy, the costs are high. Again, I come back to our situation in Alberta. We have a reasonable vacancy rate. It does afford parents some choice to be able to make in terms of which day care is appropriate for their child.

So overall, Mr. Speaker, a good situation in Alberta, and we're working to make it better.

head: **Orders of the Day**  
 head: **Government Bills and Orders**  
 head: **Second Reading**  
**Bill 1**  
**Constitutional Referendum Act**

MR. SPEAKER: The hon. the Premier.

MR. GETTY: Thank you very much, Mr. Speaker. I'm pleased to move Bill 1, the Constitutional Referendum Act.

I think all members know that this legislation is very significant legislation, unprecedented in our province. I'm pleased to move

it because I think this legislation recognizes a fundamental truth of our democracy and certainly of our country, and that is that a Constitution, while it is a law that governments must obey and observe and at times like now try to improve and negotiate, is a special law because it is a law that really belongs to the people. I think, Mr. Speaker, that upon reflection, when we were dealing with the Meech Lake accord, we did not adequately observe the needs of the people in being able to comment and decide on, in that case, the Meech Lake accord package, but we are determined not to have that happen again. It follows, of course, that if the Constitution belongs to the people, then they should have the last say on it.

Now, I know that this type of legislation, a referendum on the Constitution, is not going to be easy to handle. We'll have to make sure that questions are prepared carefully. We'll have to make sure that the people of our province who will be casting the votes have all the information necessary in order to make the right selection.

I have heard a lot of discussion these days on the national scene about referendums. I've heard some people say that they want them. I've heard people say they don't want to have one. I've heard people say: well, we'll have one, and we'll use it in some way to beat the provinces into line. I've heard others say that it's a good way to make sure that a constitutional package can be put together and forced on those who don't support it.

3:30

Well, our referendum legislation didn't come at someone's whim in that way. Our legislation is the result of asking the people of the province what they wanted in terms of a constitutional package and then, of course, the question as to whether they wanted to have a voice in the final decision. As members know, with the select committee chaired by the Deputy Premier and with the co-operation of all members of this Assembly, all the parties, we've had that extensive consultation with the people of Alberta. It was clear that they felt very strongly about their Constitution, they felt strongly about what should be in the package, and it has made up the Alberta package as we have participated in constitutional discussions in the past weeks and months. They also clearly wanted the right to have the final say. That is really why we have this legislation before us today.

It's different as well and significant as well in that this is not merely seeking advice. I know that most referendum legislation that's being discussed is really like a kind of plebiscite. Well, this is not that type of legislation. This legislation is binding upon the government of Alberta, and no constitutional amendments will go before this Assembly that haven't first been approved by the people.

So, Mr. Speaker, while some are apprehensive about that in that it is new and there's always a certain anxiety about doing something that's completely new, I urge the members to support the legislation. It is breaking new ground in the same way as our Senate election legislation where we were following a path that no one had trod before. Well, here in Alberta we do not have a path to follow in terms of this type of referendum legislation, but I urge members to take it on, have the courage to provide this opportunity to Albertans.

I think of the Throne speech this year, Mr. Speaker, and I just refer to one line in it. It says:

Throughout the upcoming months, crucial months for the future of our nation, my government will continue to promote the ideals that Albertans have expressed to us – unity, equality, and respect – in addressing the constitutional realities in Canada.

We have pursued those constitutional realities in the national debate, and I must say that they are complex and difficult debates; as a matter of fact, I think even dangerous debates. I think it is



necessary at this historic time in our country's development that we make sure that the future Constitution, a Constitution that will guide us for perhaps the next 125 years, is one that reflects the needs of all Canadians and certainly one that reflects the needs of Albertans.

I say that it's a complex and serious debate, and I hope very much that we have a package to recommend to the people of our province. Nothing would make me happier than being able to do that, but I can't at this time give any assurances that that will happen. I can say this: that while there are many options for constitutional change that are now being discussed, there will not be a recommendation to the people of Alberta from this government which endorses the status quo.

There has been a history, almost 125 years, where in some ways the west has had to take a secondary position in our national decision-making, almost a second-class citizen point of view, because we have had the House of Parliament dominated by Ontario and Quebec. We do not want that to continue into the future. We recognize that the House of Commons, because of the huge populations in Ontario and Quebec, will by the democratic policy of one person, one vote always be dominated by those two provinces. But Parliament must not be. We have been urging the governments of Canada, Ontario, Quebec to make sure that while the large provinces can dominate the House of Commons, and while they have six of the nine Supreme Court judges – and when you think of it, it's a remarkable reflection of Canadian flexibility that the rest of the country would agree to only three Supreme Court judges between all of the rest of us. Nevertheless, we realize that. Certainly unity cannot be served in the future if at the same time the provinces of Ontario and Quebec, supported or not by the government of Canada, feel they must now have the Senate continue to be dominated by their numbers. Such an entrenchment of the numerical power of central Canada cannot be put into a future Constitution.

Therefore, Mr. Speaker, while, as I said, I would not go into all of the options that are currently before us when we're dealing with this Bill in principle, I can say this though: we will not recommend a constitutional package to the people of Alberta that does not have a Senate that is equal, effective, and elected. I urge hon. members when they are participating in this Bill to reflect on the fact of how serious the matter will be when we use this legislation to put a package before the people of our province as to whether or not that package has the government's endorsement. I think it will be a very serious time for our province and our country.

Nevertheless, Mr. Speaker, I say to hon. members that we should be proud that we're offering such an opportunity to the people of our province. It may happen in one or two other provinces in a different way from the way that our legislation is being developed, but it is a perfect example of the government in this Assembly listening to the people, getting their advice, and then translating that advice into legislation. We should be proud that we're doing it.

I hope all members will support this legislation and that we will be able to work together with the people of our province in making certain that we build a stronger Alberta in a stronger country.

Thank you.

MR. SPEAKER: Calgary-Forest Lawn.

MR. PASHAK: Thank you very much, Mr. Speaker. I'd like to begin by saying that I appreciate the fact that the Premier chose to lead off the debate on this very significant and important legislation. In his opening remarks he mentioned that he'd said

the legislation was significant and unprecedented. I certainly agree with him that it's significant; whether it's unprecedented or not may be open to some discussion. I'll come back to that point in a moment.

I appreciate the fact that he said that the Meech Lake process was flawed, presumably because there was the perception of a small group of people meeting behind doors to make these very fundamental decisions about the future of the country. I also appreciate the fact that he said that legislation involving referendums or referendums themselves are fraught with danger and that the questions have to be framed very carefully. I couldn't agree more.

### 3:40

In terms of the issue where I indicated that it may not be unprecedented, maybe this is déjà vu for the Minister of Federal and Intergovernmental Affairs, but in 1980, as I recall, Premier Lougheed introduced a referendum Bill. The Bill died on the Order Paper. The Bill was somewhat curious in the sense that it only provided for – well, it was probably really a plebiscite and not an actual referendum; it was kind of a testing of the political winds or whatever. So in that sense maybe this current measure that's before us is in fact unprecedented and unique at least for this Legislature.

That particular Bill in 1980 in a sense was introduced in a situation somewhat parallel to this situation today, because we have a federal referendum Bill that's just been enacted, and the provincial Bill in 1980 was in a sense a response to Trudeau's Bill C-9, an act respecting public referendums in Canada and on questions relating to the Constitution of Canada. That Bill, too, died on the Order Paper.

That Bill had a couple of interesting features that I think we may want to look at in terms of this Legislature. There were some really strict limitations on spending in that legislation. I believe that interested parties and even individuals, political parties were limited to \$5,000 that they could spend in terms of advancing their case, and that's a concern that we have with the legislation that's before us. Any restrictions on spending will be determined by regulations, and we think that those matters would be best dealt with within the Act itself. Also, there were restrictions on broadcasting.

What I'd like to do, however, is look at this whole question of this particular referendum in the context of referendums more generally, and out of that I think we may arrive at some lessons that would be instructive for the debate that is taking place with respect to this Bill.

Now in terms of getting information on referendums, I went to a number of sources. The source that I found most valuable is a book that has just come to our Legislature Library. It's titled *Lawmaking by the People: Referendums and Plebiscites in Canada*. It's by J. Patrick Boyer. For the benefit of *Hansard*, if I quote, it will be from sections in that particular work. This is what I've gleaned from my research. By the way, that's not the only research I did. I sent away for copies of the Australian legislation on referendums, and as you can tell from the size of this packet, there's a lot more material in this than appears in our own Bill 1. This is the legislation that was enacted by the New South Wales state, and it's also fairly voluminous.

In any event, most western democracies have had some experience with referendums. Switzerland is responsible for some 300 of the 600 nationwide referendums that have been held over the last century and a half or so. Australia's had 40 referendums; France, 20; Denmark, 14. Now, I mention that because most of the referendums in Switzerland and Australia have been lost, and

most of them have dealt with constitutional questions. There have been undemocratic states, dictatorships such as Nazi Germany, that have held referendums, and that's usually to get some legitimacy for actions the government has embarked on. Often they get support for their referendums that's in the 98, 99 percent range. We're talking about a referendum that's going to be held in a democratic state.

Canada's had two nationwide referendums, one having to deal with liquor issues and a second referendum that dealt with conscription issues during the Second World War. There have been approximately 39 provincial referendums.

Just as an aside, for those people that have a background in Latin, the plural of referendum according to most authorities is referendums. Referendum, as I understand it . . . [interjection] Not the Liberals. It's a Latin gerund, and gerunds in Latin are not pluralized. Most neutral nouns in Latin are pluralized by adding an "a." So it's not "referenda"; it's "referendums."

In any event – and this is a key; it comes from the introduction to this book that I just mentioned – if referendums are to be accepted, they must be conducted under the rules that ensure fair play. I quote: how to control the use of money and how to ensure reasonably equal access to the media are problems that have yet to be satisfactorily resolved. That will be an issue, and I hope that at some point the government side will address that issue, because there are many examples of where individual interests can sway political decision-making. A good example of that, of course, is the last free trade deal that we entered into. The majority of Canadians by voting for the New Democratic Party and the Liberal Party indicated that they were opposed to the trade deal. We got it anyway. One of the reasons that's suggested why so many Conservatives got elected in the last election was that there were a lot of third parties that put a lot of money into the election campaign at the last minute, in a sense perhaps buying that federal election. I've had one Member of Parliament from the city of Calgary tell me that if the provincial government hadn't put a lot of money into sending out a publication in support of the trade deal just in advance of the last federal election, we wouldn't have elected as many Conservatives in this province as we did in that election. So the whole question of spending dollars in a referendum campaign has to be weighed very carefully to ensure fairness, and if we don't get fairness, then the whole question of the results of a referendum will be brought into disrepute and the referendum won't achieve the objective that governments and other members of the Legislature might hold in advance.

The right to vote on a law is meaningless unless the government is sincerely seeking a real expression of popular thinking of a matter that is in question. The Premier mentioned the triple E Senate and how important it was to Albertans. Suppose he wanted to avail himself of section 1 of the proposed Bill, the Constitutional Referendum Act, which says that "The Lieutenant Governor in Council may order that a referendum be held on any question relating to the Constitution of Canada." Perhaps he might want to test the waters on a triple E Senate. Well, it'd make a very real difference whether the question was asked: do you support a triple E Senate? I think that if a question was put that baldly, probably 90 percent of Albertans would say, "Yes, we support a triple E Senate." If we phrased the question slightly differently and said, "Would you support a triple E Senate regardless of its consequences for the continuation of Canada as a country?" I think we may get a very, very different result. So it's very important that these questions be framed very carefully and clearly so that we get at what it is that people really want.

I'd just like to indicate some of the arguments that have been advanced in favour of referendums and then look at some of the

arguments that have been advanced against the holding of referendums. Well, here's why referendums I think have such popular appeal. First of all, all issues are faced. Issues that those in power might otherwise normally like to avoid are brought to some kind of decision by a referendum. Secondly, decisions are brought to the people. People will debate; they'll vote on it rather than having the decisions made in some abstract place such as the Legislative Assembly of the province of Alberta in Edmonton. Thirdly, public decisions are arrived at through public debate and discussion rather than behind closed doors, as some people perceive occurred at Meech Lake. Some people are fearful that the current political resolution of the constitutional questions is also heading in that direction. The popular will is accurately expressed. Now, there can be no doubt about that. The people have spoken on the issue. Apathy and alienation of the electorate, in the view of some who favour referendums, would come to an end because people are meaningfully involved. Six, the public interest is served. There's a perception out there that instead of politicians being worried about what's in the best interests of future generations, politicians always have their eyes on the next election. Well, a referendum would set that concern aside. Finally, Mr. Speaker, the human potential of citizens is increased if we hold referendums, because voting on referendums leads people to participate in the political process, and hopefully it would lead to other meaningful kinds of participation on the part of the people.

The arguments that are usually advanced in opposition to referendums are as follows. First of all, they are perceived to pose a threat to established political systems, established political order, and to political authority in general.

The second objection is that results of a referendum may be debatable themselves. When Newfoundland was looking at becoming part of Canada, a referendum was held. There were three choices on that referendum, but no single choice got a majority, so the results of the referendum were meaningless, and they had to hold yet a second referendum.

### 3:50

Thirdly, Mr. Speaker, that ordinary citizens are unable to make wise decisions is a view that is held by some people. Now, that's not to put down ordinary citizens and say that they're less intelligent than politicians or anything like that. It's just that politicians are paid to spend the time to research these complex questions, and they're in a stronger position to make more enlightened decisions when it comes to these very, very difficult issues.

A fourth objection is that the popular will may not be adequately expressed. A simple yes or no, if that happens to be the referendum question, is very simplistic. It doesn't permit for nuances. It doesn't permit for any kind of consensus to develop or give-and-take. A yes or no is a pretty harsh decision, and it doesn't allow for the kind of compromises that may be essential, particularly on these very difficult constitutional issues.

Perhaps even more critically, the whole notion of a referendum is based I think on an old Jeffersonian model of democracy in which people, usually the males, of small towns in New England would come together. They'd debate important issues in the same political forum. There'd be many opinions given. As people would receive opinions, there would be a lot of give-and-take. Out of that discussion and debate people would arrive at wise decisions. In that case, if you have an informed electorate, an informed body of opinion, then a vote on a referendum issue makes some sense. There's a real fear in today's age that people who have control or influence over the media and who can buy

media time can influence the decision that people will make in their interests so that the collective good is lost. The media, as we know, doesn't permit people to answer back to it. It's a one-way flow of communication, and those that control the flow of that communication can control the hearts and minds of people.

I think it's important that we make a distinction between plebiscites and referendums. There's some confusion here because sometimes the words are used interchangeably. A referendum very clearly is something that is legally binding on the government, whereas a plebiscite may not be, and that seems to be the generally accepted difference between referendums and plebiscites. Referendums began to be used in the 1850s. An obligatory type of referendum was developed in the Swiss constitution, and that's why there have been so many referendums held in Switzerland. A referendum quite clearly binds a government to enact a law or not, according to the voters' wishes.

Financing of campaigns and providing of information is, as I indicated, a critical question. Virtually all Acts in Canada are silent on questions of expenditures, other than that 1980 federal constitutional Bill which was never enacted. Restrictions on the amount of money to be spent by the factions for or against are not legislated, with the exception, as I said, of that referendum Act of Canada. It established limits on both contributions and expenditures and provided for reimbursements from public funds for organized groups participating in a referendum debate. I'd like to see something from the government side brought forward perhaps during the debate in committee. If not, we intend to bring some resolutions forward ourselves on that issue.

Members of the Assembly might be interested to know that some early drafts of referendum legislation in western Canada provided that a pamphlet would go out some 60 days in advanced of a referendum. That's also provided for, by the way, Mr. Speaker, in the Australian legislation. The Australian legislation provides that in advance of a referendum being held, both points of view with respect to a referendum question be distributed to all potential electors on that issue. They limit the number of words that those statements can contain; I believe at the national level it's 2,500 words. I think that in our legislation we should be looking at something like that. I'd like to see some guarantee that all people who participate in a referendum are clearly exposed to both sides of the issue that would be referred to them.

The city of Calgary, by the way, sent out a 12-page brochure along those lines when voters in Calgary were asked to support or oppose borrowing money for a civic centre. The only restrictions on people from either side participating were some broadcast regulations, and we may need to do that, too, in terms of our own regulations – not regulations; I'd rather see it in the Act that we have limits, as I said before, on government spending, on third-party spending, and some system of reimbursing those people who want to participate in providing views with respect to a referendum question.

Now, with respect to the wording of questions, this again is absolutely essential. Questions must be expressed in the clearest possible terms without any ambiguity. A good example of the confusion that can arise from that occurred in Saskatchewan in 1956, when 34.2 percent of the electorate there voted on the time to be used in their locality: 101,290 people favoured central standard time; 19,380 favoured central daylight saving time; and 83,267 favoured mountain standard time. So there was obvious confusion because no one preference got a majority. That situation, with all kinds of confusion, lasted until 1962 when the province was divided into two time zones: a central standard time and a mountain standard time. Those are some of the perils and pitfalls.

We have a half dozen or so amendments that we'd like to bring forward during committee stage. I'd be very pleased to provide, I would assume, the Minister of Federal and Intergovernmental Affairs with those amendments in advance of committee stage for him to have a look at to see if he could support any of them. We're prepared to support this piece of legislation at second reading stage, Mr. Speaker. The amendments, though, are critical to us. We anticipate a significant discussion and debate over these issues during committee stage. As we've indicated, the whole notion of holding referendums is indeed very complex.

Just by way of conclusion, it's very important that we have an informed electorate, and all steps must be taken to ensure that. We have to make sure that an electorate can't be overly persuaded because one side has more resources at its disposal than the other side. The Bill, as I've indicated, at this stage leaves too much, in my view, to the Lieutenant Governor in Council and to regulations. It doesn't spell out enough of the procedures under which a referendum would be conducted. I've indicated that referendums are fraught with danger. They involve highly emotional issues, and often those who push for referendums do so in the belief that they have popular will on their side.

With those comments, I would welcome further discussion and debate on this very critical issue.

MR. SPEAKER: Thank you. Before the Chair recognizes the Deputy Premier, just for purposes of the debate, according to the *Concise Oxford Dictionary*, seventh edition, the plural can be either "ums" or "a".

The member not only for Medicine Hat but Deputy Premier.

MR. HORSMAN: Mr. Speaker, I don't intend to get into a revisiting of my Latin classes of my high school days, so whatever.

This is the Constitutional Referendum Act, and I just want to make some comments, because as the Premier pointed out in his remarks, we have reached a watershed in our constitutional development and the decisions being made today will affect the kind of country our children and grandchildren will live in. For this reason we believe it is vital that Albertans have every opportunity to participate in the process of constitutional renewal.

4:00

As chairman of the Select Special Committee on Constitutional Reform I had the pleasure of traveling around this province through two sets of hearings and meeting with many, many Albertans. In total nearly 1,800 Albertans have made representations to the committee to express their views. On the basis of what Albertans told us, the committee issued its report in March. I know that members of the Legislature are familiar with the contents of the report, and I thought I'd just like to highlight its conclusions. I know that it has been partially debated, Mr. Speaker, but due to pressures of time with regard to the constitutional process in which I've had to participate, we have not had the opportunity of bringing back that motion for further debate.

[Mr. Jonson in the Chair]

We found the major theme, though, running through the comments of many Albertans was a desire for the recognition of equality. Albertans want the Constitution to reflect the equality of the people of Canada and the existence of equal provinces. In calling for a reformed Senate, it was absolutely clear that Albertans want a Senate that is elected, effective, but also they very much want it to be equal. We also heard about the issues of

Quebec's distinct society requests. We heard about issues relating to aboriginal peoples. I won't go into those during the course of this debate, but I just want to tell you again, Mr. Speaker, how deeply felt the views of Albertans were with respect to these matters.

In their comments to the committee Albertans did not restrict themselves to issues directly related to the Constitution; they also had many observations about the way in which our political system works today and how they would like to see it improved. They told us that they want to preserve our existing system of parliamentary government, but they said it should work better than it has been working. They told us, for example, that there should be more opportunities for direct citizen participation in decision-making. They had a number of suggestions to make in this regard, but the most popular was the idea of holding provincial referenda. While some Albertans expressed concern about the implications of holding these referenda, most Albertans who raised the issue said they would like to see them used for important issues. But there is nothing more important today than the future of our country and the Constitution which governs the way in which governments relate to each other and in which the citizens relate to their governments. The resolution of the other serious issues which we face today, including the economic ones, really depend on the assurance of stability in Canada, so I think it's entirely appropriate that a referendum be held asking Albertans to express their views on what kind of country they want in the future.

[Mr. Speaker in the Chair]

What's in Bill 1? Bill 1 provides Albertans with the opportunity to express their views on constitutional issues which will decide that kind of country we will have in the future. As the Bill states, a referendum must be held before the Legislature votes on any resolution to amend the Constitution of Canada. As you know, Mr. Speaker, this is how our Constitution is amended, and it's the only way it can be amended. It cannot be amended by a federal referendum or a plebiscite. It cannot be amended by one province alone holding a referendum. It can only be amended by Parliament and provincial Legislatures passing resolutions authorizing the proposed amendment. So this Bill, then, goes on to provide that no resolution can be passed in this Legislature until the people of Alberta have had an opportunity to express their views through a referendum. A resolution may be introduced in the House before the referendum is held. It may even be debated, but no vote on that resolution can be held until after the referendum has been carried out and the results are known to the members of this Assembly.

Now, everyone wants to know: what will the question be? What issues will the people of Alberta be asked to vote on in a referendum? Well, Mr. Speaker, I can't tell you the answer right now, since Bill 1 specifies, and I quote:

The question or questions to be put to the electors at a referendum shall be determined by . . . the Legislative Assembly on the motion of a member of the Executive Council.

That's an extremely important provision. We will have to debate in this Assembly what the question will be. It will not be devised by the Premier or Executive Council or by the government through its members, but all members in this Assembly will have the opportunity to participate in the debate about what the question or the questions will be, and I think that's extremely important.

Now, as the hon. Member for Calgary-Forest Lawn has indicated in his useful participation in the debate, that is going to be an extremely significant and difficult matter to deal with. Let me tell you, there are a number of combinations of questions that

are being bruited about this country today. Indeed, some people and some strategists at the federal government level are proposing the type of question, suggesting there might be one that the federal might ask, something to this effect: do you love Canada? Well, that type of question, quite frankly, would be meaningless unless it dealt with the real issues that are in the package which is now being discussed with a great deal of intensity in the process with which I've been involved for the past over three months, Mr. Speaker.

The hon. Member for Calgary-Forest Lawn raised the issue of the triple E Senate and said that if merely the question "Do you support a triple E Senate?" were posed, he expected there would be a large number of people in the province supporting it. I agree. Then he posed this question: would you support a triple E Senate regardless of its consequences for the future of Canada? Or words to that effect; I'm sorry if I haven't got it precisely, but I think that is the intent. Clearly, that type of question by itself, considering the other aspects of the matters we've had under debate, would be an irresponsible question to pose. It would be an irresponsible question to pose if the federal government were to make that the question in any national referendum or plebiscite.

Clearly, what we have to do is put together a package. It would also be irresponsible – let me put it this way – to say in a question: would you prefer a triple E Senate against a distinct society for Quebec? I think I know what Albertans would say on that, but that would also be an irresponsible question to pose. Or a question by itself: would you support a triple E Senate over a veto by Quebec and Ontario? That, by itself, clearly we could tell the answer to today. Public opinion polls would bear out the answer to that question. Or we could pose another question: would you support a triple E Senate in place of fair government to recognize the inherent right of aboriginal self-government? That by itself would be unfair and irresponsible considering the matters that have been under discussion today. Or we could even go so far as to say: would you support a triple E Senate against the concept of a social charter in the Constitution?

Clearly, what we have to strive to achieve is not that type of confrontational question on specific issues that are under debate in the current package. What we must come forward with is a question which deals with all the issues which must fit into the constitutional package that is being debated and discussed now and worked on with intensity by all governments, federal, provincial, territorial, and by the aboriginal participants in these discussions over the past several months.

**4:10**

I hope, Mr. Speaker, that the type of question that we can put to the people of Alberta will be: do you approve of this constitutional package which includes fair treatment for the smaller provinces in Canada, ensuring that there will be representation equally in one of the bodies and one of the Chambers of the federal Parliament; which provides for fair treatment for Quebec with regard to its particular concerns relative to its language, its culture, and its civil law; which provides for fair treatment for the aboriginal peoples of Canada; and which provides for a fair distribution of the responsibilities between the orders of government? Do you approve of the package which has been negotiated amongst the governments with the aboriginal peoples and which will govern this country in the future? That's the type of question that we should be striving to ask Albertans, and that's the type of question the federal government should be striving to ask Canadians should they decide to utilize the legislation which they have passed through the federal Parliament. So clearly the question which is going to be asked must be debated in this Assembly, and

all elected members will be given a full opportunity to participate in that debate.

But I repeat again, Mr. Speaker, it would be irresponsible in the extreme to isolate one of the elements of the current package and place that element against the future of Canada. If anybody is seriously thinking about doing that at the federal level, let me tell them today in this Assembly that if they take that approach, they will be doing a great disservice to Canada and to the future of national unity.

I'd like to draw your attention to another important provision of the Bill. As the Premier emphasized, section 4 is extremely important because it specifies that the results of the referendum will be "binding . . . on the government." The government is then obligated "as soon as practicable" to decide the best way "to implement the results."

Another important consideration many people are raising is: when will the referendum be held? Bill 1 provides that the referendum can be held at any time, either on its own or in conjunction with a provincial general election or at the same time as the municipal elections.

At this point we do not contemplate an early provincial general election. Holding a referendum on its own would be an expensive option, but since municipal elections are due to be held this fall, in October, we may very well want to schedule a referendum to coincide with those elections. The decision will be made later, as will be the question issue. But I must say that the election of Canada's first elected Senator three years ago this coming October provided a very good precedent for holding a referendum at the same time as the municipal elections. Despite the qualms on the part of some elected municipal officials about how that might distort the situation with regard to their own elections and the fears that Albertans were not capable of dividing the two issues out, it was successful, and it did not impair, in my view, the municipal election process at all. All that it did do, I think, Mr. Speaker, was ensure that there was a much larger turnout of electors than had been the case across this province in municipal general elections. I'm sure every elected municipal official would welcome a larger turnout to ensure that they indeed had a mandate from a larger number of people than has been the case in the past.

In conclusion, Mr. Speaker, I look forward to hearing the comments of other members on the Bill. I would appreciate the hon. Member for Calgary-Forest Lawn - and if the Liberal members of the Legislature have additional amendments they would like to give us an advance look at, it would be helpful for us to see those, to see whether or not any of those could indeed be incorporated. I appreciate the offer of the hon. Member for Calgary-Forest Lawn to do that. I welcome that initiative on his part today, because I think it is the type of Bill that we in this Assembly do not want subject to, as we did not in our select special committee except on the rarest occasions, the entry of partisan political attitudes and approaches to the matter of such significant consequence to the people of Alberta and to Canada.

This is an historic document because it will give Albertans the right to vote directly. Every eligible voter in this province will have their say. The government will be bound, and it will be the people, not the politicians, that will make the final decision on those issues that are extremely important to the future of Alberta and to Canada.

MR. SPEAKER: Calgary-McKnight.

MRS. GAGNON: Thank you, Mr. Speaker. This is probably the most important issue that I've ever been privileged to speak about in this Assembly. It's very hard to believe that it's already one

year since the all-party select committee traveled around the province listening to the views of Albertans. It was a very precious time, I believe, for us to contact and communicate with and listen to Albertans, and I feel that it was a great privilege to have been on that committee.

I want to say to the Deputy Premier, the Member for Medicine Hat, that all of us are very grateful for his contributions as a leader in areas of the Constitution and especially for the very hard work and the dedication that he's shown in the last several weeks. I'm sure the pace was unbelievable and the pressure was intense. While we may not agree on everything, we certainly have to agree that he has served Albertans very well.

Mr. Speaker, on May 31 I held a constitutional conference in my constituency. About 80 people showed up on a very warm Sunday night in May, and I thought that was a significant number because advertising had not been done for a very long time. They certainly agreed with the content of our all-party select committee report. They liked the way it was structured, the fact that we said some things had to be dealt with now, some things could wait, some things didn't even have to be done within the constitutional round. So it seemed that there was great approval, and it was really, I think, verified that our findings certainly hold true in my riding by this representative group of people. We talked that night about inherent right to self-government by aboriginal peoples, communication across the country, with a group from Calgary working with the Quebec people on exchanges and so on. We talked about division of powers, and I spoke about process. People seemed to appreciate that very much. They do love and respect Canada. They want rights, but they also want to have responsibilities clearly spelled out so that it's not all give; it's take as well. I think most clearly they said that unity does not mean uniformity and that that is something all of us must work towards achieving.

Now as regards this referendum Bill, our caucus has always been on record as supporting a mechanism which allows for genuine public input on constitutional change, and in that spirit we give our support to the substance of Bill 1. It is our hope that this Act will represent an assurance on behalf of this government that they will involve Albertans in the process leading to constitutional renewal, and I think the Premier in speaking earlier did give us that assurance. Albertans demand to be informed and consulted, and that is the basis on which this referendum will be held. However, while we support wholeheartedly the general direction of Bill 1 because it does ensure public input, we do have some apprehensions and a few questions with regard to some of the specifics. I would like to mention those today.

#### 4:20

The first matter of concern is substantive and deals with the nature of the referendum question. Section 3 of the Bill states:

The question or questions to be put to the electors at a referendum shall be determined by a resolution of the Legislative Assembly on the motion of a member of the Executive Council.

We feel, Mr. Speaker, that any referendum question must be constructed very carefully and that the questions employed must be clearly defined and objective. I recall that when the all-party select committee tried to put together a subcommittee which then put together the questions to be asked by our pollster, it was an extremely difficult exercise. They held many subcommittee meetings in order to arrive at the questions, and even then there were accusations and suspicion that a majority on the committee was trying to construct the questions in such a way as to receive the type of answer they wanted. I think we really do have to avoid that type of suspicion in the exercise which we will engage in.

A single yes or no question simply will not do justice to the complexities inherent within the process of constitutional renewal. We just can't see how issues such as distinct society, Senate reform, native self-government, and division of powers can be boiled down into a single, all-encompassing question. It's humanly impossible.

Furthermore, Mr. Speaker, we don't believe that the substance of the questions should be left to the government. Now, the minister has indicated that there will be a debate within the Legislature on the questions, but we would like to be involved in the question development process. Because of that, we really believe that when we do come to committee, we would like to present an amendment which would say that rather than Executive Council preparing the question, an all-party committee of the Legislative Assembly should prepare that question, and then that question should be subject to a free vote in the Legislature so that members could represent truly the opinions of their constituents. The process of question development is one which I think is key, and I would definitely like to have more discussion on that.

A second concern is the issue of timing. The minister has indicated that it will probably be held in conjunction with the municipal election in the fall. However, I see us being squeezed, unless we're here most of the summer debating the nature of the questions, because the municipal elections are normally held the third week of October. I just don't know, unless we come back early in the fall, when we will be able to have a full discussion on not only the process of the question development but also on the questions themselves. The questions and the timing have to be totally free of consideration of the political fortunes of any political party in this province. Otherwise, this will be a betrayal of the spirit of co-operation and consultation which we all enjoyed most of the time on the committee and which other members of this Assembly and Albertans expect.

A third issue not of concern but of uncertainty is the nature of the binding referendum. We support the fact that it should be binding. However, if the results are binding, does this preclude flexibility on the part of Alberta in a process which by its very nature evolves and must be consultative and must include co-operation? Of course, if Albertans are presented with the final package from the federal government as the nature of what they are voting on, then I guess my concern about flexibility as the evolution takes place should not exist. However, if the final, final discussions with Ottawa and with the other provinces have not been held and if the package does not reflect the final federal offer, I don't know how a binding referendum in Alberta can be of assistance, because the government of the day may very well need that flexibility to continue to negotiate. So I think the question of how binding it is has to be addressed.

The other concern about the fact that this will be binding is: how will a member be able to reflect the views of his or her constituents on the subject of constitutional change through a free vote in the Legislature if a binding referendum has been held? I think some of these things have to be clarified or else we're going to catch ourselves in some traps.

Other members may want to speak, so I will try to move very quickly.

Another concern that we have is a concern about the broad-ended nature of the regulations under section 10. These have to deal with contributions to the political parties or groups or persons who will be campaigning on the question, one side or the other, expenses that may or not be incurred by political parties, persons, or groups of persons, and so on. We certainly would like to see a lot of clarification under the regulations under section 10. As a matter of fact, we believe that members of the Assembly should

have seen those regulations before beginning debate in second reading, because we're debating blind here. We really don't know, except for very broad themes, what it is that we are talking about.

Another great concern, I think, is to avoid the suspicion by Albertans that this is just a government public relations exercise. I think that so far we have seen that the government is serious and that what they have said will happen means they are taking it seriously. But as I said, unless the regulations, which I'm concerned about, are looked at very carefully and the questions answered very carefully, it will be seen as something that again is being manipulated, and Albertans do not want to be manipulated.

One of my greatest concerns and one of the questions which I think we are all asking is: what is the relationship between a national referendum and our provincial referendum? If we have a national referendum where all Albertans of voting age have voted, does that make a provincial referendum superfluous? What is the relationship between the two? I think we certainly have to address that.

In conclusion, because I know that other members may want to speak, our caucus and our party are prepared to support and to give their approval to this Constitutional Referendum Act, provided that many of our questions are addressed and that during committee some of the amendments which we will propose will be considered very seriously by members in the Legislature. It's a time when we all have to deal with trust and goodwill. All of the i's can't be dotted and all of the t's can't be crossed, and we have to hope that everyone else is dealing with trust and goodwill.

With those comments, Mr. Speaker, I thank you for listening.

MR. SPEAKER: Drumheller, followed by Edmonton-Jasper Place.

MR. SCHUMACHER: Thank you very much, Mr. Speaker. I am very pleased to have the opportunity to say a few words with respect to Bill 1, which I believe is the culmination of the feelings of Albertans that have developed in the period since the 1982 Constitution Act was passed in Ottawa. At that time I was what I guess would be called an ordinary Albertan, not being encumbered by the fact of being elected to anything. I know myself and a large number of my friends and acquaintances and associates at that time felt that we would have liked to have had something to say about the adoption of that Constitution because, to put it rather mildly, we were not in favour of it. I think that a lot of the chickens have come home to roost that started flying with the adoption of that legislation.

4:30

Comments were made by the hon. Member for Calgary-Forest Lawn with regard to testing public opinion on the triple E Senate and how important it was to Albertans as, in effect, a deal breaker. Of course, our government has looked upon the triple E model as a deal maker. I don't want to get involved in the contents of a possible package, but I do want to say that it's disturbed me that the New Democratic Party seems to be going to great lengths to question Albertans' commitment to true Senate reform along the lines of the triple E. I notice that in addition to what the hon. Member for Calgary-Forest Lawn has had to say, the New Democratic Party House leader says that they're considering doing their own poll because they didn't think that the Yerxa organization really was fair, because the Yerxa questions didn't indicate whether or not Albertans were prepared to see the triple E concept be a deal breaker. I'd suggest, Mr. Speaker, that the Yerxa questions certainly did test that out.

The Yerxa poll asked these two questions. Should Premier Getty stand firm for a triple E Senate even if this means that it may be difficult to reach an agreement with Ontario and Quebec in the current round of constitutional talks? To me that implies: do Albertans agree that this could be a deal breaker? Of course, in answer to that question, two-thirds of Albertans said, yes, Premier Getty should stand firm even if it was a deal breaker – two-thirds.

The next question was: should Alberta, Saskatchewan, Manitoba, Newfoundland, and Nova Scotia back down on their request for a triple E Senate in order to prevent Quebec from holding a referendum on separation from the rest of Canada? That is also a question that I think is related to whether or not Albertans truly feel this matter should be a deal breaker if our requests for equality in our nation were not heeded. In answer to that question, 71 percent of Albertans said that Alberta should not back down.

I think that the experience I gained from being the chairman of half of the former Select Special Committee on Constitutional Reform in the public hearings that I was privileged to attend leads me to believe that Albertans certainly want to be consulted before any final decision is made on changes to our Constitution and that that consultation must be heeded, and it can only be heeded if the results of that consultation are binding upon this Legislature.

I think I would characterize the hon. Deputy Premier's description of a possible question as being very optimistic, and I suppose that depends on how he feels these negotiations are going to turn out. I gather today that he's feeling quite optimistic. I do agree that the question has to be asked as it regards the whole package. The hon. Member for Calgary-McKnight doesn't seem to think so. She said that all parties should be involved in framing the question. I'm just wondering whether there's anything that the Liberal Party feels the government should do on its own. I wonder if there's anything in the whole face of the government activity that they feel should be done by the government or whether we should even have a government anymore the way they approach things, because it seems like nothing should be done in this province in the area of public administration unless it's by some all-party input.

I would suggest to them that, you know, there has to be some reward for effort, and if we acceded to their suggestions, they wouldn't care whether they ever became government. Quite frankly, I think there should be sometime a change in the government. I don't think very soon. Sometime in the next 15 or 20 years would probably be a good time to change the government, but if we acceded to this type of thought, there would be no incentive for anybody ever to gain the reins of government. So I think that incentive should be left. I believe in the incentive society, and I can't believe that this type of thing should be left to some type of all-party committee.

She also went on to wonder about the question of timing and the binding effect of the question. I don't know whether the hon. member really understands what the legislation is that we're discussing. The legislation provides for a question to be put before the people of Alberta when there is something that would amend the Constitution. She seems to think that we're going to hold a referendum, test public opinion, and then go back to the negotiating table. Well, Mr. Speaker, I don't understand what her thought process is there. It's quite clear that we're going to have a question after all the negotiations have been done and some proposal is out there for resolution by all the Legislatures in the country.

She also said: is this just going to be a PR exercise? I think her party also took that attitude before the Select Special Committee on Constitutional Reform was set up. They seriously ques-

tioned whether they were even going to participate in it, because they said, "Oh, all that committee's going to be is a PR exercise on the part of the government." Now we see that she says it was so rewarding, that the report of that all-party committee was so well received by members of her constituency. I don't know why she doesn't go on the fact of past performance and what we've been able to accomplish here as a government. At least the New Democrats were eager to participate in this constitutional committee and participated fully. I have to say that the hon. Member for Calgary-McKnight did too, after she got there, but after having that good experience she's using the same terms now with respect to this legislation.

As far as her questions about the national referendum, I think it should be made quite clear to her that the federal government is not proposing a referendum at all. It's quite clear that the federal government says that if they go to any type of vote by Canadians at large, it's going to be in the nature of a plebiscite and not a referendum.

So, Mr. Speaker, I think that the bona fides of this government have been proven over the last year in this area of constitutional reform. The people ask for this opportunity to express themselves and bring some measure of their direct control over their future in this country on constitutional matters, and that we should accede to that desire as expressed to our select special committee and pass Bill 1 and give the people what they should have.

4:40

MR. SPEAKER: Edmonton-Jasper Place.

#### Point of Order Citing Documents

MR. McINNIS: Thank you, Mr. Speaker. Before I begin my remarks on second reading of the Bill, I would just like to refer to *Beauchesne* in respect to the last speaker's comments. He quoted extensively from a document which I think he said was a public opinion poll done by John Yerxa and associates. *Beauchesne* at 495(2) and (5) makes it clear that a document like that which is quoted and "specifically used to influence debate," ought to be laid upon the Table. I think it would be helpful for all of us if we had the same information base upon which to discuss these issues. I thought I heard him suggest that the House leader of the New Democrats felt another poll was required, and maybe there's a good reason for that, but none of us can tell unless he lays that particular document on the Table. I didn't want to interrupt his train of thought at the time, so that's why I'm raising it now.

MR. SPEAKER: Hon. member, in that regard as a point of order, I suppose, the Chair will check the Blues as to the statements that were quoted and compare it to whatever document may or may not exist and refer it back to the House in the next day or so.

Please continue, Edmonton-Jasper Place.

#### Debate Continued

MR. McINNIS: Thank you, Mr. Speaker. The idea behind the Constitutional Referendum Act is certainly not a new one. Bill 1 is clearly in line with our tradition of political democracy. I believe the Member for Calgary-Forest Lawn referred to the New England town hall model of democracy. I think there's a more ancient variation of the same thing. The ancient Greeks, at least those who had the right of citizenship, would gather in the town hall meeting and discuss issues at length and vote as a community. That, I believe, is the origin of democracy as handed down and passed on to us today.

Clearly most Albertans and most Canadians believe that democracy is not something that happens once every four or five years when there's an election day, and then drift off in some other direction. We demand the right to be involved in issues on a daily basis. We demand accountability. We demand, on occasion, doing things on an all-party basis. I had to laugh when I heard the Member for Drumheller talk about how he feels things have gone too far in the direction of all-party this and multiparty that and public consultation the other. In fact, our democracy is way, way too far the other way. We have a system in which a minority of the population votes for a political party and they get a majority of the seats in the Legislative Assembly or Parliament. The one person who is the leader of the majority party has absolute power over who goes in cabinet. All of the ministers of the Crown are there because they were appointed there by the president of the council, somebody who just happens to lead the party that happens to get the majority of the seats. That's a tremendous amount of authority: the authority to pick who's going to be in the cabinet, and to unpick them as well.

[Mr. Jonson in the Chair]

The majority within parliamentary institutions have very many incentives to follow their leadership, not least of which is what we call the confidence convention in British parliamentary systems, which says if the government loses a vote on a substantive proposition, a vote of confidence or a budget item, the government has to resign and there has to be an election. So the rest of the governing party has to stay in line for fear of triggering an election where they might very well lose their seats. Certainly that would be the case in Alberta today.

In our system of government there's an awful lot of authority that's concentrated in the one person who heads the cabinet and the people that he or she chooses to be with them. There are a lot of people who are reacting against that. They react against the fact that a government which could be elected - well, in the case of the last Alberta election I think the governing party got 42 percent of the vote but only a little over half the population voted. So really it isn't a heck of a lot more than 20 or 25 percent of the population that put the government into power, but they govern not as if they represent that minority that elected them but as if they represented everybody in the population, which of course they don't. I mean, there's no way, shape, or form that they have that type of legitimacy. I think a lot of things have to be done to try to fix that distortion in the system.

It's very unfair when most of the population doesn't support the GST and it's brought in anyways, when most of the population doesn't support these international trade agreements which are ruining our manufacturing economy, but governments do it anyways. This government has talked about how unfair they thought the national energy program was. Well, they're all things that can be done, because in between elections governments in our country have so much authority that they can do things that are plainly not supported by the population.

It's not at all surprising that there's a demand to bring in all kinds of reforms and institutions which will tend to counterbalance that majoritarian dictatorship which we experience under the guise of the British parliamentary system on a day-to-day basis. A referendum is clearly one of them. I think there are many others that we should look at as well. The New Democrat members were anxious to get the all-party committee on the Constitution thinking in those directions. I think as far as we got with them was the commitment to produce yet another all-party committee to study those questions.

But today we have a referendum Bill. A referendum is seen as a way to give people a direct say, a way to open up the system from the tight control of the Premier and the cabinet to allow others in. If indeed that's what the government is saying, that they want to give people a say, I have a question which I hope the sponsor of the Bill, the Premier, would answer in his conclusion of the debate: why is it that the people haven't been given any particular say over the terms of this Bill? Why doesn't this Legislature have some number of us hold hearings so that Albertans who have views about the conduct of referendums on the Constitution have an opportunity to have their say to us as legislators before we pass judgment upon the terms of this Bill? It seems to me that if the object of the exercise is to open the process up and to give people a greater say, why not give them some say on this Bill right now? Why don't we have a subcommittee of this Legislature holding public hearings in this building while we're in session? This Bill was introduced on the opening day of the session back in March: plenty of time to do that. Why not open up the system that much to give people some say over the terms of this particular Bill?

Now, referendums are not unheard of in Canada. They're not unheard of in the province of Alberta and are certainly not incompatible in any sense with our parliamentary system of government, but I think history has shown and most of us believe that the institution of referendums should not be overused; it shouldn't be trivialized. I can't imagine, whatever technology may hold in the future, that we would have people at home pushing buttons, voting on every question that comes along. As most things in life, it ain't quite as simple as it seems. You don't just have democracy break out all over the planet all by itself. There are some very important questions. When you think about the idea of people having a button on their TV remote that says yes or no, that they could vote on questions before us, wouldn't you like to know who's pushing that button? Wouldn't you like to know what they know about the question? Wouldn't you like to know who's framing the question that's being asked and who's supplying the information? These are all critically important questions when it comes to the conduct of referendums. Obviously we're not going to see referendums trivialized in that way and overused.

In principle the New Democrats clearly believe that the population must agree to our Constitution. The Constitution is the basic law of the country. It governs the people as well as governing the lawmakers. I think it's a very fair test to say that any Constitution that doesn't have the support of the people voting in a referendum is not a Constitution that's worthy of governing the people. That's such a basic element of the social contract which makes up our civil society that we believe in principle that it's absolutely a good idea to allow the people the opportunity to vote in a referendum.

4:50

We also believe that a referendum campaign around constitutional questions can be an educational experience. It can give people an opportunity to understand rich detail about constitutional proposals, about our constitutional history, and about our system of government that they wouldn't have otherwise. There are many ways that you can expose yourself to this information if you want to, but I think of having a campaign where people make argument one way or another, some structured debates, possibly town hall meetings such as the Member for Calgary-McKnight mentioned, possibly televised debates. There is within the referendum law in Quebec a provision that every voter shall receive at least 10 days before the vote a booklet which has information pro and con about the referendum. So we see a referendum campaign as being



potentially an educational experience, with the entire population being able to learn more about our system of government as well as the details of constitutional proposals and the question that they have to answer.

In principle there are no problems, but – and I think there are several very important butts here – we have to look first of all at the context of what's happening in our country, Canada, today. The Deputy Premier referred to the discussions he's been involved in in the Constitution, and we know that's been a rocky road. I remember one 24-hour period when I woke up in the morning and almost the first thing I heard was the Deputy Premier of Alberta saying: that's it; it's over; the constitutional talks are at an end. It was a very bad way to start the day, let me tell you. But then within 24 hours he was hopeful again. He was saying we should continue talking, that things that were said, were unsaid – within 24 hours he felt downright optimistic about it, and he sounded almost glowing today about the prospects and the potentials there. We're in a situation which is a roller coaster ride, an emotional roller coaster, to be sure, for all of the people who are directly involved, but I think for the rest of the country. We all have so much at stake as we approach our 125th birthday. When we think about what's happened to the societies and the governments – the systems in the eastern bloc when they break down, the things that happen when countries fall apart, when systems fall apart, the type of anarchy that takes place – it's not a pretty picture. So we all have a lot at stake.

Now, one public opinion poll which I'm pleased to table in the Legislature when I get a chance – Angus Reid/Southam News did a poll April, May of this year on the whole question of referenda specifically. They weren't asking about all of these constitutional questions. It's quite interesting that most Canadians feel that a referendum can play a very positive role in the Constitution, but there are some questions that I find quite troubling when I think them through. For example,

Canadians were presented in this survey with the hypothetical possibility of a constitutional deadlock where the Premiers and the aboriginal representatives were unable to reach an agreement on the proposals offered . . . on the Constitution and the federal government chooses to offer-up its own proposals on a nationwide referendum.

Well, we all know that the House of Commons has now dealt with national referendum legislation. In this instance, three-quarters of the people who opposed a referendum suddenly switched and said, "Well, yeah, under those circumstances that's a pretty good idea." It was not the idea of a referendum straight up; it was not a unanimous proposition at all. Approximately two-thirds of those in English Canada thought it was a good idea, whereas slightly less, 58 percent, in Quebec thought it was a good idea, but a substantial minority were opposed.

Well, three-quarters of the opposition vanished when they said: well, what if the referendum is a deadlock breaking mechanism? I've thought a lot about this because I've read through Bill 1 several times, and I'm not certain how this Bill and this government deal with deadlocks. You know, nobody talks about a referendum on failure. If there is no deal that Alberta agrees to, it may be very difficult to structure a referendum. I suppose the people who run campaigns fantasize about a situation in which all of the other provinces get together and they agree to something, and then they get to put it to a referendum and fight against it and run a campaign for office in which they stand up against the federal government and against Ontario and for Alberta, but I think the real world doesn't necessarily work out that way.

What about the possibility of a national referendum in which proposals are put literally over the heads of this Assembly and this government? I think there are some dangers involved in that, and

I'm not certain that this government really wants to be cast aside quite that easily. I'm sure that if they find themselves in a minority position in the negotiations, they would like their position taken seriously right to the very end. The idea that you throw out a national referendum on some proposals that the Alberta government doesn't agree to has some complications, I think. You know, it's sort of dueling referendums. What does Bill 1 say then? Do we dream up a question which we think might somehow counter that or influence the vote and have it held on the same day? The current context of the discussions has to be taken into account when we assess the provisions of the Bill.

I think Calgary-Forest Lawn mentioned it, but in addition there are a number of fairness issues that are not addressed in this referendum Bill *per se*. For example, the issue of timing, which is a very crucial issue in terms of referendums, especially in constitutional negotiations, is left in this Bill entirely up to cabinet. The Lieutenant Governor in Council can order a referendum under section 1 or section 2 and in such an order will specify the timing, which is the provision under section 5 of the Act. All of the cards are stacked in favour of the cabinet headed by that one all-powerful person, the Premier, who is the head of the governing party. They've clearly stacked all of the chips in terms of referendum timing in their favour, one party acting unilaterally and alone.

On the question of finance I find it appalling that financial issues are not dealt with at all except under section 11, which says that the taxpayers are liable for the costs of running the referendum, whatever they may be. Well, I think a stand-alone referendum in Alberta has got to cost at least \$20 million, maybe more. What it costs piggyback to a municipal campaign, I don't know, but it doesn't deal, for example, with what role does the government play in campaigning on a referendum? The government commands in some sense the operating funds of the province, the public service. They have an ability under this Bill to go out and try to influence the way people are going to vote, to sell a position one way or the other. Now, that to me is not letting the people decide; that could very well become a question of manipulating the public to arrive at a certain conclusion which is politically convenient for the government. I think we've got to take the government out of the question. If we're going to say let's let the people decide, then we shouldn't have the government trying to influence the vote one way or the other. I think that should be made plain at the outset.

Secondly, I think my colleague from Calgary-Forest Lawn mentioned that you shouldn't be able to buy a referendum vote either, but reading Bill 1, it's like they don't care who spends what. Come to Alberta, whoever you may be, and spend whatever you feel you want to in order to influence this vote. Well, we don't believe in our country that political office should be bought. We don't believe in our country that somebody like H. Ross Perot should be able to spend up to \$100 million of his own funds when the most any presidential candidate has ever spent – that was Ronald Reagan four years ago – was \$50 million. We don't believe that in our country, yet this government brings in legislation that makes that entirely possible. If somebody has a proposition that they feel should be gotten through, all they really have to do is convince the cabinet on the timing and influence the wording, and they're home free. They can spend, spend, spend as much as they want. We should have at least reasonable limitations upon the contribution of any one individual. I don't think this should be decided by which corporation has the slickest ad campaign or which grouping of special interests has the most money to hire the best opinion researchers and advertising

technologists. That's not my concept of democracy, and I think it's appalling that that concept of democracy is embedded in here.

5:00

Now, the clarity of the question. If you're going to go to the people on a referendum, you have to have a question that's clear, that's unambiguous, that's not loaded, and there are many bad examples throughout history. I was going to read the Quebec referendum question of 1980, which is in excess of a hundred words long and goes in several different directions before it arrives at a question that the government of the day thought they might win. Well, it turns out they didn't.

How about this one from Manitoba in 1983. This was a big campaign by enemies of the government.

Should the provincial government withdraw its proposed constitutional amendment and allow the Bilodeau case to proceed to be heard and decided by the Supreme Court of Canada on the validity of the English-only laws passed by the Legislature of Manitoba since 1890?

Yes or no. Well, you know, a columnist by the name of Don Sellar of Southam News said it was "legalistic in tone, double-barrelled in construction, and dynamite in content." That's the kind of thing that can very well happen under this legislation.

I'm not particularly at ease because the Legislative Assembly gets to debate the referendum question, because we know what happens here. It's the same old game. You know, people who are elected to government by a minority of the population have a majority of the vote, and they can govern as if they govern for everyone. The very least you should do on this is try to seek consensus on the wording of the question. If indeed we're going to do something which is an honest question, doesn't have two meanings, doesn't point people in an odd direction, it should be a very simple matter for us to come to agreement on what those questions are. Why don't we have some question-setting process? In the United States, where they do a lot more of this kind of thing, they have public laws. It's illegal to ask certain kinds of questions: rhetorical questions, meaningless questions, questions that suggest an answer. I mean, there are all kinds of ways that these things can come unstuck.

[Mr. Speaker in the Chair]

The examples that the Deputy Premier himself used – and again it's dangerous to quote people who are perhaps speaking extemporaneously. He suggested a question along the lines of: do you approve of the constitutional package which includes fair treatment for the west, fair treatment for Quebec? Well, when you get to "which includes," all of a sudden you're making argument, and we shouldn't be making argument in the question. We want the people to decide. We should be giving them a question, not giving them arguments. Now, I'm not certain that what he meant was that that's the kind of question the government was going to ask, but it did occur to me that in just that one example he gave, he referred to several examples of questions that were false questions, that were wrong questions, that were irresponsible questions, and then he gave an example of a right question. Well, the right question sounded like it was at least somewhat loaded to me.

Of course, the other fairness issue is the issue of information, and I think this Bill should provide that there be some balance in the debate between those who may have varying views. Nobody likes to be in a minority, but if you're in a minority, the last thing you want is to be ignored and not have an opportunity to be heard in fairness. I think that would be the problem if we had a national referendum in which the federal government went over the heads

of the provinces to the people. People in some of the provinces would feel like minorities who were ignored. Similarly, some people might feel, under the detailed terms of this Bill, that their viewpoint and the viewpoints that they support were ignored in the debate, and we don't want that. In today's atmosphere, on the 125th anniversary of our country, Canada, we're all looking for things that unite us and will heal our wounds. We're not looking for things that will divide us further and create more wounds.

You know, we've got a pretty good principle here. Let us see that it's carried through in a way that rings true to our democratic roots. I think we can do that by looking favourably upon some of the amendments which will come forward from members of this House when we get into committee.

Thank you.

MR. SPEAKER: Call for the question?

HON. MEMBERS: Question.

[Motion carried; Bill 1 read a second time]

### Bill 33

#### Appropriation (Alberta Capital Fund) Act, 1992

MR. STEWART: Mr. Speaker, on behalf of the hon. Provincial Treasurer, I would move second reading.

MR. SPEAKER: The Member for Edmonton-Kingsway.

MR. McEACHERN: Yes, Mr. Speaker. I had occasion to make some comments about budgets the other day, and I want to summarize some of the points fairly quickly. What we've seen this session are three budgets, in effect, dumped on the Legislature all at once. The public accounts for 1990-91 came out on a Friday, and then on the Monday we had the budget, and of course in the budget was the forecast update from last year. I'd just like to point out that in those three years the Treasurer was, as usual, not very accurate in what he said was going to happen. In the 1990-91 budget he said that the government would spend \$780 million, and of course that ignored the capital expenditures and the heritage trust fund expenditures. Also, as time went on, it became clear that the consolidated deficit at that stage would be in the neighbourhood of \$2 billion, and indeed the public accounts that came out on that Friday did show a \$1.8 billion deficit on a consolidated basis.

In 1991-92 the Treasurer said he had a balanced budget. Of course, we told him that anybody could see through it and that he did not and that he was really just trying to have a good weekend with the Tories at their convention. That's the only reason he said he had a balanced budget. The numbers were clearly not accurate, and we told him that the deficit would be in the neighbourhood of \$1 billion to 1 and a half billion dollars at the time. This year when he brought in his new budget, he admitted that last year's deficit would be \$1.6 billion on the budget side alone. That did not include the Capital Fund, the heritage fund, and other things. So we still maintain that when the Auditor General reports next year, the budget side deficit will be close to \$2 billion and the consolidated figure will be \$2.5 billion, an incredible indictment of a government that tried to pass off a budget as a balanced budget. The problem was not just a downturn in the economy that lasted longer than people expected, but in fact it was because the Treasurer had brought forward inaccurate numbers from the start.

I then come to this year's budget, and I just say that it represents a rather interesting shift in direction from a six-year claim

that they were going to balance the budget after the tremendous losses in 1986-87 due to deregulating the oil industry just in time to get sideswiped by OPEC when they lowered the price of a barrel of oil down to \$8 American. The government, of course, has totally failed to balance the budget, so, because they want to have an election sometime before next February or March, they decided to switch tactics. Instead of admitting failure in balancing the budget last year or the year before, they then said, "Oh, well, we're going to switch and stimulate the economy." Great. We're stimulating the economy.

Just a couple of comments on that point. It's not a bad idea to stimulate the economy in a time of recession; nonetheless, I don't see the kind of shift of expenditures into job-creation programs that really amount to very much. The government is going on in its usual way, putting a lot of money into individual corporations and losing it at an incredible rate, and it's continuing its sort of megaproject mentality with the Al-Pac kind of things. So, Mr. Speaker, they're not being too effective in really stimulating the economy, as far as I can see. I will, however, say that at least the \$2.3 billion was probably a fairly honest appraisal of the government's intentions and what is likely to happen in the economy over this year.

#### 5:10

However, it would have been nice if the Treasurer would have gone a step further and given us a consolidated estimate of the deficit as well. The \$2.3 billion ignores the Capital Fund of \$252 million and the heritage fund expenditures of \$102 million, neither of which have offsetting revenues. It also ignores the \$300 million he took out of the heritage trust fund for some debentures he sold, put the money into the general revenue account, and said, "Look how much richer we are," when he knows full well that on a consolidated basis the Auditor General would have counted those \$300 million anyway as part of the consolidated picture. Of course, to get the consolidated picture, you have to put the \$300 million back in as an expenditure to balance the fact that he's claiming it as a revenue. So, Mr. Speaker, that all together brings the clear deficit of the government in this year's budget, if things go according to even the government's plans, at close to \$3 billion. I hope that for once they're a little more accurate than they've been in the past about that.

The Treasurer has also bragged quite a lot that he has kept expenditures down to 2.3 percent growth since 1986. Well, sort of, Mr. Speaker. If he were working with the consolidated figures every year as he should be and telling the people what was going on there in a comprehensive way, he could not make that claim. I guess he can do it in his budget in its narrowest sense, providing of course that he had followed through last year on what he said he was going to spend, which he didn't, and providing of course that he follows through this year on what he said he's going to spend, which he may or may not do. So the 2.3 figure is rather a fictional one, based on the assumption that the last two years are going to be accurate according to what he projected at the time he said that it was 2.3.

The fact of the matter is that if you look at the consolidated basis, you will find that between 1986 and 1991, which is the last year we have hard numbers for, the growth in expenditures on a consolidated basis was around 4 and a half to 5 percent. I'd like to correct a point that was in *Hansard* from my comments the other day. It should have been a 5.2 that they recorded, and they

recorded a .52 percent growth, which was probably a mistake I made when I was speaking. I don't remember saying it that way, but I probably did. The 5.2 is the number you get when you divide the five years into \$2.6 billion, the increase over those five years. That would be on a simple-interest basis for a five-year period. If you look at it as compound interest over the five-year period, it would probably only be 4 and a half percent approximately per year.

The consolidated expenditures in 1990 over 1989 went up by 7 and a half percent. In '91 over '90 they went up another 7 percent. All you have to do is look at the Auditor General's report for 1991, page 114, and look at the figures for the last three years. The Treasurer's figure of 2.3 growth and all this wonderful bragging about how he is the one that has the most stringent expenditures of any government in Canada is so much wind and does not make sense.

In fact, Mr. Speaker, the Treasurer, by bringing in the budget the way he does and not giving us a consolidated statement to give the overall picture, underestimates revenues every year in the neighbourhood of 1 and a half billion dollars and expenditures by 1 and a half billion dollars to \$2 billion every year. The Auditor General has to work with all of those figures, so his numbers are really the only ones that make any sense. It does not really make much sense to pay very much attention to what the Treasurer says, because he only gives you part of the picture. If you look at the books on a consolidated basis, you find that it gives you a much truer picture. Unfortunately, the way it is now, we have to wait for the public accounts to come out, and they're always a year to a year and a half out of date then – up to two years at the rate this government releases them – to have any hard facts about what's going on with the budget.

One final point. Now, if the 2.3 figure was really accurate, why would the Treasurer need to bring in a financial administration amendment Act to ask for an extra \$4 billion? Clearly he doesn't believe the \$2.3 billion figure himself as being a reasonable figure to project to the population of Alberta as to what the deficit will be for this year. As I've already pointed out and showed, it will be at least \$3 billion. If you throw in the NovAtel fiasco, it's going to be well over \$3 billion. No wonder he needs to borrow \$4 billion. Mr. Speaker, that, of course, will be an interesting debate in itself . . .

MR. SPEAKER: Order please, hon. member. I hesitate to interrupt, but by Standing Order 61(3), I must put the question on this Bill and the other appropriation Bill.

[Motion carried; Bill 33 read a second time]

#### Bill 32 Appropriation Act, 1992

[Debate adjourned June 15: Mr. McEachern speaking]

MR. SPEAKER: Also in accord with Standing Order 61(3), I must put the question on this appropriation Bill.

[Motion carried; Bill 32 read a second time]

[At 5:17 p.m. the Assembly adjourned to Thursday at 2:30 p.m.]

