

Legislative Assembly of Alberta

Title: **Friday, June 19, 1992**
 Date: 92/06/19

10:00 a.m.

[Mr. Speaker in the Chair]

head: **Prayers**

MR. SPEAKER: Let us pray.

O Lord, grant us a daily awareness of the precious gift of life which You have given us.

As Members of this Legislative Assembly we dedicate our lives anew to the service of our province and our country.

Amen.

head: **Presenting Petitions**

MR. NELSON: Mr. Speaker, I wish to present a petition that has in excess of 300 signatures of Albertans to allow the complaints involving lawyers to be handled in the future by an office of the Attorney General's department.

head: **Notices of Motions**

MR. CHIVERS: Mr. Speaker, I filed written notice of a question of privilege which I request be entertained after question period.

MR. SPEAKER: Notice was given last night. Thank you.

head: **Introduction of Bills**

Bill 41
School Amendment Act, 1992

MR. DINNING: Mr. Speaker, I beg leave to introduce for first reading Bill 41, the School Amendment Act, 1992.

Mr. Speaker, this Bill provides for the management and control of Francophone schools by Francophone parents who enjoy rights under section 23 of the Charter of Rights and Freedoms. It meets the test that our government spelled out a number of months ago that such an arrangement comply with the Supreme Court judgment, fit within the Alberta context, and be right for children's education.

Mr. Speaker, Bill 41 also provides for two or more existing school boards to decide voluntarily to merge their operations and to create regional school boards so as to more effectively deliver educational services.

MR. SPEAKER: An introduction paper would be useful too. Thank you.

[Leave granted; Bill 41 read a first time]

Bill 40
Cancer Programs Amendment Act, 1992

MRS. B. LAING: Mr. Speaker, I request leave to introduce Bill 40, being the Cancer Programs Amendment Act, 1992.

Thank you.

[Leave granted; Bill 40 read a first time]

MR. GOGO: Mr. Speaker, I move that Bill 40, the Cancer Programs Amendment Act, 1992, introduced by the hon. Member for Calgary-Bow, be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

Bill 36 **Spending Control Act**

MR. JOHNSTON: Mr. Speaker, I'm very pleased today to introduce Bill 36, Spending Control Act. [interjections]

Speaker's Ruling

Decorum

MR. SPEAKER: Thank you, Provincial Treasurer. Order, hon. members. [interjection] Order. I'm sure you can control yourself as well, hon. member. [interjections] Order please, hon. members. At first reading it is not the purpose of the House to engage in this fashion of activity.

Hon. Provincial Treasurer.

Bill 36 **Spending Control Act**

(continued)

MR. JOHNSTON: Mr. Speaker, this important piece of legislation is one of the key aspects of the fiscal plan announced by the government in its budget. In that plan, which provides for the control of the spending of this government for program expenditures, as all Albertans know, we have, I think, distinguished ourselves in Canadian governments by controlling our . . . [interjections]

Speaker's Ruling

Decorum

MR. SPEAKER: For the second time of asking, order please, hon. members. [interjection] Order, hon. members. [interjection] Order. The Chair reminds members again that this is not the practice of the House at first reading of any Bill, whether it be from any of the benches in the House. [interjection] Order, hon. members.

Hon. Provincial Treasurer.

Bill 36 **Spending Control Act**

(continued)

MR. JOHNSTON: Mr. Speaker, as we said in our fiscal plan, this legislation will control the spending on programs by the government, setting the limits this year at 2 and a half percent and reducing on a reasonable basis our expenditure controls to 2 percent by '94-95. In doing so, this is the only legislation of any provincial government in Canada which controls the amount of program spending. We think that the citizens not just in Alberta but across Canada expect governments to do better with respect to their spending control. We certainly agree with that, and our record, as I've said, is unmatched in Canada in terms of any other government spending.

What I should point out is: should the revenues pick up in the province of Alberta – and we've got very positive signs already with respect to the oil prices certainly – those additional dollars generated by increased revenues would go right to the deficit, Mr. Speaker. That ensures that expansion of programs would in fact be controlled and the dollars would go to the deficit, what we in fact have argued all along. [interjections]

Speaker's Ruling

Adjournment

MR. SPEAKER: Order please, hon. Provincial Treasurer.

The House stands adjourned for five minutes, until 10:15.

[The House adjourned from 10:09 a.m. to 10:16 a.m.]

MR. SPEAKER: Be seated, please.

Provincial Treasurer, please introduce the Bill very briefly. Thank you. [interjections] Order please, hon. members.

Provincial Treasurer.

**Bill 36
Spending Control Act
(continued)**

MR. JOHNSTON: Mr. Speaker, this could be the longest first reading in the history of the Legislative Assembly. I apologize to the members in the gallery for the rudeness of the opposition. [interjections]

MR. SPEAKER: Order please. [interjections] Order. Thank you.

We will now just introduce the Bill, please.

MR. JOHNSTON: Mr. Speaker, as I was saying, the third point with respect to the principle of this Bill, which I must say is, I think, responsible, is that should the government require special warrants above the 2 and a half percent spending guideline for this year, it would be our intention to come back to the Legislative Assembly, likely in the fall, and debate fully here any requirements for special warrants, which I think is a first step in ensuring that members of all parties have some say about additional spending opportunities. In that sense, this also is unique in that fashion. Those are the principles of the Bill.

I should say – I omitted this in my introduction because of the confusion and the distraction from the opposition – that this is a money Bill, and his Honour the Honourable the Lieutenant Governor has been informed of the contents of the Bill and recommends the same to the Assembly.

[Leave granted; Bill 36 read a first time]

MR. SPEAKER: The Member for Rocky Mountain House, followed by Edmonton-Jasper Place.

**Bill 297
Workers' Compensation Amendment Act, 1992**

MR. LUND: Thank you, Mr. Speaker. I request leave to introduce Bill 297, being the Workers' Compensation Amendment Act, 1992.

Mr. Speaker, this Act, when passed, will allow owner-operators the option of participating in workers' compensation.

[Leave granted; Bill 297 read a first time]

**Bill 308
"Whistle Blower's" Protection Act**

MR. McINNIS: Mr. Speaker, I request leave to introduce a Bill being the "Whistle Blower's" Protection Act.

This Bill answers the pleas of civic-minded citizens for protection from harassment, intimidation, and coercion on the part of alleged perpetrators. It amends the Legislative Assembly Act, the Ombudsman Act, the Employment Standards Code, and the Public Service Employee Relations Act to give effect to this measure. It requires no new spending, unlike the Spending Control Act.

[Leave granted; Bill 308 read a first time]

MR. SPEAKER: Edmonton-Strathcona.

10:20

**Bill 256
Conflicts of Interest Amendment Act**

MR. CHIVERS: Thank you, Mr. Speaker. I request leave to introduce Bill 256, being the Conflicts of Interest Amendment Act.

This Bill seeks to strengthen the existing Conflicts of Interest Act by expanding its breadth and scope and eliminating loopholes which exist in the present legislation. Among the areas that the Bill will seek to strengthen are: expanding the legislation's application to cover public officials, provincial agencies, and apparent as well as actual conflicts of interest; prohibiting members from participating in areas in which they have a conflict; and eliminating the current loophole provided by the so-called blind trust.

[Leave granted; Bill 256 read a first time]

Bill 267

Institute of Health Care Ethics Act

MS BARRETT: Mr. Speaker, I beg leave to introduce Bill 267, Institute of Health Care Ethics Act.

Mr. Speaker, this Bill has been introduced by the Official Opposition New Democrats on several occasions. The Minister of Health has agreed in principle that an institute for health care ethics should exist but has not actually proposed a structure. This is a structure we believe would work and is necessary in this day and age, particularly in the context of modern technology and tight funding.

[Leave granted; Bill 267 read a first time]

MR. SPEAKER: Earlier, in parts of the confusion, one part of the business was not able to be carried forward. I wonder if we might have unanimous consent to allow for the reintroduction of oral notice of a Bill?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.
The hon. Member for Rocky Mountain House.

head: **Notices of Motions
(reversion)**

MR. LUND: Thank you, Mr. Speaker. I rise to give oral notice that on Monday, June 29, 1992*, I will be introducing Bill 43, the Municipal Statutes Amendment Act, 1992.

head: **Tabling Returns and Reports**

DR. WEST: Mr. Speaker, today I'd like to file four copies of the Victims' Programs Assistance Committee '91-92 Annual Report, as required by statute.

MR. DINNING: Mr. Speaker, I'm tabling with the Assembly today the 86th Annual Report of the Department of Education.

head: **Introduction of Special Guests**

MR. SPEAKER: The Member for Lloydminster, followed by the Minister of Education.

*See page 1504, left col., para. 3

MR. CHERRY: Thank you, Mr. Speaker. Seated in your gallery this morning is Mr. Anders Aalborg, a member of this Assembly for 23 years, serving from 1948 until 1971. Mr. Aalborg represented the constituency of Alexandra, which is now Lloydminster. He served our province as Minister of Education, Minister of Telephones, and Provincial Treasurer. I would ask Mr. Aalborg to stand and receive the warm welcome of the Assembly.

MR. DINNING: Mr. Speaker, there were a number of people that were actively involved in bringing about the introduction of Bill 41 today, the whole process of management and control of Francophone schools by Francophone Albertans. I'd like to introduce some of them and then some others who are here as part of the introduction of the Bill. They are Mme France Levasseur-Ouimet, who is the past president of the Association Canadienne Française de l'Alberta; Denis Tardif, who is the current president; Mr. Marc Arnal, who is the president of the Francophone Parents Association. They're joined by other members of the working group, which was chaired by my colleague the Member for Smoky River in putting together this package: Mrs. Mary O'Neill and Mme Claudette Roy. They're also joined by Gérard Bissonnette, who served along with Sandra Cameron on the committee, as well as Bob Maybank. They're also joined by Mary Anne Balsillie from the home and school association, Lynn Russell from the Alberta Teachers' Association, Lawrence Tymko from the Alberta School Boards Association, Merv Kurtz from the Conference of Alberta School Superintendents, and Mr. Gary Duthler from the independent schools association. They're joined by others: Dr. Bosetti, Mrs. Garrity, and Steve Cymbol, who were actively involved in making this Bill come about. I'd ask them all to rise and receive the warm welcome of members of the Assembly.

MR. SPEAKER: The Member for Grande Prairie.

DR. ELLIOTT: Thank you, Mr. Speaker. It's always a pleasure to introduce students from my constituency primarily because of the distance they have to travel to come to see us. This morning in the public gallery we have the grade 6 students from the Hythe elementary school and their teachers Dwayne Speager and Joyce Maple along with seven adults accompanying them as chaperons, drivers, and so on. I'd ask them to rise and receive the warm welcome of the Assembly.

MR. SPEAKER: Clover Bar, followed by Stony Plain.

MR. GESELL: Thank you, Mr. Speaker. It's a pleasure today to introduce to you and to the members of this Assembly two ladies from the Clover Bar constituency. They conscientiously and diligently serve the residents of the Clover Bar constituency. Seated in the members' gallery are Susie Wanner and Nicole Lamoureux. I would ask them to stand to receive the warm welcome of this Assembly.

MR. SPEAKER: Stony Plain.

MR. WOLOSHYN: Thank you, Mr. Speaker. It gives me great pleasure to introduce to you and through you to the other members of the Assembly 30 visitors from Stony Plain elementary school. Stony Plain elementary grade sixers are annual visitors to this Assembly. They are accompanied today by their teachers Mr. Milton Mellott and Mr. Wayne Turner, parents Mr. London, Mrs.

Velichka, Mrs. Klatt, Mr. Moore, and Mrs. McFarlane. I'd like them all to rise and receive the warm welcome of the Assembly.

MR. FJORDBOTTEL: Mr. Speaker, it's a pleasure for me this morning on behalf of the hon. Minister of Transportation and Utilities, the MLA for Peace River, to introduce 54 visitors from Good Shepherd school in his constituency along with teachers Rick Horon, Anet Reneaud, and parents and helpers Colleen Flagg, Dan Lacombe, Rick Biggs, Dexter Schmidt, Theresa Vandelight, Mary Sharp, and Herman Friesen. I would ask that they rise and receive the warm welcome of the Assembly.

head:

Oral Question Period

NovAtel Communications Ltd.

MR. MARTIN: Mr. Speaker, what was extremely amusing today was the Treasurer of this government talking about spending restraint after the times we've had in the House talking about NovAtel. That's what the joke was about. It looks like it's going to get worse because the minister of technology admitted yesterday that there will be more Alberta tax money going to U.S. companies to keep them afloat. Isn't this just typical of this Assembly, that we have a minister who day after day has denied in this House that there would be any more taxpayers' money going into the NovAtel sinkhole, and now he's saying just the opposite? This will be good money after bad. My question to the Treasurer, who's supposed to be in charge of the finances, is simply this: how much more taxpayers' money is the government planning to put at risk? Is it another half a billion dollars, a billion dollars, \$2 billion? Just how much is it?

MR. JOHNSTON: Mr. Speaker, unlike the Member for Edmonton-Norwood I don't deal in speculation. Obviously what he is doing is casting the worst possible scenario here. I think we have said already that we have provided adequately, in my judgment, for the loan loss provisions in the so-called systems loans. Despite the additional information that the members continue to put forward, we have, as I've indicated, made a more than adequate provision for those losses. On that side, our judgment is that the loan loss provision is full.

10:30

MR. MARTIN: Well, Mr. Speaker, the worst case scenario keeps getting worse. That's the reality of it.

Mr. Speaker, the minister of technology is talking about more money from the Alberta taxpayers. The Treasurer is supposed to be in charge of money. Let me give one specific to the Treasurer. It is our understanding that GMD, the American company that received a \$1.3 million gift from this government for its partners, is looking for more financing from this government. My question to the Treasurer, who should know about this by now: how much more is the government planning to hand out to GMD, and how many more companies are lined up, caps in hand, to this government?

MR. JOHNSTON: Mr. Speaker, I've already answered that question.

MR. MARTIN: This is the guy who was telling us just a few minutes before about the great financial restraint of this government. Now he won't answer questions, Mr. Speaker.

Yesterday the Attorney General said that he would like to hang somebody for the NovAtel mess, Mr. Speaker. Well, under the British parliamentary system the buck stops with the ministers and

the Crown. So what he has to do is hang the minister of technology, hang the Premier, and hang the Treasurer. But I find hanging fairly gross; I don't like hanging. My question to the Attorney General is this: would he consider life imprisonment instead of hanging for the minister of technology, the Premier, and the Treasurer?

MR. ROSTAD: Mr. Speaker, the comment about wanting to hang somebody I still stand by, perhaps not stretching by the neck. [interjections]

MR. SPEAKER: Order please. I'm hanging on every word. Let's go.

MR. ROSTAD: The comment was made, Mr. Speaker, in the context of what the Premier and the minister of technology have continually said; that is, we want an investigation to get to the bottom of this. I can assure you that every member of this government is concerned about what happened in NovAtel. Why did this ungodly mess occur? The Auditor General has been given this task. The Auditor General will do a thorough and complete investigation and report back to this Assembly. At that time, we'll see what punishment is meted out to whom.

MR. SPEAKER: Second main question, Leader of the Opposition. [interjection] Second main question.

MR. MARTIN: Mr. Speaker, I'd like to designate my second question to the Member for Edmonton-Kingsway.

MR. SPEAKER: Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Speaker. The NovAtel fiasco has gone way beyond the loss of merely half a billion dollars to include allegations of kickbacks, conflict of interest, and misappropriation of funds. Yesterday the New Democrats spoke to a former employee of NovAtel called Rusty Irvin, who admitted that he worked for NovAtel for over two and a half years between 1988 and 1991 while having an ownership interest in GMD Partnership. To the Premier: what investigation has the government done to satisfy itself that Rusty Irvin did not use his position at NovAtel to line up funding for his GMD Partnership?

MR. GETTY: Mr. Speaker, I wouldn't get into the hon. member's phony allegations.

MR. McEACHERN: I guess that means that they've done no investigations.

I would like to file four copies of a letter dated November 7, 1990, from NovAtel's finance VP, James Chitkowski, to Gary Doyle of GMD, which says, and I quote: "I have been informed by Rusty of the successful development of your business plans for 2 of your 3 markets." The letter is copied to Mr. Irvin. To the Premier: does the Premier agree that involving a NovAtel employee in a discussion about a business in which he has a personal financial interest is inappropriate and is a conflict of interest?

MR. GETTY: No, Mr. Speaker.

MR. McEACHERN: Well, Mr. Speaker, I guess we'll have to ask the Attorney General, then, the man who would like to hang somebody, but we know that the Auditor General can't, so I don't know how that investigation is going to be adequate. Given that Rusty Irvin told the New Democrats that he had previously

informed his NovAtel boss of his ownership interest in GMD and given that the NovAtel management in the United States ignored that information, doesn't this show the need for an independent judicial inquiry about these allegations, not by the Auditor General?

MR. ROSTAD: Mr. Speaker, it has been stated ad nauseam. The Auditor General will look through this, and we'll look forward to his report.

MR. SPEAKER: Edmonton Glengarry, on behalf of the Liberal Party.

MR. DECORE: Mr. Speaker, the taxpayers of Alberta lost \$33 million in one U.S. corporation and hold a \$12 million note in that same corporation. Corporation executives have informed our caucus that the company is in serious difficulty, that it requires another \$16 million, and that it's looking to NovAtel for those moneys. Some ministers are suggesting that more taxpayers' moneys will be used or needed to pay these American corporations. My first question is to the Premier. Mr. Premier, will you tell Albertans categorically that no additional moneys will be taken from the taxpayers of Alberta and given to these American corporations that have already cost Albertans something like \$700 million?

MR. GETTY: First of all, Mr. Speaker, the hon. member continues to have incorrect facts when he places his question, so I just can't respond to that kind of an allegation.

MR. DECORE: Mr. Speaker, a senior executive of NovAtel has informed me today that the government has approved a line of credit for North West Trust to deal with American corporations and that there is a possibility that further moneys can and may be paid to these American corporations. I'd like to ask the Treasurer what the extent of that line of credit is.

MR. JOHNSTON: Mr. Speaker, I've already indicated to the House that North West Trust has taken on the responsibility for the collection of these loans, and obviously in the normal course of financing, they will put in place their own position.

I can say, Mr. Speaker, that there's nothing new that's been introduced by either of the parties here today. It's all been on the table. It's all old news, and it's in the hands of the Auditor General.

MR. DECORE: Mr. Speaker, the minister and the government continue to dodge questions, and that's another example of dodging a question that was put to the minister.

My final question to the minister of finance is this. I'd like to know what monitoring mechanism the minister and the government have put in place to ensure that moneys that are given to North West Trust through this line of credit are spent properly and that this thing doesn't get out of control in the same way that the minister and the government allowed it to get out of control with NovAtel.

MR. JOHNSTON: Well, I've already said, Mr. Speaker, to the leader of the Alberta sales tax party, that in fact we have this under control. In fact, we are acting in a collection position, and there'll be no further disbursements made to secure these loans. We're collecting. We've made full provisions. We put that all up front, and it's been displayed before all Albertans. Now it's in the hands of the Auditor General, and that report will be forthcoming.

Constitutional Reform

MR. DAY: Mr. Speaker, many Albertans are telling me that they're becoming increasingly distressed with federal spokespeople who say that because many Albertans are firmly committed to the equal provision in the Senate and asking us to stand firm on that, they are somehow un-Canadian. The majority of Albertans who spoke to us in our Select Special Committee on Senate Reform and the majority of Albertans who were recently polled in the Yerxa poll telling us to stand firm on the equal provision are not un-Canadian. They're not at all un-Canadian. They see this provision as being good for all of Canada. Will the Premier through his Minister of Federal and Intergovernmental Affairs ask and direct that these federal spokespeople deal with the equality provision on its merits as the discussion goes on and cease insulting Albertans by referring to them as un-Canadian?

MR. GETTY: Mr. Speaker, I think the hon. member raises a matter that every member of this Assembly would be concerned about, because it is carried within a report in which all parties of this Assembly were involved. One thing our government promised to do in this Canada round of negotiations was to consult with the people of Alberta and then make sure that their views were strongly represented. Now, I reject and I'm sure all members would reject completely the expressions by certain federal spokesmen and perhaps others who say that the government and members of this Assembly, by expressing the views of Albertans that they strongly hold regarding a triple E Senate, are in some way threatening our country. I reject threats and intimidation by any spokesman in this regard. We are going to speak and speak strongly for the people of Alberta. When you are asking for fairness and equality in a nation that is built on those principles, surely you are not threatening it.

10:40

MR. DAY: Mr. Speaker, I understand the Premier has asked a couple of independent Alberta groups that are familiar with the whole Senate constitutional issue to do a review of the so-called Saskatchewan proposal. I'm wondering if he's had an analysis back from them yet or if there's a time line on that.

MR. GETTY: Well, Mr. Speaker, while we are also conducting an assessment of the Beauchamp/Saskatchewan proposal – there have been various titles placed on it. The assessment's being carried out by Federal and Intergovernmental Affairs. We have also asked third-party groups to assess it: the Canada West Foundation, the triple E Senate organization. I'm looking forward to receiving their assessments of the proposal, because we respect the Premier of Saskatchewan's attempts to propose potential solutions. I would like all Albertans and members of this Assembly to know that our government is not moving on the principles of a triple E Senate. The people of Alberta feel strongly about it. We feel strongly about it. I feel strongly about it, and I will not be changing my position regarding a triple E Senate.

MR. SPEAKER: Edmonton-Calder, followed by Westlock-Sturgeon.

Disabled Persons Programs

MS MJOLSNESS: Thank you, Mr. Speaker. Not only has this government imposed a \$3,000 limit on funding for individuals with disabilities preventing many of them from living in the community, they've also placed a new \$3,000 limit on handicapped children's services, which is now home care for children with special needs. The Premier's Council on the Status of

Persons with Disabilities has indicated that there are several children in the University of Alberta hospital that could live at home but are unable to do so because the cost of services would be above the \$3,000 limit, yet it is costing \$1,200 a day to keep them in the University hospital. I'd like to ask the Minister of Family and Social Services: how can the minister justify spending this kind of money to hospitalize these children yet deny them the right to live at home with their families?

MR. OLDRING: Mr. Speaker, again, the member knows that we have in place in this province a handicapped children's service that is providing services to some 6,000 families across Alberta, that there is a review currently under way, that we are in the process of again consulting with Albertans, working with Albertans to make sure that our policies and our regulations and our programs are reflecting current circumstances. We're going through that. The member also knows that there is an appeal process, and that process has been used successfully on a number of occasions to help integrate some of those children back into the community.

MS MJOLSNESS: Mr. Speaker, this minister cannot be consulting or he'd realize how serious a problem this is.

My supplementary to the minister. As this policy is clearly preventing children from living at home with their parents, and others are fearing that children that are already living at home with their families will have to be institutionalized, I would again ask the minister: can the minister explain why he prefers to have children living in institutions, which is much more costly, rather than having them living at home with their families?

MR. OLDRING: Mr. Speaker, again the member, as is so often the way, makes inaccurate conclusions. This minister does not prefer to have children institutionalized. This government does not prefer to have children institutionalized. We do everything we can to help successfully integrate children back into their homes, back into their communities. That member knows full well that we do everything we can.

In terms of limits within the handicapped children's services, they haven't been established at this point. [interjection] They have not been established at this point. As I said earlier, we are going through that consultative process. We have a good program in place. We're trying to make it better, Mr. Speaker. There's an appeal process in place. The member knows that there are cases involving many more dollars than the \$3,000 a month that she's quoted to integrate people from hospitals into the community.

MR. SPEAKER: Westlock-Sturgeon.

Young Offenders Programs

MR. TAYLOR: Thank you, Mr. Speaker. Once again we hear of the Solicitor General's refusal to obey a court order. For instance, last week, as you'll remember, the Solicitor General refused to pay for the treatment of a young sex offender in the highly acclaimed Phoenix program. Fortunately, the courts overturned that. This week the Solicitor General is refusing to pay for court-ordered addiction treatment for three young offenders. To the Solicitor General: since the Young Offenders Act clearly states that a judge can order treatment at a specific facility – I repeat: specific facility – why does the minister keep insisting on ignoring this law?

DR. WEST: Mr. Speaker, the Solicitor General's department and this government do not refuse to pay for treatment for young offenders. You identified the exact issue that's here: the court is

directing a specific program. When that starts, it cuts down the flexibility of the Solicitor General's department and its budget for the people of Alberta to direct its resources to the best use. I have before me here, you know, and I can go through them over and over, the types of programs that we fund throughout this province as it relates to addiction or to young sex offenders and the help that we provide for them. In this case that we appealed before the court, again I stress that you brought up the exact point, that a specific program was identified that's very costly and one that we notified in 1990 we no longer would be funding. The court has upheld its decision to specifically name that program, and we will continue to have discussions through the Attorney General's department with the court.

If you bring forth a supplemental, I will get into a discussion of why we believe that is right.

MR. TAYLOR: Mr. Speaker, the law of the land is that the federal government sets the laws, and in a court trial the judge and the experts decide what is best or what should be done with the offender. What possible right does the Solicitor General of this province have to ignore the professionals of the court and ignore the federal laws of this land?

DR. WEST: Mr. Speaker, once again, so that there's nothing left on the table, we are not ignoring or abrogating our responsibility to the courts or anybody else. We are making a point that we cannot into the future have the courts directing specific programs. They can direct a treatment for sex offenders or addiction. We have 500 agencies in the province. We have our own psychologist. We have 16 institutions in this province that are funded by the taxpayer that have a whole plethora of programs.

We're getting right into the social charter issue. If – and I say if because at the present time it's before the constitutional debate – a social charter goes through, that means that a government then will be responsible for what they provide you. If they start this sort of court direction to high-priced, specific social programs, God bless the taxpayer in this country; we'll be broke before we wake up. [interjections]

MR. SPEAKER: Order. [interjections] Order. Highwood, followed by Calgary-Forest Lawn, if there's time.

10:50 Printing Contract Tender Policy

MR. TANNAS: Thank you, Mr. Speaker. My questions today are to the Minister of Culture and Multiculturalism, the minister responsible for the Public Affairs Bureau. For some time Alberta print manufacturers have complained that when they attempt to secure print contracts in other western provinces, there's an unfair playing field, which contradicts the terms of the western accord. This issue was raised in the Assembly some weeks ago. My question, then, to the minister: as some weeks have now passed, is the minister doing anything to ensure that Alberta printers are able to obtain fair opportunities to compete for work in the other western provinces who are signatories to the western accord?

MR. MAIN: Mr. Speaker, the member has raised an important issue. As a matter of fact, it's true that some concern had been expressed by a number of printers across western Canada, specifically those who operate in Alberta but whose main plants are based outside of this province, that in fact it was not fair treatment. Alberta made it a practice to conform to the tenets of the western accord in all its practices, but not all other jurisdictions were following the letter and the spirit of the accord. As a

result of that, we decided to make sure that until such time as all jurisdictions were playing fairly, Alberta would not recognize those manufacturers based outside of the province, and some were disenfranchised, if you will.

I am pleased to report now that officials from all four western provinces met last week and have concluded an agreement that does in fact level the playing field and will provide equal treatment to all print manufacturers and print sales organizations no matter where they're based or where they're operating, following Alberta's lead in this regard.

MR. TANNAS: Mr. Speaker, my supplementary is again to the minister responsible for the Public Affairs Bureau. We know that two non-Alberta companies with Alberta offices were temporarily suspended from doing business with the Alberta government. Will the minister assure this Assembly and my constituent, who's an officer of one of those companies, that these printers will be reinstated, and will other out-of-province printers be allowed to compete?

MR. MAIN: Mr. Speaker, I was contacted by a number of printers as described by the Member for Highwood. I also met with other individuals involved in this issue at a very highly successful fund-raising dinner organized by our party and by the Premier recently. I can say now that those people who are based out of province but operate with sales offices and agents here have been fully reinstated. During conversations with ministers from the other provinces responsible for this area of government procurement, they have in fact agreed that this is a necessary thing. They're all of a mind that we should be fair. We should all hold to the principles of the western accord, and I'm pleased to report that Alberta's lead and Alberta's resolve to stand firm for fairness has again borne fruit.

MR. SPEAKER: Calgary-Forest Lawn.

Advanced Education Funding

MR. PASHAK: Thank you, Mr. Speaker. During the estimates debate the Minister of Advanced Education mentioned that the value of the physical facilities of our postsecondary institutions is some 4 and a half billion dollars and that these facilities require some \$600 million in deferred maintenance. He also recognized how critically important it is to do this maintenance now to avoid even greater future replacement costs. My question to the Minister of Advanced Education is: what steps is he taking to ensure that proper maintenance will be conducted now, when it's most economically effective?

MR. GOGO: Mr. Speaker, we make provision in each year's budget whereby the institutions are expected to carry out some degree of maintenance. The hon. Member for Calgary-Forest Lawn's quite correct that deferred maintenance in the system is now escalating almost to \$600 million. We provide some 32 and a half million dollars with regard to funding, of which the U of A and the U of C get the majority. It remains a concern certainly. It'll be addressed again in the upcoming budget, but at this point there are substantial funds, some 32 and a half million dollars, that go towards the three areas of furniture, equipment replacement, and deferred maintenance.

MR. SPEAKER: Supplementary.

MR. PASHAK: Thank you, Mr. Speaker. As the minister recognized in his answer to that question, the \$30 million just

goes to upgrade the small-scale kind of equipment items for the most part, a band-aid kind of approach. It doesn't deal with the major issue. My question to the minister: would the minister now agree that it would be better to spend money on maintaining and upgrading our postsecondary system than to waste it on unsound financial ventures, such as NovAtel, GSR, and MagCan?

MR. GOGO: Mr. Speaker, I fail to recognize the relevance of the question with regard to an appropriation in the budget of the Department of Advanced Education with some other organization. As I point out, very clearly our 27 institutions have a responsibility not only to identify but to see that some of the funds that are made available are used specifically for that purpose. I hope hon. members are aware that cafeterias, student residences, those type of facilities are not publicly funded and clearly are the responsibility of the institution.

MR. SPEAKER: Stony Plain, followed by Edmonton-Meadowlark.

Education Funding

MR. WOLOSHYN: Thank you, Mr. Speaker. Yesterday in this Assembly the Minister of Education blamed the Alberta School Boards Association and other municipal organizations for delays in solving the equity funding issue. He said that they had broadened the issue so that it is, and I quote, "no longer just a school board revenue matter; it is a local government . . . matter." According to the March 19, 1991, equity grant memo to school superintendents, the minister cut up to 65 percent from the board's additional equity entitlement. In the April 28, 1992, memo he cut up to 91 percent from the board's increased equity potential. What this means is: the more they suffer, the more they cut. Can the minister explain how taking away promised funds at the last moment will help needy boards cope with their financial situations?

MR. DINNING: Mr. Speaker, the equity grant program, nearly \$70 million that's provided to school boards who lack an adequate tax base to pay for the local cost of education, is a substantial investment by Alberta taxpayers. Until we can find the right kind of long-term solution, I don't see Alberta taxpayers willing to constantly contribute to this problem. I'm searching. The hon. member one more time doesn't have a solution. All he does is talk, talk, talk, but there's no solution out there. We have put out a solution, and we are anxious to find consensus and find agreement. I hope that we will do that in short order, but as I said to the hon. Member for Red Deer-North yesterday, until we get that consensus, I don't see an agreement for a little while.

MR. WOLOSHYN: Mr. Speaker, we have a lot of solutions; he won't listen. If we quit subsidizing the U.S. cellular system, we'd have a lot of money.

Mr. Speaker, the downloading at the expense of schools and school kids has to stop. It appears to me that the intent of the minister is to starve Alberta's neediest boards, first, with this equity funding cutback and, secondly, with his vindictive two-count system. Given that the minister was prepared to commit \$66 million in 1990 to top up his ill-conceived education trust fund that wouldn't fly, will he now commit these funds to rectify the problems of lack of equity funding that were created by these most recent formula cutbacks?

MR. DINNING: Mr. Speaker, that is exactly what the province is doing right now. [interjections]

MR. SPEAKER: Order. [interjections] Order please. [interjections] Order please.

The Chair apologizes to the various caucuses. Some of the sheets got shuffled up here. The next member is indeed Calgary-McKnight.

MRS. GAGNON: Thank you, Mr. Speaker. Both Edmonton and Calgary public school boards say that returning students with high school diplomas now make up between 20 and 25 percent of the grade 12 population, and they expect this number to grow. Despite their best efforts to accommodate these students displaced by the Advanced Education system, school boards are facing an even more punitive action at the hands of the provincial government. My question is to the Minister of Education. Will the minister admit that his double count will penalize school boards who accept these returning students for only one semester? Please don't say that we asked for it; we asked for ESL only. Students may leave but resources will stay.

11:00

MR. DINNING: Well, Mr. Speaker, the short answer to the hon. member's question is no. The longer answer, which I know the hon. members will want to hear, is that both opposition parties, on April 23, 1991, to be precise, spoke in terms of supporting a two-count system. The hon. Member for Calgary-McKnight said:

I would say that in terms of the schools that have high enrollments of English as a Second Language students, the time to implement two-year counts would be in order.

I said, "Two-year?" She said:

Twice-a-year counts - I'm sorry - both a September and a February, and I, quite frankly, would be able to support the minister within certain guidelines if it went up or down.

Mr. Speaker, I say to all hon. members that the logic of stopping only at ESL and not also applying that same logic to the basic foundation grant - not to the other special ed or not to transportation grants but to the basic foundation grant. I think the logic also applies there. This government believes in a results orientation, and we are not going to ask taxpayers to fund an education program for students who are not there.

MRS. GAGNON: Mr. Speaker, the problem is being created by this government's advanced education system. You have 25 percent of the students with high school diplomas going back for one semester. How is the minister going to address this issue especially with have-not school boards? They already face inequity. They also have returnees who have a high school diploma. They have no money to fund them. That's just unacceptable by this minister.

MR. DINNING: You know, Mr. Speaker, it's just absolutely great to see the irony of this member's leader standing and waving his wallet, waving at something. Then I hear the hon. member saying that we've got to spend some more: spend, spend, spend. I'm sorry, but that's all I hear from the hon. member.

Mr. Speaker, it's very clear. All school boards in this province know that when a student returns for a seventh semester and doesn't have a high school diploma, when they complete their high school diploma in February of that year, then they will get full credit for that student as if they were there for the full year.

Secondly, what it takes is some ingenuity and some creativity. I see the likes of Edmonton public, Medicine Hat public, Twin Rivers, and a number of other school boards around this province using some creativity in providing a program to these young people. There is absolutely nothing in the School Act that says that a school board couldn't designate two or three high schools,

or three or four in a large community like the hon. member's and mine in Calgary. That says, "That is where returning grade 12s will go if they wish to come back for upgrading, but there is no right of access to that community school." They've got to think up different ways of delivering programs that meet students' needs.

MR. SPEAKER: Athabasca-Lac La Biche.

Alberta-Pacific Pulp Mill

MR. CARDINAL: Thank you, Mr. Speaker. My question is to the hon. Minister of the Environment. The Friends of the Athabasca Environmental Association and the Prosperity Environmental Association have asked the courts to quash two government construction permits for the Alberta-Pacific project. This project now is 20 percent complete. It will be employing over 2,500 people on the site and by July will be pumping \$1 million into the Alberta economy on a daily basis. The leader of the Liberals of course calls this project an embarrassment, and the new ND candidate for Athabasca-Lac La Biche belongs to one of these associations that's trying to cancel the project. That shows you where their economic policies are: welfare, more welfare, and more welfare. My constituents do not want that. My question is: could the hon. minister give some assurance to my constituents that the construction of this project will continue?

MR. KLEIN: Well, Mr. Speaker, it's really not the responsibility of the Minister of the Environment to ensure that construction will continue, but on the basis of the permit, the permits are in fact valid and allow the project to proceed under the Clean Water and the Clean Air acts. The point here is that there was an allegation by the two groups mentioned that the government, in particular the Minister of the Environment, fettered the discretion of the director of standards and approvals. Indeed, Court of Queen's Bench ruled that that did not happen, and that was upheld by the appellate division. I'm very happy to have those rulings, because it has always been the policy of this government and will continue to be the policy of this government to not in any way fetter the discretion of the director.

MR. CARDINAL: Mr. Speaker, my supplemental to the hon. minister is: will the minister give some assurance or advise this Assembly if the province will be recovering the court costs from these environmental associations?

MR. KLEIN: All I can say, Mr. Speaker, is that we will discuss this with our counsel and seek his advice on the matter.

Heavy Oil Upgrader

REV. ROBERTS: Mr. Speaker, now that the taxpayers have witnessed the colossal loss by the Getty government of \$566 million in the management of the NovAtel fiasco, taxpayers are also becoming very concerned about the growing uncertainties and questionable management of this government's \$400 million investment in the Husky upgrader. There has been well over \$300 million worth of cost overruns. Negotiations uncovering these costs are breaking down and are incomplete. Construction financing runs out today. There still is no operating agreement signed by the partners when the project is up and running. It's a mess. Before we have another NovAtel on our hands, will the Premier please get his Minister of Energy and Treasurer together to release full details to the taxpayers of Alberta of the status of their \$400 million that has been pumped into the growing uncertainties of this megaproject?

MR. GETTY: Mr. Speaker, that's already been done.

REV. ROBERTS: In those mumbling words I did not ascertain an answer.

Mr. Speaker, it's important that this Premier and this government get their act together to be open and to be fair and to be honest with the people of Alberta. Will the Premier commit that on Monday, after the capital financing has run out, we will have for the taxpayers of Alberta a full understanding of how the cost overruns are being paid for, where the operating agreement is, and what the economic outlook is for the taxpayers in the short and the long term of this project? When are you ever going to learn to get your act together?

MR. GETTY: We have, Mr. Speaker.

MR. SPEAKER: Edmonton-Meadowlark.

Smoky River Area Air Quality

MR. MITCHELL: Thank you. Mr. Speaker, the Peace Country Agricultural Protection Association is seriously concerned about the yellowing of crops and trees in the Smoky River valley and beyond. Drought and infection are not to blame; air pollution is suspected. To the Minister of the Environment: what steps will the minister undertake to increase monitoring in this area not only of ground level ozone, which is already being monitored, but, more importantly, of sulphur deposition and other air pollutants which are not being monitored?

MR. KLEIN: Well, Mr. Speaker, there is ongoing monitoring. If there is a specific problem – and obviously the hon. member has identified one – all I can say is that we will have it further investigated.

MR. MITCHELL: Mr. Speaker, I wrote to the minister some time ago and indicated to him that there is a specific problem in the Smoky River valley, and the response is a single monitoring station of ozone pollution in the area. We need something broader. Will the minister work with the Minister of Agriculture and the Minister of Forestry, Lands and Wildlife to carry out a full survey of the affected area to determine the causes and the remedies for this problem that is affecting both farmers and the viability of forests in the area?

MR. KLEIN: Mr. Speaker, if in fact what the hon. member says is true, what he suggests would be normal practice anyway.

MR. SPEAKER: Edmonton-Jasper Place, please.

11:10 Clean Air Strategy

MR. McINNIS: Thank you, Mr. Speaker. My questions are also to the Minister of the Environment regarding air pollution. Over a 20-month period ending last November, Albertans told the clean air advisory committee of their concern about high asthma rates in the province, one of the least progressive public and alternative transport policies among the G-7 countries, the lack of energy efficiency legislation, and a number of other issues. Well, six months later the government replied by stating that they were going to set up another committee, or I guess what's now called a multistakeholder consultation, a new phrase for an old process. In view of the fact that the government has now sent this process off to a committee and the environmental groups who participated have announced that they will no longer participate as a result of

the stalling tactic, I wonder if the Minister of the Environment would tell us what he is doing to get this process back on track.

MR. KLEIN: Well, Mr. Speaker, the process was never off track. Quite simply, the recommendations of the clean air strategy were brought to government. The government accepted those recommendations. Unfortunately, there are some expectations out there that these recommendations can be implemented overnight. Well, legislation – if it involves legislation – takes some time. Program development takes some time. Policy development takes some time.

The thing that I think is important here, Mr. Speaker, is that we have established a framework to address a number of problems relative to protecting our air from pollutants, and indeed a number of programs were adopted in advance of the clean air strategy and were already under way. If the hon. member asks me a supplemental, I'd be glad to go through them.

MR. McINNIS: Well, I may just do that, Mr. Speaker. Let's get specific. The expectation was created because the advisory committee was unanimous in recommending an energy efficiency Act, energy efficiency standards in the Alberta Building Code, government fleet efficiency standards, the generation of electricity through cleaner sources, and vehicle emission standards in urban areas. I would like to ask this minister why he can remain part of a bafflegab government which refuses to act on these specific things which were unanimously recommended to government.

MR. KLEIN: I am very glad the hon. member asked the question, Mr. Speaker, because it gives me an opportunity now to go through the list. Actions already taken to respond to the clean air strategy for Alberta: adopted in its entirety the clean air strategy statement on greenhouse gas emissions as government policy; agreed to create a new air quality management system; announced a review of the coal fired electric generation fuel use policy to include natural gas; have under way an electricity regulatory review including incentive regulations and demand-side sale management; started compiling inventories of greenhouse gas emissions – Alberta was the first province to complete a carbon dioxide inventory – have included in the Environmental Protection and Enhancement Act provisions to allow zonal management of air sheds; have included in the regulations relative . . .

MR. SPEAKER: Thank you.

Edmonton-Gold Bar.

George Spady Centre

MRS. HEWES: Thank you, Mr. Speaker. The forced summer closure of the George Spady detoxification centre in Edmonton because of budget cuts points to the serious lack of government commitment to support needed drug treatment programs. The chairman of AADAC has indicated in earlier questions that the centre would remain open at night. The fact of the matter is that only the shelter is open at night; the detoxification centre is closed completely. My questions are to the chairman of AADAC: will the chairman tell the House how shutting the detoxification centre for two months, forcing 300 people on to the street, fits in with AADAC's mandate?

MR. NELSON: Mr. Speaker, I should indicate to the House that the centre has received an increase in funding for the 1992-93 budget year of some \$13,000 through the generosity of the government, which gives this centre somewhere in the order of

some \$40,000 to \$45,000 dollars a month to operate this facility. It should also be known that Public Works, Supply and Services during this period would have to have the centre vacated to some degree in any event for some work that is being done to upgrade the safety of this premise for the people who are in fact residents or clients of the centre, because we believe that the safety of these people is utmost. Certainly there will be a portion of the centre that will not be used during the summer months.

Additionally, Mr. Speaker, as has been the case where we've closed down another facility in the city from time to time, we have been able to accommodate the bulk of these clients either through the use of Spady or through our own addiction centres within the city, including a hospital. So in general terms it is my assessment that the bulk of the clients that be necessarily removed from the centre for a short period of time can be accommodated with other services.

MRS. HEWES: Mr. Speaker, that's not good enough, and the chairman knows it. The other centres simply can't accommodate that volume of people. All of this flies in the face of the government's professed concern about substance abuse and the new foundation. I want to ask: will the chairman immediately request emergency funds from the new drug foundation to keep this particular centre open?

MR. NELSON: Mr. Speaker, the foundation has not been placed there to duplicate the services or moneys that AADAC provides for treatment. That's about as far as I'll address the foundation. It comes under the minister.

Insofar as requesting additional funds, Mr. Speaker, Spady Centre does some fund-raising activities throughout the year to assist them to manage this centre. AADAC does not provide hundred-cent dollars and has not in the past. It is my assessment again that the people are well looked after. Additional money has been provided to the centre for this fiscal year. Quite frankly, I believe the people are well served by this facility.

MR. SPEAKER: Might we revert briefly to Introduction of Special Guests?

SOME HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.

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

MR. SPEAKER: The Minister of Municipal Affairs, followed by the Member for Calgary-McCall.

MR. FOWLER: Thank you, Mr. Speaker. I am pleased that our guests have stayed through the whole of question period, and I'm pleased to introduce to you and through you to members of the Assembly 53 students from Keenooshayo school in the city of St. Albert, who are accompanied today by their educators Mr. Fitzgerald and Mrs. Mageau – I apologise if I have a mispronunciation on the last name – with an assistant Mrs. Lilgert. I would ask if they would all rise in the gallery and receive the traditional welcome of the Assembly.

MR. NELSON: Mr. Speaker, it's my pleasure today to introduce 27 visitors from the Calmar school in the constituency of Drayton Valley on behalf of the hon. Member for Drayton Valley. Included in the visitors' list are Mrs. Erdmann and Mrs. Wilson,

and I would like to ask them to rise and receive the welcome of the Assembly.

MR. SPEAKER: The Member for Rocky Mountain House with a clarification.

Point of Order Clarification

MR. LUND: Thank you, Mr. Speaker. Earlier today when I was giving oral notice of the introduction of a Bill I used the wrong date, so I want to correct that. I'm giving oral notice that on Monday, June 22, 1992, I will be introducing Bill 43, the Municipal Statutes Amendment Act.*

MR. SPEAKER: Thank you.

The Member for Edmonton-Strathcona on a purported point of privilege.

Privilege Obstructing a Member in Performance of Duty

MR. CHIVERS: Thank you, Mr. Speaker. Last evening I gave notice to yourself and to the hon. Solicitor General of intention to raise today a question of privilege. The factual basis for the question of privilege begins with a letter dated June 12, 1992, copies of which I have for filing, which states:

I acknowledge your letter of June 9, 1992 requesting permission to tour the Fort Saskatchewan Correctional Centre on June 18, 1992. Unfortunately, I am not able to grant your request at this time. As Solicitor General for the province of Alberta, I have the responsibility of maintaining a secure corrections population. Should the opportunity arise where a tour might be facilitated, I will inform you.

Thank you for the opportunity to respond to your inquiry.

This letter, of course, comes from the Solicitor General in his Legislature office and is signed by him.

11:20

In yesterday's proceedings during question period I asked the Solicitor General if he would reconsider his decision to refuse my request for permission to visit and tour the Fort Saskatchewan correctional institution, and the hon. Solicitor General replied that he would not. That is recorded in *Hansard*, Mr. Speaker, on page 1461.

Mr. Speaker, this morning I am entitled to speak to two aspects of this matter. That is, firstly, the *prima facie* case and, secondly, the satisfaction of the procedural conditions. If I might deal with them in that order, I submit with respect to the *prima facie* case that the facts are incontrovertible. They are documentary in nature. They consist of the letter and the statements given in the House with respect to the request to reconsider. The refusal is a continuing refusal, and thus every day that the refusal to permit me access continues, there is another offence or another question of privilege raised. Therefore, I submit that I meet the test of having raised it at an early opportunity.

I will not be very lengthy; I've tried to keep my comments to a minimum, but this is a complex and, I submit, an important matter and requires some examination, so I will make some brief reference to authorities.

I would like to begin, Mr. Speaker, by reminding you – and I know that all members of the Assembly but in particular the Speaker are familiar with the provisions of the Legislative Assembly Act in section 9(1), which speaks to the privileges and immunities of Members of the Legislative Assembly and provides as follows.

In addition to the privileges, immunities and powers respectively conferred on them by this Act, the Assembly and its Members, and the committees of the Assembly and their members, have the same privileges, immunities and powers as those held respectively by the House of Commons of the Parliament of the United Kingdom, the members of that House, the committees of that House and the members of committees of that House at the time of the passing of the Constitution Act, 1867.

Section 10 of the Legislative Assembly Act then goes on to provide as follows:

- (1) The Assembly may inquire into, adjudicate and punish breaches of the privileges of the Assembly and contempts of the Assembly.
- (2) Without restricting the generality of subsection (1), the following acts constitute breaches of privilege or contempts to which that subsection applies.

I note here, Mr. Speaker, that this speaks of both breaches of privilege and contempts, and these are specific examples that are not intended to detract from the generality of the provisions in section 9(1).

Section 10(2)(b) provides, both in the context of privilege and contempt:

obstructing, threatening or attempting to force or intimidate a Member in any matter relating to his office.

It is my submission that this is both a breach of privilege and a contempt of this Assembly, the actions taken by the hon. Solicitor General. The key words here, I submit, are "obstructing . . . a Member in any matter relating to his office."

I am going to give you, rather than the case law itself, some very brief dictionary definitions of the terms that are relevant in that section, Mr. Speaker, the pertinent terms being "obstruction" and "relating to . . . office." The definitions . . . [interjections]

MR. SPEAKER: Order, please, in the whole House. [interjections] Order.

MR. CHIVERS: Mr. Speaker, I consider this to be a very serious matter and something that affects not only myself but all members of this Assembly. This is a very basic democratic principle.

I object to the gestures of this member across the way this morning where he threw back his head, yanked up his tie, stuck out his tongue, and rolled his eyes.

Speaker's Ruling Decorum

MR. SPEAKER: Order. [interjections] Order. Take your place, hon. member. [interjection] Order. When we are dealing with a Standing Order 15, privilege . . . [interjection] Order. It's incumbent upon all members of the House to pay attention or otherwise go out and have a cup of coffee.

Now, the next part, hon. Member for Edmonton-Strathcona. You've been diverted from your cause here. What you're raising at the moment might likely be a point of order which was not raised at the time the incident occurred in the House. So if you now would like to come back to privilege other than the things that you just threw out in the last moment.

Privilege Obstructing a Member in Performance of Duty (continued)

MR. CHIVERS: Thank you, Mr. Speaker. I apologize for having been distracted.

Mr. Speaker, this is a definition that appears in the encyclopedia of words and legal maxims. It's the third edition. It's a Canadian legal dictionary. In volume 3 "office" is defined as follows:

The usual meaning of the word "office" is "a position of duty, trust or authority, esp. in the public service . . . which I submit applies here

. . . or in some corporation, society or the like."

The definition that's given in the *Shorter Oxford English Dictionary* is as follows: "A position to which certain duties are attached, esp. a place of trust, authority, or service under constituted authority." Of course, that is precisely what this Assembly is, a place of constitutional authority, and of course there are duties which attach to that office as a result of that Constitution and as a result of the traditions and histories of the parliamentary procedure.

Obstruction is defined in *Black's Law Dictionary*, fifth edition, at page 972 as follows. I won't read the complete definition but the part that I consider to be particularly relevant here.

Obstruct. To hinder or prevent from progress, check, stop, also to retard the progress of, make accomplishment of difficult and slow.

Certainly the actions of the Solicitor General have done that to me in terms of the matters that I'll be discussing immediately.

It also states under this definition: "To impede; to interpose impediments, to the hindrance or frustration of some act or service." The example was given of obstruction of a police officer in the execution of his duty.

The *Black's Law Dictionary* definition of "office" is as follows. This appears at page 976 of the same edition.

A right, and correspondent duty, to exercise a public trust. A public charge or employment. An employment on behalf of the government in any station or public trust, not merely transient, occasional, or incidental. The most frequent occasions to use the word arise with reference to a duty and power conferred on an individual by the government, and, when this is the connection, "public office" is a usual and more discriminating expression. But a power and duty may exist without immediate grant from government, and may be properly called an "office," as the office of executor. Here the individual acts towards legatees in performance of a duty, and in exercise of a power not derived from their consent, but devolved [upon them] by an authority which . . . is superior.

I submit here that the authority which is superior which devolves these responsibilities and duties and this office on me is the conduct of an election in our democratic system.

So, Mr. Speaker, I submit that those words in particular are important in your consideration. It has to be related to the office. "Related" is defined in Black's at 1158 as meaning "standing in relation [to]; connected [with]; allied [to]; akin." I submit, and I'll make this clear further in my comments, that the Attorney General's refusal is a refusal related to my office as an MLA.

11:30

AN HON. MEMBER: Solicitor General.

MR. CHIVERS: I'm sorry. The Solicitor General. My apologies.

Mr. Speaker, I'm going to refer briefly to several parliamentary authorities, particularly *Erskine May*. The authorities I'm relying on – as soon as I locate them here – are from the 21st edition of *Erskine May*, chapter 5, the privilege of Parliament, page 69.

What Constitutes Privilege:

Parliamentary privilege is the sum of the peculiar rights enjoyed by each House collectively as a constituent part of the High Court of Parliament, and by Members of each House individually, without which they could not discharge their functions, and which exceed those possessed by other bodies or individuals.

Skip a couple of sentences, and it goes on:

The House cannot perform its functions without unimpeded use of the services of its Members. Other such rights and immunities such as the power to punish for contempt and the power to regulate its own constitution belong primarily to each House as a collective body, for

the protection of its Members and the vindication of its own authority and dignity.

I submit that those issues arise here: the protection of the members of this Assembly and the vindication of the authority and dignity of this Assembly.

Fundamentally, however, it is only as a means to the effective discharge of the collective functions of the House that the individual privileges are enjoyed by Members.

When any of these rights and immunities is disregarded or attacked, the offence is called a breach of privilege and is punishable under the law of the Parliament. Each House also claims the right to punish as contempts actions which, while not breaches of any specific privilege, obstruct or impede it in the performance of its functions, or are offences against its authority or dignity, such as disobedience to its legitimate commands or libels upon itself, its Members or its officers.

The next citation, Mr. Speaker, is chapter 9, dealing with contempts, the same edition, the 21st edition, at page 115. It's a very brief paragraph which reads:

Generally speaking, any act or omission which obstructs or impedes either House of Parliament in the performance of its functions, or which obstructs or impedes any Member or officer of such House in the discharge of his duty, or which has a tendency, directly or indirectly . . .

And I submit that that is important.

. . . to produce such results may be treated as a contempt even though there is no precedent of the offence.

Now, Mr. Speaker, I have in the time available attempted to find a precedent for the situation here. I have not been able to find a precedent in this jurisdiction with respect to it, but I have found something that is somewhat akin to it. I submit it's quite obvious why there's no precedent for this type of offence, because nobody in the history of Parliament, in the centuries Parliaments have existed, has taken such an outrageous position.

Mr. Speaker, in Browning, the Australian authority, page 706, the House of Representatives practice – and I'm sorry I don't have the edition number; I'll provide that to you later – deals with the question of discharge of duties in the following terms. It cites a case in 1986.

In 1986 the Committee of Privileges considered a case in which the work of a Member's electorate office had been disrupted as a result of a considerable number of telephone calls received in response to false advertisements in a newspaper. The committee's report stated that the actions in question were to be deprecated; that in all the circumstances it did not believe that further action should be taken; but that harassment of a Member in the performance of his or her work by means of repeated or nuisance or orchestrated telephone calls could be judged a contempt.

Now, I submit that the actions of the Solicitor General, the repeated refusals to permit me access to the facility I've requested to tour, represent nothing less than harassment, and the source of the harassment is the precincts of this Assembly. The Solicitor General issued the initial directive from his office, his Legislative Assembly office, which is part of the precincts, I submit, of this Assembly. He repeated and continued his statements and his denial of permission to me in this Assembly itself, also within the precincts of the Assembly.

Mr. Speaker, if I might just find my notes . . .

MR. SPEAKER: Hon. member, as you continue that search, may I just point out that usually we go about 15 to 20 minutes with respect to making the case for privilege, and under Standing Order 15 there's a subsection (6) that I "may allow such debate as [I think] appropriate." I will give you a warning that you're going to be cut off at the end of 30 minutes if you go that long.

Thank you.

MR. CHIVERS: Thank you. Mr. Speaker, could I have an indication of how much time I have left? I don't intend to be much longer.

MR. SPEAKER: You commenced at 11:18.

MR. CHIVERS: Thank you, Mr. Speaker. I appreciate that direction.

Mr. Speaker, the issue raised here, I submit, is simply this. It's an arbitrary, unreasonable, and contemptuous withholding of the permission requested, a breach of privilege or a contempt of this Assembly.

I submit it is the duty of this Assembly to provide reasonable protection to its members against the conduct of another member which interferes with the first member's conduct in the performance of his function. I submit that what we have here in these circumstances, although it's novel and unprecedented, is contemptuous and discriminatory conduct on the part of the hon. Solicitor General. What we have here is one member of this Assembly exercising his powers as a minister of this government, a minister of the Crown, in a discriminatory manner against another member of this Assembly.

Mr. Speaker, while private citizens may go to the local institution, the local officers of the institution, and customarily obtain access to the facility by simply asking the local correctional officers for a visit and tour of the facility, this minister of the government withholds his consent for a member of this Assembly to do the same. The actions of the Solicitor General have deprived a member of this Assembly of privileges which are freely granted to private citizens. This is an abuse of power. It is an act of discrimination. It is outrageous and is in contempt of this Assembly. This conduct is both a breach of privilege and a contempt. I submit that the privileges of a member of this Assembly are those rights without which he could not discharge his functions as a member of this Assembly. The actions of the Solicitor General have impeded my ability to serve the people who have chosen me to represent them in this Assembly. It is the right and duty of all members – not just myself but members on the other side of this Assembly too – to call the government to account wherever and whenever the government is failing to serve the public interest, and that is a duty all members of this Assembly share in common. The Solicitor General has chosen to deny me access; next time it will be somebody else. This is the thin edge of the wedge.

Mr. Speaker, as opposition critic for the Solicitor General's Department, I have a specific responsibility which is part of my office. I have a responsibility with respect to that department. I speak in estimates with respect to it; I do a number of matters with respect to my critic responsibilities. That's part of the tradition of Parliament: shadow critic areas. I cannot perform my personal function as an MLA for Edmonton-Strathcona, which requires me, as part of my duty, to call the government to account with respect to any problems that may exist in correctional institutions. Also, I have additional responsibilities as the critic assigned by the Leader of the Official Opposition for that area of government.

11:40

Mr. Speaker, I submit that the material before you meets the requisites of Standing Orders. The procedural conditions have been met. Written notice was given giving a brief description of the alleged issue of privilege and contempt. The matter is being raised at the earliest opportunity, the matter having been repeated and continuing to date, the refusal being a continuing refusal. I submit this is clearly a *prima facie* case that a breach of privilege

has occurred. I request your ruling in order to move to refer the matter to the appropriate standing committee.

Thank you, Mr. Speaker.

MR. SPEAKER: Hon. Solicitor General, any comments?

DR. WEST: Mr. Speaker, might I just say I'm a bit confused by the hon. member's challenge to this. I do bear responsibility for securing the correctional facilities throughout this province. I did send the letter to the individual and said: should the opportunity arise where a tour might be facilitated, I will inform you. It did not close the door in an absolute fashion.

Nonetheless, I come back to my concern that I await your decision on a valid claim of privilege. Under *Beauchesne* 92, a valid claim of privilege in respect to the interference with a Member must relate to the Member's parliamentary duties and not to the work the Member does in relation to that Member's constituency. I could go on. The role of the Speaker in 117 stakes out what position you have, and I await that. If you go to 129 in that section, the access to facilities as related to rights and privilege are stated. There are other areas. Section 31 of *Beauchesne* relates to where the statements are made and where the question of privilege takes place.

I myself will await your decision, because I do not see a point of privilege in this direction. The door was not closed, but I do have the responsibility. This individual member said that he felt he had a responsibility. To maintaining secure correctional facilities or what? To going into these facilities for other reasons? These are correctional facilities and jails in this province. On June 18 I stated that I'm reviewing the policies not only as they relate to the structure of our correctional facilities but as they relate to touring the facilities. That is what I'm doing, Mr. Speaker. [interjections]

MR. MITCHELL: You don't have the right to . . .

MR. SPEAKER: Order, hon. members. [interjection] Order. We have Standing Orders here. Look to 13, hon. Member for Edmonton-Meadowlark.

The Chair would appreciate receiving copies of correspondence that have been there from Edmonton-Strathcona, not only one the member alluded to having received from the Solicitor General but also the letter of request, whatever correspondence relates to the matter. It is quite obvious the Chair will take some time in order to consider the matter and is certainly not going to give a decision at this moment.

head: **Orders of the Day**

head: **Government Motions**

Carway Port of Entry Station

21. Moved by Mr. Horsman:

Be it resolved that the Legislative Assembly urge the government of Canada to operate the port of entry station at Carway 16 hours a day, and be it further resolved that the Legislative Assembly send copies of this resolution to the governor of the state of Montana, the secretary of state of the state of Montana, the Minister of Revenue for Canada, and all Alberta Members of Parliament.

MR. GOGO: Mr. Speaker, as members are aware, the Deputy Premier has been involved continually on behalf of this government with regard to the constitutional matters now before the

country in representing this Assembly and the province of Alberta in a very significant way. I want to say that the Member for Cardston has spent a great deal of time dealing with this matter. It should be pointed out that for many years the Deputy Premier has been the chairman of the border committee – that is, the state of Montana and the province of Alberta – and has met continuously with Governor Stephens of Montana and has formed a very close relationship between both the Premier of Alberta and the governor of the state of the Montana, Governor Stephens.

Mr. Speaker, for many years I was honoured and pleased, along with my colleagues the Member for Cypress-Redcliff, the Member for Cardston, the Member for Taber-Warner, and the Member for Pincher Creek-Crowsnest, to serve on this border committee. I think we have a very exciting relationship between the two jurisdictions represented by both the Premier and the governor.

If one recognizes the great traffic between Alberta and Montana, the restrictive hours at the border point, the port of Peigan on the Montana side and Carway on the Canada side, have made a major difference and prompted many representations to this government and the state. Mr. Speaker, the hon. Member for Cardston, as I said, who represents that constituency, has been involved very closely with the customs authorities there in endeavouring to get this border opened on a meaningful basis. He undoubtedly will make a major contribution to Motion 21.

I would urge all hon. members of the House to support Motion 21, Mr. Speaker.

MR. McEACHERN: Just briefly, Mr. Speaker, I would like to thank the Member for Cardston for putting together a package of information explaining the situation at this border point, and I would say that we on this side of the House support the request for extended hours. I also would like to say, though, that I can't believe the government has taken so long to convince their cousins in Ottawa. So keep trying to convince them and see if you can get some movement from your political friends.

MR. SPEAKER: The Member for Cardston.

MR. ADY: Thank you, Mr. Speaker. I've been anxious to have this motion brought forward in an effort to exert some additional influence on the federal government to take some action on extending the hours at the port of Carway. For the members of the House who may not be familiar with where the port of Carway is, we're all familiar with where Highway 2 is, and if you get on it and keep going south, you'll end up at the port of Carway on the U.S. border. Immediately on the other side is the United States' port of Peigan. The two of them are side by side, operating in conjunction with each other.

Of course, the reason for extending the hours is that there is an anomaly in the system. The port of Carway is a very busy port, and it interrupts the tourist trade through there; it interrupts the economic trade that goes through that port. There is an element of unfairness on the part of the federal government in how they have dealt with this port over the years, having arbitrarily made the commitment that we're not going to do it at this time; there's not sufficient traffic. None of that holds water, because there are other ports with less traffic that they have given extended hours to and other ports that don't have services close by that they've given extra hours to. Their reasons are just not justifiable.

I'd like to go on to point out that the Montana House of Representatives and the Montana state Senate are both on side with extending hours. They're very close to allocating personnel to man the Peigan side, and still at this point we have no commitment from the federal government to move in that direction.

I'd like to point out and give credit to one of my constituents, Howard Snyder, who is chairman of the Cardston Tourism Board. He's worked very hard at getting support from interested parties on the Canadian side and also in keeping abreast of actions on the U.S. side to bring this about. He has supporting letters from most of the municipalities in southern Alberta who are anxious that this action be taken, certainly the town of Cardston, the Oldman River Regional Planning Commission, the city of Lethbridge, the town of Vulcan, and the list goes on. As a matter of fact, I don't know of any communication having come to him or to myself that is opposed to this action.

11:50

I think we need to go back just a little bit in history. Some 20 years ago the federal government was going to go ahead and make a change, and at that point they were going to give 24-hour service at that port during the summer and 16 hours in the wintertime. I think we can all appreciate that over the past 20 years traffic through that port has increased dramatically and still we have a circumstance where the port hours are 16 hours a day in the summer and nine hours in the off-season. I'd like to give a few statistics on what the traffic is through that port. In the past five years alone the traffic through Carway has increased 61 percent for a vehicle increase of 132 percent for trucks and 61 percent for passenger cars. The annual passengers included in that vehicular traffic has gone from 82,886 five years ago to 133,856 in 1991, a dramatic increase. Truck traffic has more than doubled in that same period of time.

The Carway point of entry is the single busiest tourist crossing point on the Alberta/Montana boundary. That may come as a surprise to many people, having assumed that Coutts would be the busiest point. But from a tourist perspective, Carway is the busiest port on the Alberta/Montana boundary. [interjection] Now, the hon. Member for Taber-Warner may want to speak on this motion before I'm finished here. I could go on to say that it has a five-year average of 134,500 tourists crossing per summer compared to only 57,200, hon. Member for Taber-Warner, through Coutts/Sweetgrass port. However, it's not my intent to have some customs officers move from Coutts to Carway. Certainly Coutts justifies the 24-hour service. I'm not here to take issue with that.

I'd like to go on to state that the United States, as I mentioned earlier, has passed Resolution 37 by the House of Representatives and requested that the U.S. Customs Service and Immigration and Naturalization Service extend the hours of operation at Carway to 16 hours per day year-round. Well, let me make it really clear that this motion or this initiative on the part of the United States is driven by their citizens. They would like to have access to Alberta goods and services. They have students in Montana who come to Cardston for school. I think there's something around a dozen students who come over to Cardston daily to go to school, and they're curtailed.

AN HON. MEMBER: Why is that?

MR. ADY: Better education. In fairness, I believe it has to do with the courses offered at Cardston as opposed to what they can access close to the border.

MR. SPEAKER: Through the Chair, hon. member.

MR. ADY: Sorry, Mr. Speaker. There are those who don't want to hear the whole story.

Just let me make one final point. The Alberta government has spent something in excess of \$1 million to build a tourist informa-

tion centre in West Glacier. West Glacier boasts 860,000 cars annually. It's one of the heaviest used parks in Montana. That centre will access all those tourists, will have a great impact on sending them north into Alberta. Certainly we want to be in a position to accept them. Let's not aggravate U.S. tourists by being backed up at that border at 6 o'clock at night when it closes, and let's not irritate them when trying to get home.

Hon. members, I would urge you all to support Motion 21.

MR. SPEAKER: Westlock-Sturgeon.

MR. TAYLOR: Thank you, Mr. Speaker. I couldn't let something like this pass without telling the hon. member that he has the wholehearted support of the Liberal Party. [interjection] That will carry a lot of weight down in his country. Actually, I suppose I was picked to respond to this because I was the only one who ever got a speeding ticket trying to make it from West Glacier to Carway before it closed down. They thought it should stay open in the evening to allow me to leisurely return from a U.S. vacation. It will be a most positive feature.

Of course, I will deeply regret, Mr. Speaker, not having to detour through the hon. Member for Taber-Warner's riding, but I suppose that can be handled somehow or other. The only caution our party might have in supporting keeping Carway terminal open all the time is the lack of a pub in Cardston – whether that will start something – or also the possibility that this will start something. The hon. Member for Taber-Warner was able to get an airport and a great deal of pavement for no planes to land, and I just wondered if the hon. Member for Cardston will also want an airport to be even with the Member for Taber-Warner. But in the short term, for approval of the motion, we're behind it.

SOME HON. MEMBERS: Question.

MR. SPEAKER: Does the Member for Cypress-Redcliff wish to augment the discussion with regard to any other port of entry?

There's a call for the question. All those in favour of Motion 21, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Carried. May the record show it was passed unanimously. Thank you.

head: **Private Bills**
head: **Second Reading**

Bill Pr. 9
United Farmers of Alberta Co-operative Limited
Amendment Act, 1992

MR. PASZKOWSKI: Mr. Speaker, at this time I'd like to move second reading of Bill Pr. 9, the United Farmers of Alberta Co-operative Limited Amendment Act, 1992.

Speaker's Ruling
Members Absenting Themselves

MR. SPEAKER: The Chair has previously been advised about the number of members who wish to declare that they should absent themselves from the House on voting on this particular issue. I assume that also is with regard to the discussion. The Chair would like to point out that really we have a form here, a suggested manner for dealing with this matter, that any members who wish to absent themselves from the House on this issue stand in their places at this moment. The Table officers will record that

officially. It will be entered into the official record, so there will be no question whatsoever about members that were absent or present.

If that's agreeable to the House, we could do that at this moment.

HON. MEMBERS: Agreed.

MR. SPEAKER: Thank you. Then hon. members who feel that they must absent themselves, please rise. Sponsor of the Bill, please take your place for a moment.

MR. PASZKOWSKI: I'm rising.

MS BARRETT: How can you sponsor the Bill?

MR. SPEAKER: Then I believe, hon. member, someone else had best sponsor this. I'm sorry. Just to be absolutely certain.

Those wishing to absent themselves? Clerk, if you'd like to take the record: the Member for Lacombe, the Member for Wainwright, the Member for Cypress-Redcliff, the Member for Smoky River, the members for Rocky Mountain House, Cardston, Taber-Warner, Vegreville, Westlock-Sturgeon.

12:00

MS BARRETT: Should we get somebody else to sponsor it?

MR. SPEAKER: We already have, hon. member. Thank you. The Member for Calgary-Bow. [interjection]

Hon. member, please be assured that we are bending over backwards to make certain that everything is indeed absolutely in order.

Debate Continued

MRS. B. LAING: Mr. Speaker, I beg leave to move second reading of Bill Pr. 9, the United Farmers of Alberta Co-operative Limited Amendment Act, 1992.

Thank you.

MR. SPEAKER: The Member for Edmonton-Highlands.

MS BARRETT: Yes, Mr. Speaker. Before the motion for second reading I wonder if the Speaker or the sponsor can clarify. At other stages of the reading will the sponsor be cited as the Member for Calgary-Bow?

MRS. B. LAING: Definitely that would be the case.

MS BARRETT: Thank you.

HON. MEMBERS: Question.

[Motion carried; Bill Pr. 9 read a second time]

head: **Government Bills and Orders**
head: **Second Reading**

Bill 38
Alberta Income Tax Amendment Act, 1992

MR. JOHNSTON: Mr. Speaker, the Alberta Income Tax Amendment Act, 1992, is a very simple Bill. From time to time in our legislation we have an opportunity to talk about the future and the confidence in this province, and we have an opportunity to reduce taxes. This Bill is a tax reduction Bill.

Now, Mr. Speaker, let me make a couple of comments about why this is an important piece of legislation, why we thought in the case of Alberta we had to take this chance to reduce taxes as opposed to increase taxes. Let me say that December 19, 1991, the Premier at a first ministers' meeting on the economy first introduced the notion of tax cuts for Canada, and the reason the Premier introduced that notion was that some parts of Canada were in a deep recession. In the case of Alberta we had an economic slowdown taking place, and we felt that it was necessary for some sign of confidence to be signaled to the people of Alberta. Accordingly, the notion of the tax reduction was designed.

Let me indicate, Mr. Speaker, that a tax reduction Bill does not embed its costs in the spending of a government. Other forms of stimulation on the spending side, of course, become embedded and become part of a long-term commitment and are very difficult to pull back on the expenditure side. This government has always kept its eye carefully focused on a level of programmed expenditures. Accordingly, we are very proud of what we have done on that side. As I said earlier today when I introduced the Spending Control Act, in fact our record on the spending side certainly will be, I think, matched against any government in Canada.

On the tax side you have an opportunity to put money back into the pockets of individuals, back into the pockets of Albertans. We have done just that with this piece of legislation. We believe, Mr. Speaker, that one of the disciplines of government is to ensure that the people have the money, not the government. If you give the money to the government, the government will simply spend it. That's why, for example, many governments have had to increase taxes, some for reasons of fiscal responsibility and, still further, some to capture back the federal income tax reduction. Mr. Mazankowski in his budget also believes in tax cuts. In February when he introduced his federal budget, he reduced his federal surtax, and that federal surtax will start to flow through to Albertans and all Canadians. We thought it was appropriate in terms of our fiscal plan to co-ordinate with the federal government on this point and to simultaneously reduce the impact of personal income taxes as well in the province of Alberta. That provides a major stimulus to Albertans. It takes place July 1, and accordingly those dollars will start to flow and will show up in consumption.

Now, Albertans have always been high consumers. If you trace the record of retail sales in this province, for example, you will find that Albertans have one of the highest retail sales per capita. That means that consumption flows back. In part it's because we put the money in their hands through the lowest personal income taxes in Canada but, as well, because there's no retail sales tax in this province. So we're complementing that position, and in this province you will certainly be among the lowest taxed people in all of Canada. Now, if you add to the federal tax our own provincial tax, in the next full fiscal year the impact would be roughly \$200 million in new dollars for Albertans, back in Albertans' pockets, not in the government's pockets, put back into spending so that the service sector and other areas benefit from the increased consumption, which is a very major part of the economic formula - CIG: consumption, investment, and government spending - in which case, Mr. Speaker, you will see, in our view, a fairly strong growth rate taking place in the second half of '92 as confidence is built back into the Canadian economy and most certainly confirmed here in the Alberta economy.

Other provinces have increased taxes, Mr. Speaker. Going against our view of the future, other provinces have increased taxes. At this point I won't focus or dwell on that issue. I know that all governments have difficult fiscal positions. I know that all governments have to devise ways in which they can justify their own fiscal plans. I'm not about to take on that issue at this point.

I think in terms of reasonable debate I will leave it until the last part, unless there are some other signals given to me, but at this point there have been tax increases in other provinces. Our clear message to Albertans today is that in Alberta taxes are going down. The Premier said that himself. He said the only way taxes will go in this province is down, and in fact that has been the case.

I think the differential now in terms of personal income taxes in this province is that Albertans have about a 5 full percentage point premium on all other governments in terms of the rate of personal income taxes in Canada compared to the personal income taxes here in the province of Alberta. A very strong premium, Mr. Speaker, and that shows up in the kind of economic growth that we see happening through the course of this year.

Mr. Speaker, this is a very positive Bill. It complements the position taken by the federal government, it shows that governments can work together when you co-ordinate policy, it confirms what the Premier has said, starting December 19, 1991, when he talked about the income tax cut, and it does not embed the costs, as other parties may wish to do, in the spending side. In fact, this tax reduction will probably come back in stimulation: by new jobs being created, by new consumption, by new economic growth, and by a new sense of optimism which will pervade in this province as the recovery starts to work through the system, including complementing the reduction in interest rates which is now clearly in the system. That certainly bodes well for the future here in this province.

Mr. Speaker, this is a very important piece of legislation, far more important than the two pages that are reflected here, and certainly reflects a key part of the continuing position of this government. That is to say: taxation should not be the excuse for deficits and more spending, taxation should not confiscate what is due to the individual, and the individual on the old economic vote theory can judge better what should be done with his money as opposed to governments. That is the principle under which this Bill is drafted. That is one of the key aspects of the fiscal plan put forward by the province, and it will be one of the key backdrops of our policy position going out in the next five years ahead. Reduced taxation is a major discipline on politicians, on governments. If you haven't got the money, you can't spend it, and if the people had the money, they could spend it more wisely than governments. That is what we have done on this Bill.

In concluding, Mr. Speaker, Albertans again will have the lowest income taxes of any province in Canada, unmatched anywhere in the Canadian government system. We will not have a retail sales tax, as we've indicated, and we will not have that part of our platform. Finally, if you complement this stimulus on the tax side with the already very, very disciplined position we've taken on expenditures, you can see that over the course of the next few years we can move to a balanced budget. This is the right kind of fiscal policy at this point. It is stimulus; it is positive on the economic side. It's not embedded in the budget, as I've indicated, and it certainly distinguishes Alberta from other parts of Canada in terms of relief provided through the tax system. We think that's important to other kinds of stimulation that we talked about.

Mr. Speaker, I encourage all members to support this Bill. It's very positive. Anyone who speaks against this Bill must have a different view of the world than I do. I would expect that this Bill should receive swift assent in this Assembly, as I think all Members of this Legislative Assembly believe that less tax should be the principle, and I'm sure it will be supported at second reading.

12:10

MR. SPEAKER: Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Speaker. Well, the Treasurer said it a minute ago when he said some people might have "a different view of the world" than he does. Yes, some of us do.

The Treasurer started off by saying that they had sort of seized this opportunity to stimulate the economy and so they reduced taxes to do that. That's a very interesting spin to put on the situation that this government finds itself in. The fact of the matter is that for six years they've been running up deficits that they can't handle and have no way of getting on top of, or don't seem to have anyway. They've no plans. They don't seem to be able get the economy off the ground so that we can make it up. They don't do anything to stop this accumulated deficit that is now some \$14 billion, heading towards \$17 billion by the end of this year.

[Mr. Jonson in the Chair]

He's talked about a balanced budget over the last five years and said this was what they were going to do. He even claimed he had one. Last year he said he had it. There it was: a balanced budget. Yet this year he has to admit that he's got a \$1.6 billion deficit on the budget side alone. That doesn't include the Capital Fund, heritage fund, and a number of other things like NovAtel that are going to drive that up to, well, let's say, \$2 billion on the budget side, because the Treasurer's still a bit light, and 2 and a half billion dollars on the consolidated picture.

It's rather ironic that all of a sudden the Treasurer and the Premier have been converted to stimulative deficits and tax cuts to stimulate the economy. It's not, Mr. Speaker, a matter of they really believe that people are suffering out there and they need to help them. It's a matter of trying to save their political hides because they look so bad in doing what they claim they were doing, which was supposedly to balance the budget. They couldn't do it, so now they're trying to make a virtue out of necessity and saying, "Hey, we've got to stimulate this economy and get things moving a little bit."

It is true that Alberta has some room to stimulate the economy a little bit, and so a tax cut at this stage is not all that bad an idea, but of course, typically this government cut the tax in such a way as to give those with the upper incomes the most savings, as if it is the upper income people that are going to increase spending. The effect of this stimulative tax cut may not be very great. The government would have got a greater kick out of a tax cut if he had cut the flat tax, which applies to everybody and is a very regressive tax. We've still got a .5 percent flat tax on taxable income in this province that the Treasurer could have taken off, and that at least would have helped some of the people in the lower or middle incomes that are still paying taxes in this province, some of the working poor that are living under the poverty line that are still paying taxes. It would have helped them. They certainly would have spent the money because they need it for food, clothing, and shelter, but the way the Treasurer has structured his tax cut, reducing the provincial rate that is charged over the top of the federal rate, is a way to help the people at the top end of the scale the most, and they're not going to go out and spend that money in this uncertain economic climate. Most of them are going to stay home and put the money in the bank. We don't have the kind of investment right now that's using up those dollars and keeping the economy rolling or getting it moving again. So the Treasurer is very specious in his argument, singularly blind to a lot of the nuances of what's going on and what his tax will accomplish.

If you look at this progressive tax cut – which is what he's made; he's cut the progressive income tax system – and compare

it to the flat tax system, the federal government has already reduced the upper income level of taxes over the last several years. Just let me spend a minute on that. Again, the Tory cousins of this government are helping out the people that earn \$100,000 and \$200,000 a year and loading more of the taxes on lower and middle income Canadians. The federal rate is 17 percent for earnings in the neighbourhood of \$28,000, and then it goes up to 26 percent for the next \$28,000 or so, and then it goes only to 29 percent and stays there. A very, very flat rate of tax, a not very progressive tax system that we now have at the federal level, and the provincial taxes, the ones that the Treasurer has changed, are based on that.

The provincial government has at the present time a 46.5 percent income tax rate, and what this Bill will do is reduce it in this year to 46 percent and next year to 45.5 percent. What they've done is continue the process of eroding the progressivity of the tax system for upper income Canadians, the ones who are not going to spend the money and are not going to stimulate the economy, and not help those at the lower end. Surely the Treasurer should have reduced the other .5 percent of his flat tax. It would have been more fair and probably more helpful to the economy.

Now, the Treasurer spent some time talking about recessions and spending and trying to get out of recessions, and I agree that in a time of recession we do need to try to stimulate the economy to some extent if we can afford to. In Alberta I think that in a borderline way we can still afford to but not for very much longer at the rate this government is going. The debts we are stacking up are very large. We passed into the red last year in terms of assets in this province, counting the heritage trust fund. At the beginning of April last year, the start of the last fiscal year, we had \$464 million in the kitty. That would all be gone easily in the first month of the year, so we passed into the red in April last year. That means that since the deficit last year is going to be in the neighbourhood of 2 and a half billion dollars and this year the deficit will be in the neighbourhood of \$3 billion, by the end of this fiscal year we're going to be approximately \$5 billion in the red.

I think the federal government, when they didn't take the Premier up on his suggestion that taxes should be cut, could be forgiven for that in some ways, although they are responsible for the big debt. We do have a much bigger debt at the federal level, and it was harder for them to try to stimulate the economy. That big debt at the federal level, I would like to point out, is the result of successive years of Liberal and Conservative rule in this country, particularly the Conservatives. When they took it over, they had a \$160 billion deficit in 1984, and they doubled it in the next four years. It's now over \$400 billion, and it does not leave the federal government very much room to do what it needs to do to keep this economy going and to counter the business cycles as they occur. Of course, there are more problems than just the business cycle that this government and the federal government have created by the restructuring caused by the free trade deal.

The Treasurer talks about and likes to brag about how wonderful our tax system is in this province: it's the best in the country and that sort of thing. But he totally ignores things like the medicare premiums we have, the incredible increases in user fees that they brought in, the gas tax we have, the hotel tax, the taxes on financial institutions. We do have a number of flat taxes, a number of, in effect, sales-type taxes. The Treasurer likes to say that we don't have a sales tax, but in fact we have a number of flat taxes that represent the same thing.

This Bill may alleviate the tax burden for some people, but it will be mainly for upper income Canadians and not help very

much those people at the lower and middle incomes. The Treasurer really should have reduced his flat tax to zero rather than reducing the part of the tax which is at least still to some extent progressive. That's our feeling on this side of House, Mr. Speaker.

12:20

MR. MITCHELL: Mr. Speaker, I would like to begin by making a general comment about this tax reduction initiative. My general comment is that it is pathetic. The fact is that I expect the Treasurer designed this in a fit of politically motivated tricksterism at about the time he felt this government was going to call an early election, and believing that he could obscure the depths of decay of his financial program by some kind of political sugar coating, he proceeded with this \$70 million personal income tax reduction and now finds himself in a position of trying to convince Albertans that somehow \$30 additional in each Albertan's pocket is a positive step that is actually going to increase their optimism.

You know why it is so fundamentally pathetic, Mr. Speaker; because this Treasurer is so fundamentally out of touch. If he believes that Albertans, many of whom are under financial duress in this province because of the economic circumstances within which this province finds itself, if he believes the \$30 on an annual basis is going to make one iota of difference to those people, then he is further out of touch than I even imagined. If he goes one step further and believes that \$70 million is going to increase optimism and therefore somehow stimulate the economy, then I believe that not only is he out of touch but he is certainly out of reality.

The fact is that a \$70 million tax reduction will guarantee nothing by way of stimulating the economy. It is less than 1 percent of the gross domestic product of this province. It is negligible in its impact on the economy by way of stimulation. In fact, it is difficult to believe, if you analyze this carefully at all, that this particular initiative is anything but a cynical political move to try and curry favour by this government with an electorate that is truly in despair with this government.

The fact is, Mr. Speaker, that this government has not been characterized in its fiscal traditions by decreasing taxes. Therefore, this is an unprecedented move at a time when budget deficits are skyrocketing. This is an unprecedented move in the context of what this Treasurer has been renowned for doing. In fact, in his time as Treasurer there have been 80 tax increases in this province: 80 tax increases. They have included the following. Fuel taxes have increased nine times. Tobacco taxes have increased 186.5 percent. The insurance corporation tax has grown by 75 percent. The financial institutions tax has gone from zero to \$49 million. The hotel room tax has gone from zero to \$28 million. The pari-mutuel tax has gone from zero to \$12 million. Some of these I wouldn't argue with, but the fact is that the Treasurer stands up and wants to take claim for being the magnanimous and generous Treasurer by saying that he is reducing taxes.

He is reducing taxes in a negligible way. He is reducing taxes in a way that will not have an effect on stimulating the economy. He is reducing taxes in a way that is pathetic because it won't even have an effect on his electoral aspirations in a way that he thinks he might be able to achieve. Mr. Speaker, the fact is that this Treasurer has created a fiscal disaster. We have seen seven years of deficit budgets; we have been promised four more years of deficit budgets. Not one year that this Treasurer has been Treasurer has seen anything other than deficit budgets.

Point of Order

Questioning a Member

DR. WEST: A point of order.

MR. ACTING DEPUTY SPEAKER: Order please. A point of order, hon. Solicitor General.

DR. WEST: Yes, under 482 of *Beauchesne*, Interruptions in Debate, I would ask if the member would entertain a question.

MR. ACTING DEPUTY SPEAKER: The Chair understands the answer to be no.

Please proceed, Edmonton-Meadowlark.

MR. MITCHELL: Sure.

MR. ACTING DEPUTY SPEAKER: Please proceed, hon. minister, then.

AN HON. MEMBER: You have a question?

DR. WEST: Yes. The member in debate was referring to taxes that he would support as we move through in our fiscal responsibility. He had said "some of these." Could you indicate the taxes that you support? [interjection] I'll reclarify the question. In your debate you just got through listing taxes that the government had brought forward and the time frame, and you said: I don't disagree with all these taxes. You said you would entertain a question. Could you indicate the taxes that you support? [interjections]

SOME HON. MEMBERS: A sales tax.

MR. MITCHELL: Mr. Speaker . . . [interjections]

MR. ACTING DEPUTY SPEAKER: Order please.
The Member for Edmonton-Meadowlark, to proceed.

MR. MITCHELL: Mr. Speaker, it's very clear what I said. I listed them very clearly. I explained very clearly what I felt about those taxes, and the hon. minister can certainly check with *Hansard* if he wants to see that again.

Debate Continued

MR. MITCHELL: I would like to make a further point, Mr. Speaker. The fact is that this Treasurer has run up debts that are, by comparison across this country, far from the positive comparison that this Treasurer wants to claim. The debt and deficit circumstance of this province is literally out of control. He is increasing the debt of this province by \$76 per second. That's how it's increased since Premier Getty took power.

Mr. Speaker, I would like to say that the argument for optimism is perhaps one of the most pathetic and one of the weakest. How this Treasurer can argue that \$30 in the pockets of each Albertan is going to enhance optimism is beyond imagination. The fact is that if he wanted to contribute to the optimism that people in this province feel about their economy, he could do one thing and one thing alone. He could get his fiscal management under control, and he could therefore give people some sense of confidence that the government is not draining out their pocket everything that they are trying to achieve. For him to think that government can consciously stimulate the economy, on the one hand, by reducing taxes by a mere \$70 million and, on the other hand, imposing the \$2.6 billion deficit on this province this year, he truly is without insight about the circumstance that he has created.

What I would like to say, Mr. Speaker, in closing: I would simply like to look at some of these backbenchers, who clearly must be supporting the Treasurer, and ask them how they truly

feel in their heart of hearts about a \$70 million tax decrease in the face of a \$2.6 billion deficit. I want to know whether Lacombe is going to stand up and say, "Yes, I believe that this tax decrease is worth something in the face of a \$2.6 billion deficit." What about the one on the end here, Shrake? How does he feel about the fiscal responsibility . . .

**Speaker's Ruling
Referring to a Member by Name**

MR. ACTING DEPUTY SPEAKER: Order please. Members are to be referred to by their constituency, not by a location or by the one at a particular location.

MR. MITCHELL: I apologize, Mr. Speaker. You're exactly right. Calgary-Milligan.

Debate Continued

MR. MITCHELL: Clover Bar and Athabasca-Lac La Biche and Little Bow and Red Deer-North and Cypress-Redcliff: how do these people who stand up in this Legislature, especially the right-wing Calgary-McCall, who says, "I'm a tough-minded, right-wing kind of management guy, and we're going to wrestle this deficit, and we're going to wrestle this debt to the ground" – what does he feel about a \$70 million tax reduction that is \$30 in every Albertan's pocket that the Treasurer tries to construe is the stimulation of this economy, the stimulation of optimism?

12:30

This Treasurer should try to live in the shoes of some of those people out there for whom \$30 will hardly correct the kind of fiscal circumstance in which they find themselves. Thirty dollars to a single mother on welfare: I wonder how much difference that's going to make to her optimism, Mr. Speaker. Thirty dollars to people who have lost their jobs: I wonder how much difference that's going to make to their optimism. I wonder whether the Treasurer would stand up and say, "You know, when I came up with this idea, I thought we were going to have an early election, and I just thought we might be able to buy some votes with that \$70 million." Instead, in the face of the fact that he's going to have to go five years in the hopes that he might find some miracle that will turn around his election fortunes, stand up and say: "You know, we made a horrible error, and in fact this tax doesn't work. It was politically motivated." Why doesn't he listen to some of those backbenchers, whom I hope would have the courage to stand up in the next few minutes in this debate and admit that they don't support this Treasurer, that they don't support the \$2.6 billion debt that they've been driven to by him. Maybe it's time they came to grips and stopped this political manipulation, as pathetic and as pitiful as it truly is.

MR. ACTING DEPUTY SPEAKER: Further speakers?

The hon. Provincial Treasurer, then, to close debate on second reading.

MR. JOHNSTON: Well, Mr. Speaker, you hear it all, don't you? Here we have it, Friday morning. First of all, the opposition interrupts the process on a parliamentary basis, interrupts the process, Mr. Speaker, has no respect for the traditions, and now goes on ranting and raving about their position. I mean, I've heard everything, and I can't believe the misstatements from the two speakers so far this morning. But it is nothing new, because they've been saying roughly the same thing for six years. None of them have new or original thoughts, none of them know how

to adapt to the '90s, and none of them have any solutions for the future.

The only solution of the Liberal Party is to bring in a provincial sales tax, and that's exactly what Edmonton-Meadowlark stands for, a retail sales tax for this province. Albertans should understand that very clearly. The Liberal Party over there stands for a retail sales tax for this province. Now, can you imagine that as a solution? Can you imagine that as a solution, Mr. Speaker? Here we are as Albertans . . .

MR. PASHAK: What's your solution?

MR. JOHNSTON: I'll get to you, Barry. Just be patient. I'll get to you.

The Liberal Party across the way, Mr. Speaker, the sales tax party of Alberta, the new Liberal Party, the new position of them would not be to deal with the fiscal responsibilities and the fiscal problems facing them. They would not have any eye at all with respect to the economic imperatives or backdrops which Canada and Alberta are facing, and they have no conscience whatsoever for the small taxpayer in this province. They would talk about the most regressive form of taxation ever: a sales tax for this province. Now, this is going to be one of the most delightful aspects of the next political debate in this province. Who is it that stands for a sales tax? The Liberal Party. Who is it that stands for the rights of the individual? The Conservative Party.

That's how this is going to spin out, Mr. Speaker, absolutely no question about it, and we have put on record already our position. We have put in here, we have said to Albertans, as I just said a moment ago when I went to second reading of this Bill: we have faith in the people. We believe that dollars are better spent by them. A dollar in the pocket of an Albertan is worth a hundred in the pocket of government, and we believe in the competence of the people. It is the people themselves, Mr. Speaker, who know how to spend money, not the governments. If you give the money to governments, all you do is increase the amount and the propensity to spend by governments.

What we are doing in Alberta is twofold. We're controlling the expenditure, Mr. Speaker. We're controlling it, and our record is better than any government's in Canada in terms of that fiscal side. Secondly, we abhor and reject fully any increase in taxes. Increases in taxes would be required by either of the opposition parties, but at least the NDP Party, sic, has not gone as far as suggesting that a retail sales tax is necessary. In fact, they have been good, strong supporters when it came to the fight against the goods and services tax, a very good position there. I've got to commend them for it because they know the effect, how the sales tax is the most regressive form of taxation you can face. [interjections] Even my colleague, my old friend Roy Romanow, understood that when he rejected fully the GST as it applied to that base. That's good policy, that's consistent policy, and that's the policy we're supporting here as well. [interjections] It's unfortunate that with this Liberal Party across the way, with their record clearly and fully revealed here today, we need to state again and again and again what it is the Liberal Party of Alberta . . .

**Speaker's Ruling
Decorum**

MR. ACTING DEPUTY SPEAKER: Order please, Edmonton-Meadowlark. [interjection] Order please. Parliamentary rules provide for occasional, appropriate interjections, not continual interruption, Edmonton-Meadowlark. [interjection] Order please.

Please proceed.

Point of Order**Criticizing a Member**

MR. MAIN: Point of order, Mr. Speaker.

MR. ACTING DEPUTY SPEAKER: The minister of culture.

MR. MAIN: Mr. Speaker, I'm looking at *Beauchesne* . . .

MS BARRETT: No, you're not. You're looking at Standing Orders.

MR. MAIN: I'm sorry; Standing Order 23(j). I think I can hear the Member for Edmonton-Meadowlark talking about me in some sort of fashion, making some sorts of accusations. I'm interested in what the Treasurer has to say. It says here that you should not use "abusive or insulting language of a nature likely to create disorder." I would urge him to take that home, spend some time studying that so I could hear the Treasurer's debate.

MR. MITCHELL: Mr. Speaker, I admit that I was interjecting, but I do take exception with the minister of culture saying that I was interjecting in an abusive way. The fact is that I was merely explaining and describing exactly what must have gone on in that caucus, or he would be standing in the Legislature, surely, and disagreeing with this Bill and disagreeing with the deficit and disagreeing with the debt. He's never done that. If he feels that an explanation of his position is abusive . . .

MR. ACTING DEPUTY SPEAKER: Order please. The Chair was admonishing the Member for Edmonton-Meadowlark with respect to continuous interruption of debate. With respect to the matter raised by the Minister of Culture and Multiculturalism, the Chair did not hear anything abusive or insulting in the course of the debate, and therefore I do not find a point of order.

The hon. Provincial Treasurer.

Debate Continued

[Mr. Speaker in the Chair]

MR. JOHNSTON: Well, Mr. Speaker, let me come to the other aspects of the misleading statements which have been offered to the Assembly with respect to this Bill. I said earlier today that a fairly cursory review of the current budgets brought down by other governments would confirm clearly that Alberta has the lowest personal income tax in Canada. [interjection]

MR. SPEAKER: Order please. We've had enough of that.

MR. JOHNSTON: If you look only at the basic rates, for example, you'll find that the current rate in Alberta, once this Bill is passed, is 45.5 percent. The closest we have to that is B.C., with 52.2, and of course the highest tax rate in Canada is in Newfoundland at 66 percent; that is, 66 percent of the federal rate. Now, it gets a little more confusing as you move out, but there are a variety of other kinds of surtaxes that are applied. If you look at the single proxy as to the policy of governments and the provinces, you find that in fact you do have a much larger tax increase than other provinces.

I said that I didn't want to get into this debate about fiscal policies, but I'm now driven to speak momentarily about Ontario, without criticizing the current government, mostly because we have here the only record of a Liberal Party in a really large-size government. The Liberal Party in Ontario was clearly defeated

on their fiscal policies. You have to ask yourself why. Well, you must remember that since 1982 to 1990 at least you had one of the strongest economies in Canada and essentially had one of the strongest economies in Ontario, driven by very strong economic growth at a time when in fact they spent money like it was going out of style, to use that provincial quote, and over that period they also continued to increase taxes. Now, Mr. Speaker, the Member for Edmonton-Meadowlark makes a very big point about the \$30 in the pocket. Well, \$30 in every Albertan's pocket amounts to quite a bit, but \$200 million when you combine the Alberta and provincial tax in Alberta in '93 is an awful lot of money, \$200 million put back in the hands of Albertans.

Now, in Alberta we have adjusted for the regressivity of personal income taxes. In fact, as we have said in this House on many occasions, we have taken 500,000 Albertans off the personal income tax system and, still further, assisted more at the low end of the income tax side. That's how you deal with the progressivity of income tax, and we think it's an important imperative to protect the low-income Albertan. We've done that. In fact, a study done by one of my people in my department, published in a Canadian publication, I think *Canadian Public Administration*, shows that Alberta has the second most progressive income tax in Canada, second only to Manitoba, who has in terms of the distribution of dollars a very, very high income tax at the high income level. But we have the second most progressive income tax of any province in Canada. We intend to maintain that, and this goes still further to ensure that by reducing taxes.

12:40

Now, Mr. Speaker, if you look at Ontario – where, as I said, we had the last record of Liberal domination and Liberal mismanagement and Liberal taxation policies – you will find that Alberta's personal income tax rate in 1993 will be 9.5 percentage points below Ontario's. Now, if Alberta had the same provincial personal income rate as Ontario, Albertans would pay about \$450 million more in taxes. That works out to be about \$500 per average person in Alberta. That is a comparison that I think is legitimate; it can be backed up by a documented position.

I know that the most recent NDP government has had to increase taxes there because of the Liberal regime that they absorbed, but over that period you've had one of the largest increases in taxes of any government in Canada. You can see very clearly what the policies of the Liberals are: "We will not discipline ourselves with respect to expenditures. We don't care about expenditures. We really have no position at all with respect to the fiscal side. But what we will do is increase taxes." Just as sure as we're here today, the Liberal Party policy is very clear: no willingness to deal toughly with the expenditure side, no willingness to stimulate the economy in a reasonable way. The only resolve that they have is to get in and increase taxes. That's why the Member for Edmonton-Meadowlark stands for a sales tax for this province. That's why you'd confiscate what is due to Albertans by increasing taxes under their regime, and that's why a very clear difference between us and the opposition parties, certainly the Liberal Party, with respect to this tax Bill.

This Bill goes a long way to providing confidence for Albertans. Look at the numbers today, Mr. Speaker. You'll see that durable goods sales, for example, are slipping. Why is that? Because people are very concerned about their jobs; they're concerned about the future. This Bill builds confidence, provides dollars back in their pockets, shows that there's not a tax increase. In fact, there's a tax reduction, which works and goes a long ways to ensuring that our economy will recover over the course of '92-93. There's no political motivation in this Bill at all. This is a Bill

driven by the economic facts, and that's what governments have to do. We have to make choices. We have to decide how it is we have to manage the economy. Yes, we had to increase the deficit, but yes, we thought it was important to ensure that Albertans had the dollars, through this tax reduction, in their pockets.

Now, let me look at the other governments across . . . [interjection] That's why a very clear divergence exists to us, and that's why we read it this way, Mr. Speaker, that Albertans wanted this tax reduction. It's key to our fiscal plan, puts money back in Albertans' pockets, allows them to decide, and now I think clearly differentiates the Conservative Party, certainly from the Liberal Party, with respect to tax policy. We do not stand for tax increases; we stand for tax reductions. We do not stand for a sales tax for this province; we stand for a freedom of expenditure. We do not agree that the way to the future is by simply increasing taxes. Tax, tax, tax; spend, spend, spend: that's not for us. It's not for Albertans. It will not be part of our policy.

Mr. Speaker, in closing debate on second reading, I encourage all members of this Assembly to be part of this Bill, because in supporting this Bill, you're supporting all Albertans as well.

HON. MEMBERS: Question.

[Motion carried; Bill 38 read a second time]

Bill 39

Alberta Corporate Tax Amendment Act, 1992

MR. JOHNSTON: Mr. Speaker, the Alberta Corporate Tax Amendment Act, 1992, is in fact a two-part piece of legislation, and I will talk about the two aspects of the legislation.

The first part, Mr. Speaker, is consistent with the last Bill we just debated, the personal income tax Bill, the Alberta PIT changes. It's consistent to the extent that this Bill recommends also tax reductions for corporations, and those tax reductions take place on the manufacturing and processing side.

Now, over the course of the past couple of years, the minister of economic development and others, including myself, have had many occasions to meet with worldwide investors who would like to come to Alberta – in fact, consider Alberta to be the choice province, the place where they would like to invest their dollars – but they feel that some of the competitiveness of Alberta had been eroded, particularly on the manufacturing side. I think all Albertans agree that manufacturing is one of the key sustaining investment areas where long-term economic growth and good, high-quality jobs can be achieved. Accordingly, Mr. Speaker, listening to the advice of the private sector and to my colleagues in caucus, we are reducing in this Bill the manufacturing and processing tax. You'll recall that in previous years we in fact increased that tax or eliminated the tax credits which were given, but this Bill certainly reduces the manufacturing and processing tax for large corporations. The reason we're doing that is to be competitive with other provinces, where in fact the M and P tax has been adjusted; and secondly, to give a clear signal to the private sector, certainly large investors, that we want their business in Alberta.

Now, as I have said earlier, one of the three parts of the fundamental economic equation is consumption. We dealt with that already in the previous Bill by providing more dollars in the hands of Albertans so that they can consume. The second part, that's just as key, Mr. Speaker, is investment, and Alberta has always been driven by high levels of investment. That will continue. You see a very wide diversification taking place already. My colleague from Athabasca-Lac La Biche spoke today

in question period about the developments there for new jobs in the Athabasca area. You've seen already a significant increase in the kinds of jobs that are away from the agricultural and oil and gas sector, and we want to continue that trend.

Diversification must be our objective. It's been confirmed by the discussions over the course of the year and the Toward 2000 report, and we are now starting to adjust some of our policies to reflect recommendations given to us by a variety of investors around the world because they consider Alberta to be very attractive. They want to come here, but as you know, we're now in the global world, so a large corporation is competing at the board level for new capital investment dollars; in the case of petrochemicals, for example, Louisiana, Texas, Europe, and here, and perhaps even Korea and Japan as well. We're in a world competition for new development and new value added for our resources. To that extent this does, I think, assist.

The second aspect of this Bill, Mr. Speaker, is that Alberta is one of three provinces that has its own corporate income tax system. This has proven to be very effective for us. We can drive our own economic agenda. We can deal with our own economic stimulation. We can consider new economic trends which may be necessary from time to time to get our economy back on course at the macro level, at the investment level, and we are able to do that with this corporation tax Bill. The second point is that we have found that through the allocation of tax dollars across Canada, by having our own provincial corporate tax system, we can secure more dollars for Albertans that are due to us as a result of the taxes paid by corporations across Canada to the extent that the allocation of dollars to Alberta is more fairly considered if we have our own corporate tax system.

However, we do try to harmonize our legislation with that of the federal legislation. In doing so, we attempt to respond from time to time to changes in the federal budgets and federal legislation so that there's a consistent and somewhat harmonized open system for corporations across Canada because most large corporations have to calculate their tax in more than one jurisdiction. Accordingly, Mr. Speaker, they want to see some similarities, some harmonization of the legislation. We agree with that, and this Bill as well will in fact harmonize much of our legislation. It is thick, and to the extent that it's thick, it's driven by this harmonization, federal changes being brought back to this piece of corporate tax legislation. Elimination of certain sections, Mr. Speaker, for ease of understanding of the legislation, ease of tax calculation; and still further amendments to the so-called administrative sections, whether it's interest rate, penalties, those kinds of enforcement sections: this Act is replete with those kinds of changes.

12:50

As you can expect, it takes us some time to update ourselves on those changes in the federal legislation to make sure that they're fully reflected here. Because we did not do many changes in the corporate tax legislation previously, this year we're doing a catch-up, and the catch-up is that these adjustments from years past show up this year. Basically, Mr. Speaker, this legislation is in fact a tax reduction. We think it answers the competitive question that certainly must be foremost in all of our minds and, secondly, clearly deals with the administrative adjustments to our tax system which complement and harmonize with the federal system.

Mr. Speaker, this Bill is an important one. It's important to our revenue base, obviously, and now we've made adjustments to ensure that investment flows, that diversification continues, and that we have a harmonized tax system here in Canada but still respect the provincial jurisdiction in the area of corporate tax administration.

MR. SPEAKER: Edmonton-Highlands, speaking to second reading.

MS BARRETT: Yeah. I guess the first comment I have to make to the Provincial Treasurer is: well, let's just see. Let's see if the stimulus that he's expecting by this tax reduction, which applies to a very small sector in Alberta's economy, is going to make a great big difference to the state of our economy. I don't know if a \$7 million tax cut in one year and a \$15 million tax cut in the next year is going to do it. Quite frankly, as I've said in this House before, it seems to me that the industry that is most likely to bring Alberta stable and long-term growth is what we call ecotourism. If we can promote the continuation of a beautiful, natural environment – that is, an environment that isn't scarred by clear-cut forests, polluted by effluent from pulp mills . . .

AN HON. MEMBER: And the city of Edmonton.

MS BARRETT: Yeah, and the city of Edmonton.

. . . destroyed by other types of so-called manufacturing or so-called economic development projects – you wouldn't need legislation like this. I think the issue I'm getting at is so tightly timed that I wish I could be in government for one year only to refocus the need for us to get on to developing ecotourism and get away from the polluting industries that the government has fostered.

Also, I'd like to say, Mr. Speaker, that this Bill, according to the Treasurer, meant to help stimulate the manufacturing sector of our economy, needs a parallel campaign. I think there's a Stompin' Tom Connors song that says that you can't kick-start the Canadian economy by buying American boots. The point is that we need to increase our efforts to promote buying Canadian and buying Albertan. It's been very successful in the food industry, but it could be a lot more successful if we applied it elsewhere.

Now, this is a pretty thick Bill. I notice that the Treasurer does this frequently, brings in a Bill that's supposed to have one purpose and it ends up having a gazillion. One of the gazillion

items that I think is really weird is section 55.1, and I do hope that either today in his closing remarks or when the Bill comes back to us, the Treasurer is prepared to explain this to the Assembly. This is amusing. If anybody else is sort of bored with their other reading material, go to section 55.1 of Bill 39. It says: Notwithstanding the Financial Administration Act, the Provincial Treasurer may at any time waive or cancel the imposition of or liability for any penalty or interest imposed or payable under this Act. Go figure. What the devil is this about? Now, it's unfettered discretion that the Provincial Treasurer will have under this provision, and it begs a lot of questions. What are the total penalties and interest outstanding? Why would it be retroactive? Who is eligible to apply? Why is the minister asking for this power? This is just inexplicable, Mr. Speaker.

I think I've asked the questions that I need to ask about this Bill. It'll be real fun to see in two or three years' time, or even a year's time, after this tax Bill has come into force just the extent to which the right wing, which is always lobbying for corporate tax reductions, are prepared to come through and help promote jobs and economic growth in Alberta based upon this Bill. I'm not sure, Mr. Speaker, that what the Treasurer is suggesting is going to happen will happen.

Mr. Speaker, at this point I beg leave to adjourn debate.

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

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. The motion carries.
Deputy Government House Leader.

MR. GOGO: Mr. Speaker, by way of information, Monday next we will be dealing with government Bills on the Order Paper, beginning with Bill 31.

[At 12:56 p.m. the Assembly adjourned to Monday at 2:30 p.m.]

