Legislative Assembly of Alberta

Title: **Thursday, June 25, 1992 8:00 p.m.**
Date: 92/06/25

[Mr. Speaker in the Chair]

MR. SPEAKER: Be seated, please.

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

Bill 42
Motor Transport Act

MR. ADAIR: Mr. Speaker . . . [applause]

MR. SPEAKER: This is marvelous, Mr. Minister, but we had to cut it short because we want to get out in the next five weeks.

MR. ADAIR: Mr. Speaker, it is with a great deal of pleasure – you do have me kind of shook up right now – that I move second reading of Bill 42, the Motor Transport Act.

Many of you will recall that this Bill was scheduled to go through the Legislative Assembly last spring, but unfortunately I had a commitment, if that's the right word, that I couldn't get out of, and as a result of that it sat over for the year. Basically, we've been doing a lot of the things that are in this particular Act for the last year or so as a result of our negotiations, direction, and leadership, I might say, of the move to the National Safety Code on behalf of the deregulated industry in the province of Alberta.

I'd like to just give you a little bit of background about the Bill itself. There are a good number of changes that are in the Act. A lot of them are as a result of changing to comply with the National Safety Code. Where we've had "operating authority" as the words that basically run through it, it's now called a "commercial authority." As a result of that, we had to change many, many sections just in that particular way.

This Bill will do three things. It will redefine the role of the Motor Transport Board, it will keep our legislation in line with the National Safety Code, and it will streamline the process involved in complying with the Act. Having said that, I would like to assure members that we are not making it harder for people to comply with the law. In fact, if anything, this Bill will make things simpler and easier for persons to comply with the Motor Transport Act.

Essentially this Bill moves the current Act into the deregulated atmosphere of the trucking industry. I might point out at this point that this Bill has been discussed for over two years with the Motor Transport Board itself and with the Alberta Trucking Association, who were instrumental in assisting us to lead the way as a province in the discussions at the national level relative to the National Safety Code.

By streamlining the process, we are actually making things easier and fairer for the trucking industry while at the same time enhancing the safety standards in this province. One of the big differences in this legislation is a redefinition of the role of the Motor Transport Board. Currently the board as a whole must review any application or applications as well as handle any appeals. With this Bill many of these tasks will be transferred to an administrator and, I might add, an ADM. This will enable the administrator to deal with the general everyday concerns, with the board actually acting as an avenue of appeal. One of the things, Mr. Speaker and members of the Assembly, that was a bit distasteful in the past was the fact that the board would issue the suspension, and when they appealed, they appealed to the same board that issued the suspension. That made it somewhat of a major concern to a good number of people. Just the perception in its own right was causing some problems.

So with this particular change, the administrator will be working in the sense of almost the daily workload that would be handled, and the board will move into a position of actually being an appeal board. This means that companies will only have to deal with one person when applying for a commercial operating authority or similar requests, and I'm pleased to say that Alberta is leading the way in working with the trucking industry on this. The Motor Transport Board will then act solely as an appeal body, and that, too, would be as the need arises. This again is a great improvement.

The other thing that we have done with the Motor Transport Board is downsize it so that we have less people involved with it. We still have the quorum of three for appeals and one for the sake of the administrator who will handle the everyday workload. Those with complaints will have the right to appeal to that same board, the Motor Transport Board. That again is why there's a good number of changes in this particular Act. Where it has "Motor Transport Board" or the "Board" in the Act, that's changed in many cases to the "Administrator," and that redefinition of the role of the board is separate, then, from the role of the administrator. As a result of that, there appears to be many, many, many changes in the Act that are in fact there because of one word: either the word "Board" changed to "Administrator" or "operating" authority changed to "commercial" authority. So that has been one of the major difficulties, I think, in trying to keep this to a small change. Having the board serve as an independent avenue of appeal means a quicker and more efficient and less expensive way to resolve conflicts.

Both our government as a whole and my department in particular are committed to the principles of the National Safety Code, and this Bill is testimony to that particular fact. The revised legislation will help us in making sure that vehicles comply with the requirements of the National Safety Code, and that's been ongoing for over a year now. Within this legislation we have worked very hard to ensure that we have a good balance between the public and the carrier. The public is concerned that safety be adhered to, and rightly so. The other half of the coin is to ensure that the carrier business can carry on business without undue interference. This legislation states that a peace officer must be in uniform before stopping a driver, that when we ask for receipts or other documentation from a trucking business, it will be during regular business hours. That's a major change from the past. With any safety program you have to be able to follow it up with compliance, and when necessary, this legislation does that. It gives us the access to ensure that safety is adhered to without unduly interfering with a carrier's business.

Mr. Speaker, in closing I'd like to remind members that this Bill is designed to enhance safety more accurately and reflect the role of the administrator, under the new policy and the new change that would be put in place with the approval of this Bill, and the role of the Motor Transport Board and generally, in all, streamline the process and make it more fair and more efficient for each and every one of us.

Also, if I can close by reiterating once more the point I made just a little earlier: many of the changes relate to a word change. Where "operating" authority is in the old Act, that is changed in this one to a "commercial" authority and, as a result, it looks like it's a major document. That's one of the features. The other one obviously is the redefinition of the role of the board; as it was, the unit that would do the suspension was the same unit that would handle the appeal. That will change with this Act to having the

administrator handling almost all of the daily doings, and he or a designate, the peace officer, would hand out the suspensions. Then they have the right to appeal to the board with a further appeal, if necessary, to the courts.

Thank you.

MR. SPEAKER: West Yellowhead.

MR. DOYLE: Thank you, Mr. Speaker. This Act is very timely in helping the trucking industry. The industry has problems enough without having more legislation, and the minister, I believe, has opened the gate to assist them to go through the province more safely and more timely.

Mr. Speaker, going through this Bill, I note very clearly the same as the minister has indicated. It's generally a cleaning up of the Act and a streamlining to help the trucking industry.

On behalf of the New Democrats I stand in support of Bill 42.

MR. SPEAKER: Edmonton-Whitemud.

MR. WICKMAN: Thank you, Mr. Speaker. We've analyzed the Bill to the best of our ability in the two days that we've had it, and the consensus is that there are really no points in this Bill that anyone would take objection to. We do favour deregulation and greater emphasis on safety. It's one of those types of Bills that we would expect that if we were in the minister's position, we would do as well.

The new Act does seem to have the support of the trucking industry. It has support all around. So like the previous speaker, on behalf of our caucus we too support the Bill.

8:10

MR. SPEAKER: Vegreville.

MR. FOX: Thank you, Mr. Speaker. Speaking briefly in second reading, I would just like to, make a request about this Bill and other Bills that are presented by the government: that as much time as possible be given to Members of the Legislative Assembly to consider the Bills. Some of them are quite lengthy and some more difficult to read than others. I think it would be in everyone's best interest if there were a period of at least a couple of weeks between introduction of a Bill and second reading. I know that's not always in the hands of the ministers of the Crown, but I'd like to make that observation with respect to this Bill.

MR. ADAIR: Mr. Speaker, I'd like to thank the members of the opposition for their support of the Bill. I, too, have a bit of a concern over the fact that you've got what appears to be a major Bill, and with just those few days to look at it, it makes it a little difficult to consider. I'm from the government, and I guess you have to trust me.

With that particular comment, Mr. Speaker, I move second reading of Bill 42, the Motor Transport Act.

[Motion carried; Bill 42 read a second time]

Bill 48
Teachers' Retirement Fund Amendment Act, 1992

MR. DINNING: Mr. Speaker, I move second reading of Bill 48, the Teachers' Retirement Fund Amendment Act, 1992.

Mr. Speaker, what this Bill does is implement a memorandum of understanding that has been struck between the government of Alberta and the Alberta Teachers' Association with respect to reforming the teachers' pension.

Let me just give you a few highlights of this before I finalize my remarks. First of all, the proposal spells out that teachers and the government will each pay one-half the current service costs of teacher pension costs, and that includes a 60 percent cost-of-living adjustment based on the Alberta consumer price index. Teachers will also pay the full cost of another 10 percent of the cost-of-living adjustment, up to 70 percent, for service that is earned after December 31, 1992. Teachers under this agreement will pay the full cost of those extra costs.

The agreement requires that there be no increase in the unfunded liability, so much so that there will be required an actuarial valuation every three years, Mr. Speaker, and the contribution rates will have to be adjusted to fully cover the current service costs. A further surcharge will be paid by teachers and government to totally discharge the plan's unfunded liability prior to September 1, 2060. Teachers will pay 1.6 percent and government will pay 3.3 percent, for a total of 4.9 percent total surcharge. That's a split of about one-third, two-thirds shared by teachers and government. The contribution rates will be phased in over a period of four years between September 1, 1992, and September 1, 1995.

Those are the main details. There are a number of other provisions, Mr. Speaker, but those are the highlights of this Bill. I simply want to conclude my remarks by noting that this is an important and a significant step that the government and the teachers have taken in some very difficult economic times and that this agreement, this putting to rest the concern among teachers and taxpayers about the security of this future income stream or pension income for teachers has been done at a difficult economic time.

I want to pay tribute to the members of the Alberta Teachers' Association, particularly its provincial executive, as well as to my colleagues in government, including within the Department of Education, for having the perseverance and the courage to come to this important agreement. We've dealt with the problem, Mr. Speaker. We've dealt with it responsibly on behalf of taxpayers, and we can put to rest any concern that teachers might have about their future incomes under this pension scheme.

I would encourage all members to adopt this Bill at second reading.

MR. SPEAKER: Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Speaker. It is true that the teachers agreed to this memorandum of agreement and then this Bill implements it, so of course it's not for us to reject it. I accept that the teachers have accepted the terms, and therefore the Bill will be accepted and supported by this side of the House.

However, there are a few comments to be made. The terminology and the language and also the process of getting around to doing something about it are interesting. For one thing, the minister stands up and says that the government is going to pay one-half of the current service costs of the pension plan from here on, yet in the next breath he admits that the teachers didn't feel that a 60 percent COLA clause was sufficient. They wanted 70 percent. So the teachers had to put in the extra 10 percent themselves, which means, then, that the servicing costs of the ongoing responsibilities are not being met quite on a 50-50 basis. The government is not putting in 50 percent; the teachers had to put in the extra 10 percent.

I guess it's only fair and right that the government should pay the two-thirds. As I recall, the Treasurer said at some point that the employer and the government and the employee should each share equally in the costs of making up these unfunded pension

liabilities for all of the pension plans. Since the government is both the government and the employer in this case, I guess that's where the two-thirds came from. So fair enough.

What I can't understand is why the government took so long to get around to dealing with this problem. The fact is that the unfunded pension liability has been around ever since – well, for decades actually. It's in the last 10 years . . . [interjection] Oh, yes. The unfunded liability in several of these different funds including the teachers' fund have not been properly funded in the past. I guess 1982 was when it was most starkly pointed out, when the government put $1.1 billion into the general plan of the other six public pension plans the government's responsible for. Everybody pointed out at the time and knew that there was a lot of trouble in all of the pension plans the government is responsible for, yet it still took 10 or 11 years for the government to get around to doing something about it. It took an incredible public uproar and concern on the part of the population to finally get this government to move, to do something.

In fact, when some figures that the Auditor General was putting out on a yearly basis started to reach astronomical proportions – and I want to spend a minute on that – finally the government decided they had to move. I have here the projections of the Auditor General at March 31, 1990, for these pension plans, not just the teachers' one but the others, so I'll just put them together for a minute. He said that the actuary's projections of the total obligations of the six major plans at March 31, 1990, was $10.9 billion less the market value of Pension Fund net assets at March 31, 1990, $5.2 billion, for a $5.7 billion liability. He went on to say that the actuary's projection of the unfunded accrued pension liability of the Teachers' Retirement Fund at March 31, 1990, was $3.3 billion, and added to the $5.7 billion, that makes a $9 billion unfunded pension liability.

Now, just before the latest public accounts came out, which gave us an update, we said: well, if that's what it was at March 31, 1990, which were the last hard numbers we had at that time, then it must be approaching $11 billion by now as two years went by before we got the next set of public accounts. So assuming that the Alberta provincial government debt was in the neighbourhood of $14 billion as of March 31, 1990, if you add on the $11 billion, that's how we got this $25 billion debt number circulating around that the Liberals still sometimes use.

8:20

It's interesting to look through how things have changed. When the government finally settled down and settled two of the major pension plans, the local authorities pension plan and the public service pension plan and now has settled the teachers' pension plan – those were the three big ones – of course that's changed the numbers considerably. What I can't help remarking on is that while these numbers have been revised downward – I've got the newest Auditor General analysis following this same kind of format but changing some of the terms by which he was calculating the accrued liability. He came out at $6 billion instead of $9 billion at March 31, 1991. So they actually went down, but that was because he made some changes in some of the assumptions. I believe the idea was that the funds would earn 3.5 percent instead of 2.5 percent on the moneys the funds had. On the other hand, the accrual of liabilities for each individual person was going to spread I think over 75 years instead of over 72. So there was a number of those kind of changes that changed some of the basic assumptions he worked with.

In any case, what I can't help noticing is that the Treasurer stood up in the House after the settlement with the local authorities pension plan and the public service pension plan and made some grandiose statement that the unfunded liability had been reduced from somewhere in the neighbourhood of $5 billion or $6 billion to less than a billion. Then when he introduced the teachers' pension plan the other day, in answer to some questions from the this side of the House in question period, he said that the reduction in the pension liability was in the neighbourhood of $9 billion. Well, that's really amusing since at the height of this time when we were using these high numbers from the Auditor General, I remember the Treasurer putting out the number $3.4 billion as the total unfunded pension liability. Of course, what he was doing was quoting the last report prior to that time, made in 1988, and only for the public pensions, not including the teachers' pensions, and that was the number that he was passing off as if that covered all the pension liabilities. It's typical of what the Treasurer likes to do. He'll pick one number out of a series of numbers. It might be out of date; it doesn't really matter. As long as it's small and doesn't look too ominous, then that's the number he projects as being the unfunded pension liability.

He now is talking about a $9 billion reduction in a number that he used to say was only $3.4 billion in the first place. I can understand that changing some of the parameters on which you calculate the future liabilities is going to significantly reduce the numbers but certainly not from the order of $9 billion or $11 billion down to less than a billion. I mean, if the Treasurer is going to pay 3.3 percent on the teachers' unfunded pension liability over the next 68 years, then that's going to be a few dollars. For the Treasurer to make such outrageous statements – that in the first case the pension liability was only $3.4 billion and passing that off as if that covered all the pensions, and then later, when he does get an agreement with the teachers and with some of the other pension funds, to say that he's reduced it by $9 billion is just the kind of misinformation and silly throwing around of numbers that is just meant to confuse everybody about what's really going on.

Now, it would be nice if the government would come out with some hard numbers about what that's going to amount to in terms of just how much unfunded pension liability there is in those three plans that have been settled. It must have been calculated. It must be worked out, yet that number is not released. We just get the numbers given about what's going to go on but not what the unfunded pension liability is over the years. I suppose that the Auditor General will do so the first chance he gets, but surely his 1991-92 figures, which we still don't have, are going to be out of date too, unless he sort of projects backwards somehow from where we are now.

In any case, it is a relief that the government has finally got around to dealing with these things. As I said, if the deal is acceptable to the teachers, of course it's acceptable to us. But it would be nice to have a really honest presentation of what the unfunded liability is and not these exaggerated kinds of numbers that we've been getting out of the Treasurer.

MR. SPEAKER: The Member for Edmonton-Meadowlark.

MR. MITCHELL: Thank you, Mr. Speaker. I would like to say that we will support this Bill. It's to the credit of the minister and the government that something has been settled and that in fact the teachers have agreed to it, so it would be improper and of course wrong for us to disagree with it.

I would like to make a couple of points however. One is that we should not construe this deal as doing away with the $2.8 billion unfunded liability under this retirement fund. For the Treasurer to now say that he's just collapsed this liability, it's all gone and we don't have to account for it any more, is for the

Treasurer to say that because he's got a monthly payment on his mortgage, he no longer has a mortgage liability. Well, nobody accepts that, except the Treasurer I guess. We just want to be very clear that this has not settled the problem once and for all. It has put in place a plan, but that plan has to be delivered upon.

Secondly, I would like to point out that what distinguishes the process of arriving at this agreement from the process of developing a proposal on the other six government pensions is that this was in large part a true negotiation; that is to say, it wasn't a process that was dictated by government. One of the key elements of it was a provision for ratification by representatives of the membership of this union and of those people with an interest in this retirement fund. That meant it could be a true negotiation. I think it means, one, that we have a solution that is more dependable – that is to say, because people have accepted it and clearly ratified that – and two, that we probably have a solution that is better.

A third point that I would like to make – it's really by way of question – is to have some clarification of the details. How much exactly is going to be paid in absolute terms? How does that relate to the total liability? What assumptions have been made about the level of payment over the term to 2060, which is an awfully long time, and the interest rates that would be required in light of the various assumptions about this fund: morbidity, retirement age, survivability of spouses, and so on? How do all those assumptions work out to give us some certainty that indeed by the year 2060 everything's going to balance out? If the minister could provide us with some clarification in that regard, I would be very interested to see it.

If you look at the New Brunswick case, for example, they have a 925 and a half million dollar unfunded liability in the teacher's pension fund. The government is making $42.5 million in annual payments to pay down the liability over 25 years. The payments are adjusted for inflation. In Ontario it's a $7.8 billion unfunded liability. The government makes $26 million payments per month over 40 years. I'm wondering whether the minister could show us the details of this plan so that we could compare the details to those of other provinces. They should be comparable, and that would be a good test to determine the validity of this particular agreement.

MR. McINNIS: Mr. Speaker, I don't think this occasion should pass without some comment on the role that the teaching profession played in getting this Bill to the stage where it is today. Members will recall that the previous memorandum of agreement was rejected by the teachers' meeting in assembly because it really failed to answer some of their more important questions about how the Teachers' Retirement Fund would be managed long term, in particular how the unfunded liability would be dealt with. We all received numerous cards and letters, not to say petitions, most of which were tabled in the earlier part of this session, and I think that the government was forced to go back and present a better offer. I know that the minister ridiculed the teachers for their position at the time, but I think that in retrospect it seems they took the right position, insisting that these issues be dealt with as a package at one time.

8:30

I also think that we should recognize through at least the discussion of this Bill the contribution the teaching profession makes. This is always a sad time of year around our household because my children realize that they're moving on to another grade, that they'll be missing their teachers. I would like to state for the record that I appreciate how hard it is to guide a classroom of 20 or 30 children through a whole year's worth of emotional trauma and growing and all the rest of it, and I think in supporting this Bill we should make that recognition today.

MR. DINNING: Mr. Speaker, I appreciate the support of all hon. members, and perhaps the information that the Member for Edmonton-Meadowlark has asked for could be provided in greater detail at committee study of the Bill.

I want to just cite section 11 of the Bill, on page 6, which makes it very clear that the board of administrators for the fund "shall" – there's no movement; there's no "may"; it says "shall" – "set the Government's and the teacher's current service contribution rates" so that in effect the fund is fully actuarially sound. That will only be done on the basis of regular, at least every three years, actuarial evaluations.

The same is true, Mr. Speaker, with respect to the unfunded liability such that it must – there's no "may" – it "shall" be eliminated no later than September 1 in the year 2060, and that is spelled out at section 12 of the Bill on pages 8 and 9.

Mr. Speaker, I move second reading of Bill 48.

HON. MEMBERS: Question.

MR. SPEAKER: There's a call for the question with respect to second reading of Bill 48, Teachers Retirement Fund Amendment Act, 1992.

[Motion carried; Bill 48 read a second time]

Bill 50
Professional Statutes Amendment Act, 1992

MRS. MIROSH: Mr. Speaker, I am pleased to introduce second reading of Bill 50, the Professional Statutes Amendment Act, 1992.

This Bill amends four statutes: the Health Disciplines Act, the Optometry Profession Act, the Ophthalmic Dispensers Act, and the Pharmaceutical Profession Act. All of these Acts are basically being brought into line with the government's policy respecting professional legislation. These changes basically increase public representation on governing councils, provide open discipline hearings and appeals.

Mr. Speaker, the Health Disciplines Act is an umbrella Act where a number of disciplines have been designated, and this specific Act also is being brought up to date with the government's policy with regards to professional legislation. It also includes midwives as being designated. The designation under this Act is the first step in the recognition of midwives as a profession, and the designation is being brought forward at this time when significant consensus has been attained amongst the various stakeholders and their ability to put aside professional interests. I have to commend the people that have put together an excellent report with regards to midwifery, and now we continue with the process of consultation before we move into the regulations.

Mr. Speaker, we also designate medical laboratory technologists, recommended by the Health Disciplines Board following consultation with professional associations, employers, and other related professions. The Alberta Society of Medical Laboratory Technologists will be responsible for the registration and discipline of approximately 2,800 medical laboratory technologists in Alberta.

Mr. Speaker, we also have made some significant changes, first introduced in 1991, to the Optometry Profession Act and the Ophthalmic Dispensers Act. The changes that are proposed are designed so that eye care services can be competently provided by

several groups of professions and the public will have improved access to services. Optometrists, after completing an eye examination, will provide clients with a copy of the written prescription, and it can be taken to any licensed optician to dispense either eye glasses or contact lenses. This is a great step for the public.

The Ophthalmic Dispensers Act is a very old statute and will be updated, and the Alberta Opticians Association will be granted self-governance. This association has a membership of close to 500. The eye care disciplines advisory board will be established by the opticians Act and all the other areas that bring it up to date with professional policy.

The working of these amendments, Mr. Speaker, has taken a lot of time and a lot of consultation with the optometrists and ophthalmologists. They've come together and have all agreed on these changes. This is significant in itself. We have in fact gone a step further and have set up a continuing consultative process with an advisory board dealing with eye care.

The Pharmaceutical Profession Act will be amended to clearly distinguish among licensed pharmacists that sell drugs to the public and also distinguish between the business of these licences in the publicly funded pharmacy that will operate within hospitals or other health and social care facilities and certify pharmacists that operate wholesale operations, repackaging facilities, compounding centres, and provide drugs to retail and other pharmacies for distribution to patients.

The Alberta Pharmaceutical Association will continue to be responsible for licensing retail pharmacists and also for certifying pharmacies in the areas I just mentioned. The association will not be responsible for licensing or certifying publicly funded pharmacies but will set standards for these pharmacies. While we recognize that there are major differences among pharmaceutical operations, we should not forget that pharmacists practise as professional pharmacists in all operations. The Pharmaceutical Profession Act is being amended to clearly establish these roles.

Finally, Mr. Speaker, it should be noted that the development of the amendments contained in this Bill is the result of extensive consultation, a lot of hard work amongst these professional associations, and I would like to commend them for the time they have spent in bringing these amendments together. I thank them again for their dedication and efforts.

MR. SPEAKER: The Member for Edmonton-Avonmore.

MS M. LAING: Thank you, Mr. Speaker. We welcome the designation of midwifery in this Bill, but I would reiterate the comments of the Member for Vegreville in terms of this Bill being 93 pages in length, and we have only had it for a day or two. I understand that some of the stakeholder groups have not had an opportunity to see the Bill in its completed form.

I would suggest with all due respect that more time to study this Bill would have been helpful. I think back to last year when we did extensive debate on the Social Worker Act, when the Act was being written to deal with a profession. In the same way, we see significant amendments in this Bill, and we've had little time to study these amendments. I would hope that in the future Bills of this nature would be given to us with a week or two to prepare our comments.

8:40

MR. SPEAKER: Edmonton-Gold Bar.

MRS. HEWES: Thank you, Mr. Speaker. I just have a few comments on Bill 50. I recognize that this is bringing back to us the Bill that died on the Order Paper last year. I think that in the interim a number of contentious items have been resolved, and I'm glad to see that. Like my colleague from Edmonton-Avonmore I would have preferred more time to go through this and have some opportunity to discuss it with the major players whose professions are touched in this Act, but I suppose we are now in haste to conclude our work here in this House, and perhaps that has resulted in some undue pressure in getting it before us. A lot of housekeeping has gone on here, and I appreciate that. That's quite acceptable to me.

Mr. Speaker, when I talked with the various professions who are involved in this Bill, none of them had seen the draft Act. The member has mentioned that there was extensive consultation. I don't doubt that, and I think it's useful. I would like to question the member and perhaps have some reassurance that in fact the major stakeholders have seen this Bill and have in some way – well, I'm simply relating the information that I have from the stakeholders, and that is expressing their concern that they have not had the kind of consultation they would have expected. They had not seen this Bill until we discussed it with them, and I think there's some mystery about the amendments that is perhaps unnecessary and unfortunate. I'm sure that if they were consulted, it would have been helpful if they'd seen the final draft.

Mr. Speaker, once again, this Bill has gone to second reading very fast. I'm not sure when it's intended to bring it to committee, but it leaves us little time to prepare amendments if they seem necessary.

Just a few points about the Health Disciplines Act. Mr. Speaker, the Act does create the position of director of health disciplines and repeals the clause describing the position of registrar. Now, I'm assuming this is a change of name, that the actual functions of that position are not substantively changed, although that's not too clear. Perhaps the member would describe for the House whether or not these are in fact the same position or if there are new powers that the director is anticipated to execute that were not given to the registrar. It seems to me that even perhaps by the effect of the titles it is expected that the director will be more proactive than the registrar was, and I think it's important that the stakeholders understand that.

Section 6 describes the duties of the committee. They seem to have been expanded considerably. Under the old Act they were to "advise the Registrar." Under the amendment they will now "govern the registered members" as well as "review applications." Similarly, the old Act allows an investigation of complaints, and the new wording is simply to "hear complaints." Perhaps the chairman would describe to the House if that investigation component is going to be done elsewhere or if it's still anticipated that it will be done under this same direction.

Mr. Speaker, I'm pleased to see that in section 7 we have the capacity for one public member to be appointed to the board. I think that's an important advantage. In section 7.2(2), referring to the governing body, the amendments expand the power of this governing body. Additional authority includes advising the Health Disciplines Board in regard to a number of things. I think this is an acceptable move and one that would be acceptable to all of the associations, giving and putting more power back into the hands of the associations and boards.

In that regard, Mr. Speaker, I'd just like to comment that the LPNs are one of the groups that don't appear to have felt that there was sufficient consultation. Some concern was expressed that in the complaint process the appellant takes the complaint to the director and then to the Health Disciplines Board. Nowhere in this process is the association required to be notified. The association seems to have been left out of the complaint process entirely. One wonders if that is intentional or if there is some

other provision here that I have missed or if it is covered elsewhere or would be covered in regulations.

I'm glad, of course, to see the LPNs, the medical laboratory technologists, and the midwives included in this Bill, particularly the profession of midwifery being recognized is a great step forward. However, I would like to ask why it's going to take two years until this becomes functional. Input and consultation I am assuming is going to be sought from Alberta midwives as well as other potentially concerned parties as regulations are developed. I would hope that the chairman would be bringing regular reports to the Legislature as these consultations take place.

Mr. Speaker, I'm particularly concerned. Midwives have now been named in this Health Disciplines Act. Does this mean that they no longer are going to be subject to charges for certain practices? Does that in fact change their circumstances or their legitimacy in the interim? I think that's something I would certainly want to know, and that I'm sure midwives need to know, because that has been a matter of great concern.

The Ophthalmic Dispensers Act, the Optometry Profession Act. I'm pleased that these professional groups along with the chairman have been able to resolve some of the difficulties that were perceived to be present in the Bill last year. It seems that if they have not been fixed, at least in the new Bill they are now satisfactory to the various professionals, and I'm pleased that the public will be protected, as we had expressed concern before.

Mr. Speaker, the Pharmaceutical Profession Act. A lot of discussion I understand has taken place with this particular group. They apparently are content that what is in the Act is quite workable, and it allows the association to regulate the profession relative to standards of practice and regulating drug costs. We look forward to further developments in this regard, and hopefully that will work out.

Mr. Speaker, finally the overall comments that have come to me regarding this Bill are that the professionals are relatively content. They feel they've waited a very long time to get the Bill. They don't want to hold it up, and neither do I.

REV. ROBERTS: Mr. Speaker, I have some very major concerns with this Bill before us tonight. With the others, I'm concerned that it's been rushed somewhat, even though we've known it's coming. In many respects I think that to just bring it to second reading doesn't allow for full discussion, at least in terms of the research that I want to do in preparing another avenue of regulating health professions in this province. When I look at how we're continuing to go down this path of regulating health professions, it seems to me increasingly that it's the wrong path. I want to say not so much that I don't want a variety of health professionals and health disciplines to be able to act and perform and do service to people throughout the province, be they midwives or chiropodists or medical lab techs or respiratory technologists or a whole list. In fact, we heard from the minister even today of the growing list of health professionals that there are in the province that want to be recognized, licensed, and regulated to function in this province.

8:50

So there are very difficult, cumbersome, and what I sense are becoming very bureaucratic mechanisms by which we are licensing health disciplines. As I say, not only are there a growing number of disciplines but a growing number of concerns about what constitutes actions that have potential harm to the public. And really that's all that we should be about here in this Assembly: protecting the public interest, protecting people from potentially harmful actions on the part of health providers.

It's interesting to me, Mr. Speaker, that we sit on this side of the House hearing day in and day out members of the Conservative government across the way talking about deregulation. They seem to want to deregulate the environment because they argue that regulation is expensive, that regulation gets in the way of the free flow of goods and services – in this case we're talking services – and that what we need to move to if we're going to be competitive is deregulated everything, when in fact what we're getting here tonight is 50, 60 pages of regulation, increasing regulation, particularly with respect to health professionals and health disciplines. It seems to me increasingly ironic that when it comes to economic terms, governments talk about deregulation, but in this case, when we're talking about human terms, they want to increase regulation.

Now, I don't want to come down ideologically one way or the other on that. I know that there is in fact a very interesting health economist in the United States who argues that we might all be a lot better off if we completely deregulated health professionals in a free-flowing market of health services. He argues, for instance, that if doctors were delicensed or deregulated, let the buyer beware of what sort of doctor they wanted to avail themselves of, that to throw it open might allow in some ways for wiser health care consumers. They might have to shop around and say: "Well, did you hear about that doctor so-and-so? His technique isn't as good as this one." It would put an onus on health consumers to really be much more wise and discerning in their judgments.

Of course, we know that there is what we call asymmetry of information, where the consumer in this case knows much less about the procedure than the physician or the person who's treating them. Nonetheless, we also know that the medical profession is one that by virtue of getting their licensing, their being regulated and self-regulated by a variety of states in the United States and by their actions here, has in a sense set up in economic terms a monopoly for providing certain services. This is where the argument has come with chiropractors, midwives, and others who say: "Well, why do doctors have this monopoly? Why are there these barriers to entry for these kinds of activities, these kinds of transaction?" It is argued that we might get a much better, as I say, wiser consumer, a freer flow of marketing of health care transactions and services.

Now, I see some interesting looks from across the way. I'm just arguing that there is a way to look at deregulating health services and not increasing the regulations. The point is: what is in the best interests of the individual? What is in the best interests, as it says throughout the Bill, of the public? And who is to decide that but the discipline committees of these health professions, these health disciplines? The discipline committee will, as I understand it, be adjudicating what is in the best interests of the public or, moreover, be determining what actions will be potentially harmful to the public. This was the issue with naturopaths. A while ago people didn't know that if you put a balloon up some child's nose, for instance, that was going to be a potentially harmful and in that case fatal treatment or action. So we have to then step back and say: "Okay. Well, we're not going to allow naturopaths to do that, so we're going to in fact even decertify them, delicense them, get rid of them altogether," as I recall, and have stepped in in a very interventionist way.

Now, I know there would be those who would say: well, we can't be socialists in health care, because to intervene in that way is government control, government regulation. In fact, I'm proud of the Member for Calgary-Glenmore. By her regulations today she's showing what a great hand of intervention in the health care system and in professional licensing the government wants to have on behalf of the public. Well, I say that that's important, because I want to protect the public interest as well. What I want to argue, though, is that I believe there is another and a better way

of ensuring that the public good is served. That other way, that other path is not by virtue of regulating and controlling professions; it is, though, by regulating and controlling harmful actions. It puts the shoe on the other foot by saying that we will not allow anyone out there to engage in certain activities which we understand will potentially cause harm if they in fact are performed in the hands of those who are not properly trained or designated to perform those actions.

I think that that is a much better way of getting at the public interest, protecting the public good: knowing what we do about health care delivery, knowing what we do about what could possibly constitute harm, to then list those actions and say that we're not going to allow just anybody to, for instance, make a diagnosis. Diagnosis is something that we will only allow a professional medical doctor to do. We might say, for instance, that we're not just going to allow anybody to deliver a baby, but we might say by designation in certain legislation or regulation that we will allow doctors and midwives to deliver babies. We're not just going to let a chiropractor do that or anybody else who isn't licensed to do that action.

What I think the member and those who are on the professional regulations committee of the province know is that this is coming from and is now in legislation through Bill 43 in the Ontario Legislature, where in fact they have taken a radically different approach and, I want to argue tonight, a much better approach. Instead of trying to control health professionals, they lay out in legislation 13 different actions which are controlled by the legislation, and then they go about saying what professions out there can do certain of these actions. Then guess what, Mr. Speaker? Then they throw it open and say to any other health professional: you can do whatever else you want if you're going to get someone to pay you for it, but you're not going to do these 13 legislated, regulated, controlled activities.

In that sense, it seems to me that hon. Conservative members across the way would have a far more deregulatory and far more open, competitive process by letting health professionals do other manners of treatments and services which they want to engage in as long as they don't enter into any kind of activity represented by the 13 controlled acts. I'd like to spell them out because I think it's important to make this point. As I understand it, through, as I say, Bill 43, an Act respecting regulation of health professions and other matters concerning health professionals, which was passed November 25, 1991, there are 13 Acts. One I already mentioned is "communicating to the individual . . . a diagnosis." The second one is "performing a procedure on tissue below the dermis." The third is "setting or casting a fracture of a bone or a dislocation of a joint." The fourth is "moving the joints of the spine" beyond the individual's usual capacity. The fifth is "administering a substance by injection or inhalation." The sixth is "putting an instrument, hand or finger" beyond the external ear canal, beyond the larynx, beyond the labia majora, into an artificial opening into the body. The seventh is "applying or ordering the application of a form of energy prescribed by the regulations under this Act." The eighth is "prescribing, dispensing, selling or compounding a drug."

Speaker's Ruling
Relevance

MR. SPEAKER: Thank you, hon. member. How many more of these things are there with respect to this?

REV. ROBERTS: Mr. Speaker, I'd like you or somebody here to explain, then, what it is we're passing by this Bill when it talks about protecting the public interest. What I'm pointing out is that these actions are those that are designated in terms of protecting the public interest.

MR. SPEAKER: Well, you don't question the Chair, of course, hon. member. The Chair is just bringing your attention back to the Bill before us. We don't really need to listen to every single listing that you happen to have there from another jurisdiction.

REV. ROBERTS: There are several more, Mr. Speaker. "Prescribing or dispensing, for vision or eye problems" certain devices.

Is there a ruling here? I'm confused.

MR. SPEAKER: Thank you. I'll take away the confusion. Yes, that's sufficient of the examples. I'm sure you have other things to do with respect to commenting on the Bill.

REV. ROBERTS: Mr. Speaker, that's unfortunate.

9:00 Debate Continued

REV. ROBERTS: However, I want to bring members' attention to the fact that other legislations in another model of approach to this issue have found a way of describing in legislation what are dangerous, potentially harmful actions and have listed them out. I don't see them anywhere in this Bill 50 here before us tonight. What it does in a sense is sweep all of these potentially harmful activities into being adjudicated by a discipline committee of certain health disciplines.

As I see through and through the Bill, although I haven't got every detail, Mr. Speaker – for instance in section 20.2(1):

> Any conduct of an investigated person that, in the opinion of the discipline committee,
>
> (a) is detrimental to the best interests of the public,
>
> (b) contravenes this Act or the regulations,
>
> (c) harms or tends to harm the standing of the profession . . . or
>
> (d) displays a lack of knowledge or a lack of skills or judgment in the practice of

a certain profession. That's fine. What I'm saying is that is going to lead to an increasing number of committees for how many more health disciplines? We've got 24 now. I heard the Minister of Health earlier today say that there are well over 30, I think, into 40 different health professions. We're going to be coming back to this legislation time and time again to say: "Well, what about this health discipline? What about that health discipline?" Are we going to set up another discipline committee for them to be able to determine that the professionals involved are not going to be involved in activities contrary to the public interest?

What we would be better served by in my view is a model which sets out those actions which will potentially be harmful and control those actions. Since I cannot cite them in their entirety, Mr. Speaker, you know the point. They are important so that we know, for instance, then, that it's fine to say that for all doctors, they are in a sense designated to do all 13 designated actions. Midwives under the Ontario legislation can only perform one, which is of course labour and the delivery of a child. Chiropractors can only do one. Others are not allowed to do any of them, and hence, as I say, are able to go in the marketplace if they can convince someone that they will benefit them in some manner or other. For instance, acupuncturists are in this model not allowed to perform any of these actions, but they still are allowed to exist and do business and perform certain health treatments for a lot of people from Asia, China, other countries who come to Canada and want to avail themselves of an acupuncturist. According to this they're saying: "Fine; go ahead. Just don't let acupuncturists

involve themselves in making a diagnosis or in any of the other 13 controlled activities." That's the point. It's another method, another model. It goes in another direction.

I think it should appeal to members of the Conservative caucus if they really, truly do believe in deregulation or freedom of individuals to choose or a competitive marketplace because it allows for that, but for those of us who have some conscience, some concern about the public good, it also protects the public good. Furthermore, it cuts back on all of the bureaucracy, as I understand it, and the further amendments to amendments to different Acts. It sort of deals with the matter, I'm sure not perfectly; there might in fact be some amendments. At least it gets behind this process of having to always come back to the trough for further determination of yet another health profession.

Mr. Speaker, as I say, I haven't put this together in a way that I would like to in terms of the further research on just how this has come to be. In the Ontario model, though, I would draw members' attention to a volume called Striking a New Balance: A Blueprint for the Regulation of Ontario's Health Professions. I'm sure members of the Alberta committee are aware of this, because it has been used as a model throughout North America by those who want to see how this approach is working. I think it's important that we take some time and look at the virtues of this and be able to in a sense maybe make some changes in time. I know the Member for Calgary-Glenmore is now going to get up and say: "Well, it's too late, Roberts. We've come this far. We're done all these things. We're going down this path of sort of taking on one health professional after another, seeing how they're going to be disciplined, how they're going to be set up, how many members on their board or committee, and so on. We've just done that now with midwives; we've done it with ophthalmic dispensers and so on. So don't bother us with this other model and this other approach. We're going to find our own ways to ensure that the public interest is not harmed." I'm saying that I know those arguments are going to be coming; I know this will be dismissed. I just think that at second reading in this Assembly it's important for members to see that there is another approach which I think merits a lot of attention and in time will in fact be seen to be less interfering, more economical, and, in fact, will more tightly control harmful actions which we as legislators do not want our constituents to suffer under.

Mr. Speaker, those are the arguments that prompt me at second reading on the principle of this Bill not to support it even though, as I say, it's important that we have the included designation of midwives and others. I think there is a better way, and I would like to see that perhaps another time we could get on with that better way.

Thank you.

MR. SPEAKER: Additional?

Calgary-Glenmore in summation at second reading.

MRS. MIROSH: Well, thank you, Mr. Speaker. I've really been taken by what some of the members of the Official Opposition have said with regards to the time frame. I don't know where they've been. In 1990 I introduced the policy governing professional legislation, and this Act with the four different amendments is bringing all of these amendments up to date with that policy paper.

Bill 37, which was introduced last spring, was amendments made to the opticians Act and the Optometry Profession Act. This has had a great deal of discussion, and virtually there hasn't been a lot of change there. The Pharmaceutical Profession Act has been unproclaimed since 1987. It's been hanging around since then, and now the Pharmaceutical Association is wanting it to be passed and proclaimed immediately. So if the Official Opposition hasn't had time to talk to these people, it's certainly not the fault of this Assembly by any means. These people have done a lot of work. There's been a lot of consultation. The consultation has been going on for at least two years. Once the Act has been drafted, they've been shown every piece of the legislation along the way. So for members opposite to say that that consultation hasn't taken place is absolutely, totally untrue.

The Member for Edmonton-Gold Bar spoke about the registration procedure. What we've done here is basically clarified it so that all of our legislation remains pretty well the same for every group. Mr. Speaker, I'd just like to outline that Alberta has been a leader in professional legislation. As a matter of fact, other provinces are copying us, so the Member for Edmonton-Centre is certainly out to lunch.

I'd also like to just make a point here. We are elected in the Assembly to govern. We're allowing and designating this governance to the professions. We are giving them self-governance. We are not overregulating them; we're letting them look after themselves. They're asking us to put this in their legislation, not the other way around.

REV. ROBERTS: You're giving them a licence, though.

MRS. MIROSH: Excuse me. If you want to delay this, then you deal with the professions, because they'll hammer you pretty well.

I just wanted to say, Mr. Speaker, that it has taken a long time to get this far with all four pieces of legislation here and all amendments, so I'm pleased to move second reading of Bill 50.

[Motion carried; Bill 50 read a second time]

9:10

Bill 46
Pension Statutes Amendment and Miscellaneous Provisions Act, 1992

MR. JOHNSTON: Mr. Speaker, I'm very pleased to move second reading of Bill 46, the Pension Statutes Amendment and Miscellaneous Provisions Act, 1992.

Let me begin, Mr. Speaker, by saying, as I did in the introduction of this Bill, that this is a very significant piece of legislation, which is in fact much more than a simple administrative change in the rates and a provision for the continuation of the federal legislation. No, it's much more than that because it's the result of one year's efforts by this government to bring together all five public pension boards and to fix once and for all the pension plans of this province; the first time, as far as I can check, that there's been a comprehensive review of pension legislation and pension plans in this province, and in fact it was done over the course of the last year. In fact, the first position paper was put out on July 9, 1991, and since then, to say the least, there's been exhaustive if not exhausting consideration of this issue.

I want to express my appreciation in particular to the boards, Mr. Speaker. Under the legislation now in place it is possible to call upon the boards to do special assignments. When I first called upon the boards to take on this assignment, the boards of the five pension plans were somewhat reluctant, not knowing whether or not they were up to the challenge and in part not sure that they had a broad enough mandate to talk on behalf of the stakeholders. After some broad discussions with them I was convinced that they did have the ability and the strength and the determination to make

this work, and in fact as it turns out, that was the case. These five pension boards, under the chairmanship of Mr. Faries, in fact performed in an exquisite manner, and I think to them goes much of the credit for bringing these five plans to fruition, to completion today.

At the same time, Mr. Speaker, there was an extensive consultation with all the stakeholders. When I first started this process, I think there was a sense of reluctance to believe that the government was involved in consultation and that there would not simply be a top-down discussion whereby we would put out a piece of paper and not listen attentively and then come down with some sort of a conclusion which might not work in the best interests of the boards, of the members and the stakeholders in the various groups that are represented. That was the first bridge we had to cross: we had to build confidence, and we had to ensure that we had an exchange of information among all the participants. It did take a long time and a lot of effort to ensure that these discussions, including the information exchanged and an understanding to some extent of the vernacular, were completed.

Mr. Speaker, as a consequence this Bill, which as I say is not just a series of changes in the rates and of technical changes in the increases in the contributions, in fact has very significant measured outcomes. Just let me note those outcomes for the record. As I've said, this is the first comprehensive review of the pension plans undertaken as far back as I can see, probably well into the '50s, and for many of the problems that we are dealing with today the genesis was in fact in the '50s. Since then these plans have had to undergo only rate changes, and in fact there has been a reluctance to deal with the significant and fundamental problems implicit in the plans. These five plans now are fixed, and they're on a secure financial basis. They are, on a current service basis, well set to deal with the future.

The unfunded liability, Mr. Speaker, which has been a concern to many people and certainly a concern to the government, has been reduced on these five pension plans from about $5.5 billion to below $500 million. In fact, we're still making some calculations on that amount, and I would expect that by the end of the day it'll be well down towards the $300 million amount, a significant reduction in our financial liabilities, improvement in our fiscal position itself, and final security for the members in the plan as well.

Finally, Mr. Speaker, when I first embarked on this process, I outlined a budget for ourselves that I thought was fair both as the government as an employer and as a government responsible for some of the unfunded liability, and this plan now has come in on budget.

In my discussions with the boards and with the members of the plans, Mr. Speaker, the one significant theme which drew us together and I think led us to a conclusion was that ultimately it is in fact a fixed financial plan, a fixed pension plan that is the best security for a plan member. If you leave it to some extent to the frailties of even politicians but certainly the frailties of the fiscal position of the government, you may see at some point going out in the future that some of those benefits would have to be ended or changed or withdrawn, and nobody wants to plan for their retirement on that basis. Accordingly, we agreed that the greatest security would be if we could put these plans on a sound financial basis. I can conclude and recommend to the Assembly that this has been achieved by this agreement.

Mr. Speaker, one of the major objectives both of the government and the members of the plan was to do two things. First of all, it was to sever and to segregate the plans into their own plans. Up to last year we were considering the plans as a pool of assets and liabilities. Obviously, there'd be some distortions as between the plans because each had a varied history, each had a different contribution rate, and each had to be fixed in a different fashion. Accordingly, if you had to make contributions in a plan which had a very small unfunded liability, you would expect that some of your money would be going to fund those plans which had a high unfunded liability. Therefore, this cross-subsidization was a worry to the plan members and to the government. To effect a change there, we have segregated these plans into five distinct plans. Therefore, each plan will have a separate and distinct solution.

As well, the other problem which presented itself – and it was in fact the government's position that we wanted to ensure that governance moved to the boards themselves to be placed in the representatives' hands, among the stakeholders where it belongs. Accordingly, this Bill and the subsequent Bill to which I'll refer in a minute will in fact do just that. In most of the plans, certainly those plans where the government is not a direct employer, governance moves to the new board, and the governance takes on a considerable responsibility. It's not just sitting there and dealing with appeals. In fact, the governors will have a significant fiduciary responsibility. By that I mean that they'll be responsible for setting rates in the future, for setting the general guidelines for the investment policies, and for dealing with all variety of matters which deal with the fiduciary responsibility.

That simply means, Mr. Speaker, that in the future, once you see the plan fixed as at December 31, '91, the plan board will have the responsibility to ensure that it stays fixed, that the unfunded liability does not increase, and that the pressure on benefits will be shared among all members of the plan. Therefore, there'll be an immediate discipline to ensure either that rates go up and the benefits go up or that in fact you have a balance between the two. Nonetheless, by ensuring governance, by fixing the plan today, you are transferring the responsibility back to the shareholders, to the stakeholders, and the government's responsibility is moving back from that. I can foresee that under the new plans, in fact the government guarantee will end in the future as well. That means to say, if the plan is soundly financed, all members pay the current service, then in fact the plan will be on a sound financial basis and it's no longer necessary, therefore, for the government guarantee to be in place.

On the rates, Mr. Speaker. One of the major problems was the unfunded liability, which was increasing very rapidly. From 1985 to 1990 you saw an increase in the unfunded liability moving from about $4.2 billion to $5.5 billion. But in fact if we look at the reason for that unfunded liability, you'll see quite clearly that it's accounted for in two major parts. The one major part was the COLA. We had on an ad hoc basis both been providing COLA adjustments to those people who had retired and had made a commitment to those people who would retire that COLA would be available to them. It's true we have had a checkered past in terms of that rate, but in looking at the numbers over the last 10 years, we have calculated that the average COLA adjustment for all government pension plans has been about .6, or 60 percent of the Alberta cost-of-living change, the CPI. Therefore, because the COLA was in fact being paid and because there was an assumption that it would be paid in the future, you obviously had an unfunded liability because, of course, none of the plan members had paid for that COLA benefit. It was not paid for. It was provided ad hoc, but in fact it had not been paid for. So you can imagine, if you have a major liability being generated by the COLA, have no contributions to match it and no assets in the fund, that in fact that liability would continue to grow. As I've indicated, it was the single largest reason that we had an unfunded liability in the past.

Secondly, there were some other benefits which were put in place, and perhaps for a variety of reasons, considering the past history of some of these plans, maybe there had not been enough current service contributions made to those plans as well. Mr. Speaker, therefore, the plan which we presented in July of '91 was a balanced plan whereby we would put the current service in place, ensure that it was fully funded now and in the future, and then, secondly, fix this unfunded liability by across-the-board assistance from the stakeholders, the employers, and especially from the government on top of it. This is a balanced position. If you get the benefit, you should pay some of the bill. The government's taken unto its own responsibility a large part of the unfunded liability, and, finally, the taxpayer is not being burdened in any unusual or significantly additional amount by this formula.

9:20

In all of these plans we have seen, if you look at the rates here, that part of the rate increase is in fact directed to the unfunded liability generated, as I have said, by this COLA factor and by the fact that the current service contributions were not high enough. So all of us are at the table. This is a very major contribution made by the stakeholders, who agreed that they had some of the shared responsibility, and they came to the table. In fact, these rate increases will deal with the unfunded liability. The government in all cases has put in place an additional surcharge on top of it to accept part of its responsibility for this unfunded liability, in particular the unfunded liability for those people who are now drawing pensions. So it's fixed. The rates are now in place.

Finally, on the rate question, in many cases the rates will phase in over a three-, four-, or even five-year period to ensure that the impact on the individual is not as sudden and direct as has been feared and to allow a smoothing to take place in terms of the disposable income of the individual. Nonetheless, by adjusting the rates and by fixing the rates once and for all, we have again reduced the unfunded liability in the future.

We also had a discussion among the plans and the benefits. Now, some of these plans did have interesting benefits, and as I said, the benefits have emerged over the past few years for a variety of reasons and for a variety of circumstances and a variety of situations. In some cases we've asked some of the plans to reduce their benefits, not significantly but only on a consultant basis. Those benefits obviously show up in the rates that are charged accordingly. But that's been agreed upon, not imposed, and all the groups have been involved in this process. Largely speaking, the benefits really haven't been changed all that much, and as I've indicated, we've added specifically the COLA benefit. The 60 percent COLA has now been fixed once and for all and will be a permanent part of our future plans as well as providing specific benefits to those people who have already retired and are now, I guess, a little more secure in terms of how the COLA will be applied to them.

Mr. Speaker, just to talk more directly about the Bill itself – since I guess that is really our responsibility here, to talk about the Bill – the Bill, as I said, deals with the rates. Secondly, the Bill deals with the federal imposition, the federal changes in pensions which they have put in place themselves effective January 1, '92. Now, the federal government in its own wisdom believed that there had to be some limits imposed on public-sector salaries which were pensionable. Accordingly, those levels have been put in place in this piece of legislation, but there was a transitional piece of legislation passed by this Assembly, which has a sunset in August of 1992, which I brought in last year to allow for that transition. So this Bill extends and confirms the legislation with respect to the federal changes as they impact on the level of contributions and the level of income that is eligible for the pension plans.

Thirdly, Mr. Speaker, this Bill provides also for the payment of the administration of these funds, because of course if you have governance, if you have a segregated plan, then of course they would have to pay for the administration of that plan. Accordingly, that is reflected in this legislation.

I should say, Mr. Speaker, because it's important that we note it, that in this piece of legislation is also a rate increase for MLAs. This has been a significant issue for many Albertans and for us as well. There have been some concerns about our pension levels, our pension benefits. This piece of legislation – and I want this to be on the record – increases the MLA contribution from 7.5 percent to 10 percent, some 33 percent increase by quick calculations. That is not phased in; that in fact happens on August 1. So anybody who's taking a trip in July, you'd better make sure that you're ready for the reduction of your pay in August, because it's going to be a significant contribution asked of all of us to make sure that our plan is also reflective of the current situation and realities of these pension plans themselves. So that's in this piece of legislation as well.

Mr. Speaker, let me say finally before I sum up that I will be introducing a piece of legislation which is now on the Order Paper, Bill 47, the Public Sector Pension Plans Act. I will be bringing that Bill forward in the next couple of days here. If I can ever judge when the House will end, I would like to introduce it at least in the last couple of days of this session, so sometime towards the middle of August I'll be ready to bring it in. Given the rates at which the opposition is dealing with our legislation, it may well be in August.

That Bill, Mr. Speaker, will be a framework piece of legislation which will pick up on these fundamental points that I have discussed. The governance question, the question of the guarantees, the question of the benefits will be put into a framework piece of legislation. That legislation will then encapsulate all these plans and will deal more specifically with these aspects that I have described as being implicit in this Bill. They will be explicit in the next piece of legislation. However, I will hold that Bill over until the fall of this year to give all the stakeholders and all those involved an opportunity to provide input to the government. We have already had some general discussion as to what the legislative framework will be and what should be included in this legislation. Nonetheless, because we want to have the fullest possible opportunity to ensure that it's as right as we can humanly make it, then of course we want to have the opportunity for that input.

That's roughly what's happened with our legislation, and that's roughly why it's certainly important for us to be involved in these changes. As I said, it was fortunate in 1981 that government during the period of excess money put $1.1 billion into these five pension plans. At the time I was in government, and I recall sort of taking it quite casually. Well, let me say, Mr. Speaker, that that $1.1 billion has served two purposes. Number one, and this is quite important, is that there was some suspicion for a while that the government was using the contributions from individuals to fund the General Revenue Fund. Well, we went back and did a calculation on this $1.1 billion. It's been checked by the Auditor. We used a normal set of calculations based on rates of return and assuming that the contributions had been made and matched, and in fact we found that that $1.1 billion exceeded the total contributions on a matched basis by employees/employers by about $200 million up to 1981. That $1.1 billion, which was then invested together with the new contributions but as well because of the management of the fund, has now grown to close to $6 billion.

Now, if we had not invested that money, Mr. Speaker, I can assure you that the $5.5 billion which we talked about for a while would probably be closer to $11 billion or $12 billion if nothing had been done. It was very fortunate that we had that $1.1 billion invested, and it's very fortunate that it grew to the level it did. As to the rates of return, I can advise, and I have said it before in this House, that the management of the Pension Fund itself has in fact outperformed most other pension plans in Canada. In 1991 it was in the top 1 percent of the rates of return of all pension plans, and over the past five years has never been lower than the top 10 percent of pension plan returns. We have had a good return on these funds. They've performed extremely well. I congratulate those people who have managed it, particularly those in Treasury. Again, it's fortunate that that high rate of return has paid off. Now, when it comes to rates of return, I must say that we made some assumptions and changes in the rate of return to ensure that the future benefits would be there for the individuals, and we've made some other changes which were agreed to by the board on an actuarial basis which will confirm our view that the unfunded liability has dropped off significantly.

Finally, let me say that we will do a new actuarial calculation at December 31, '91, and that will be the basis for these calculations. That's why we have some rounding here when we talk about the unfunded liability being $600 million down to $300 million. This will be taken care of by the actuarial calculations and by these excess assets that I talked about. Mr. Speaker, we will know then exactly what it is we have in terms of our unfunded liability for disclosure of March 31, '92, but it will be, at least in our quick guess now, around the $500 million, again down from about $5.5 billion.

So let me conclude here. July 9, '91, we started the process. I can recall demonstrations in the front of the Legislature, some fairly unkind words being said about the Treasurer, about me – I don't know why that would ever happen – some uncertainty that the process was working, and still further some doubt that the government was going to work on a consultative basis. The demonstrations are over. The acrimony has ended. The co-operation continues, and we have done the deal. We did it on a consultative basis, Mr. Speaker, with the widest possible participation of all the players, and by recognizing their valued input and the fact that it was to them the benefits would flow ultimately and it was to them we would hand the mantle of governance, we have done just that.

Mr. Speaker, again, the benefits, the guarantees, the governance, these are all significant aspects. Pensions tend to be a fairly confused area. Unless you start looking at your own calculation, you tend to get wrapped up in the vernacular to some extent, and it is somewhat confusing when you deal with pensions. It's been an education for me. It's certainly been an education, I'm sure, for all those members of the pension plans, some, I would guess, 175,000 or 200,000 people in Alberta who are directly impacted by these changes here today. In fact, they have comfort in knowing that these plans are now fixed for the future on a secure and strong basis and are now transferred back to them.

Mr. Speaker, I'm reminded of my old friend Francis Bacon, whom I have quoted, as a matter of fact, many times in the House.

9:30

MR. McEACHERN: Are you that old?

MR. JOHNSTON: Well, 1625. I'm on my fourth regeneration. You know that. It was Francis. I have to leave this as the final quote, Mr. Speaker: He that will not apply new remedies must expect new evils, for time is the greatest innovator; if time, of course, alters things to the worse, wisdom and counsel shall not alter them to the better but shall be the end.

Thank you very much.

MR. McINNIS: One of the finest minds of the 16th century there, Mr. Speaker.

We'd like to congratulate the Treasurer for taking this problem on and seeing it to this level of resolution. It's a problem that's been with our province for a very long time. I recall being very, very surprised to learn some 20 years ago that there was no such thing as a pension fund to back the public-sector pensions in the province of Alberta, that the government felt it was better to receive contributions into general revenue than to pay the pensions out of general revenue, which I guess works well enough as long as you make the assumption that the universe is expanding, the public sector is expanding, and the population is expanding. But of course we know that the world doesn't work in that simple fashion, and so something had to be done.

When the previous Treasurer, the hon. Lou Hyndman, addressed the problem I guess about 10 years ago, he found some – what shall I say? – unclaimed cash in the Treasury and decided to put that over into creating a pension fund, which of course time has proven was not the right sum of money, not an adequate sum of money at all to back the pension plans, and thus the problem of the unfunded liability which grew and grew and nobody seemed prepared to take on until the Treasurer took it on. I congratulate him for being willing to do that.

MR. McEACHERN: The public outcry did that.

MR. McINNIS: My friend points out that the public played a role in persuading the Treasurer, and I'm certain there's an element of that. He's a politician, and a good one, and certainly listens from time to time as well. But I won't get carried away on that.

I've said many times before that the pensions are a very important part of the compensation package of any employee. They're just as important in a sense as take-home pay and benefits such as dental plans, medical plans. They're a part of what a family lives on over a long period of time. I think it's very important that changes not be made in a pension plan without in fact giving the employees an opportunity to bargain and negotiate around those types of changes. I know the Treasurer has consulted extensively with the pension boards and with some of the employee groups. This is fundamentally a consultation process, not a negotiation process. I guess in the case of the teachers it turned out to be a negotiation process, but with the others it's more of a consultation process, and I think it's working reasonably well.

I agree with the Treasurer that this is a very important piece of legislation. It's one that should not be taken lightly and considered lightly. It's intended to do all of the many things that he mentioned. For that reason this legislation will be supported by the opposition in principle.

There is one particular comment I'd like to make about the MLA pension plan, because in that case I don't think you would really describe it as being a negotiation or even a consultation process. As I recall, the Member for Red Deer-North came to a Members' Services meeting with some resolutions prepared on how the government was going to deal with the MLA pension plan, and these are of course reflected in the amendments as endorsed by the Members' Services Committee. The Treasurer did mention that there's controversy. There's always controversy in discussion about anything to do with the salary and benefits of MLAs. Some people say that the MLA plan should be just like

any other public service plan. I suppose that invites the suggestion that the job should be just like any other public service job, which of course it isn't. I don't think we want people sitting around here in this Assembly simply because they need the pension benefits. There are many reasons to be in public life, and I suggest that would be probably the least valid of any of them.

The changes that have been made here reflect the significant increase in contribution which was mentioned by the Treasurer. I'm not certain, but I don't think that the provision on double-dipping is included in this legislation. I think that probably may be in the other Bill that the Treasurer mentioned is coming forward.

I think one point that needs to be made in relation to the MLA plan is that all of the MLA remuneration and benefits are currently under a review structured by the Members' Services Committee. As I understand it, a subcommittee has been meeting during the time that the Legislature has been in session and has structured the major elements of the review, and they're about ready to report back to the Members' Services Committee. Assuming all of that goes well, the review will be under way full scale within a very short period of time.

Obviously that committee will have the authority to review elements of the Members of the Legislative Assembly pension plan, and they may make recommendations which will impact on the plan and therefore will be reflected perhaps in changes down the road. We view these particular measures as being interim measures in the sense that there is a review under way, and the results of that review I think will have to be considered binding on the members; at least that's the way we look on it. When you have an external review, you don't sort of say: "Well, we'll take it if we like it. We won't take it if we don't." You know, that is a pro tem kind of an arrangement until the review can be undertaken. That's our view of it.

I was going to ask the Treasurer if he wanted to have a little cheese to go with the whine that he gave about the opposition not disposing with his legislation as quickly as he might have hoped. I would like to remind him that it was this government that had to adjourn the House for a week before the budget because they weren't ready to deliver it. We went many, many weeks without night sessions and with early adjournments because the legislative program was not in place, so now we're under compression in these final days to try to roll over and pass some things that maybe shouldn't be passed in the first place. I don't think we have to apologize for the fact that we're here to do our job. We're not going to be bullied and cajoled by that Treasurer into doing things which are perhaps unwise and hasty. We're going to take a measured view of these things, and we're going to do our job here in the Legislative Assembly.

MR. SPEAKER: Edmonton-Meadowlark.

MR. MITCHELL: Thank you, Mr. Speaker. I would like to make a few comments more by way of question than by way of actual comments, I think, and I'll just begin.

I'd like to know exactly what the Treasurer's schedule is for removing the government guarantee on these plans and which plans, because he said some are going to go directly to self-governance and some aren't. I'm wondering whether he could tell me what will be the extent of self-governance. That is to say, once a plan takes over the governing of itself, one, will there be a government representative or representatives? What will be the proportion of government and outside representatives? What will be the actual power of – I presume it's a board that would supervise a given pension plan. That is, could that board say: "We don't want the Treasurer's department investors to invest our plan. We would like to have some brokerage firm or pension administration firm, or several of them, invest portions of our plan." Will that be in their power or not?

9:40

The removal of the government guarantee. I guess that means what it says. The plans will specify what they would deliver to a retiree, but will they be able to deliver? Say the investment projections fall short; say there's a bad two or three years and the plan assets drop or don't earn what had originally been anticipated. If a public servant had retired and was to receive after, say, 20 years of employment 40 percent of their income and it worked out that there were only sufficient earnings to pay 37 percent, does that mean that it wouldn't be topped up somehow as would now be the case? I assume that's what it would mean, that if the plan was to pay 40 percent, it might not be able to pay 40 percent if the government guarantee is gone. That's not inconsistent with most plans out there in the real world, I assume. I'd just like to see what the mechanics of that are, and I think it would be useful for people in these plans to begin to understand what that means.

I know what the minister's answer will be to this: "There is no ratification because the unions themselves haven't asked to ratify." Could he please explain whether that was discussed, whether part of the deal was that we're not going to wait for ratification, or whether the unions simply didn't ask to have ratification procedures or don't feel they have the resources to administer them. I'm interested to note in this regard that apparently some locals of the AUPE have demanded the right to ratification, and I wonder whether the minister could give us an update on what exactly has become of those requests.

The question of administration costs. Apparently a revolving fund will be structured. The government will be paying the administration costs out of this fund, and each of the plans will pay an amount into the revolving fund to pay for the administration costs. Could the minister please indicate on what basis the charge of costs to each fund will be established. Will it be on the basis of assets or on the basis of the work involved in paying out? That is to say, if one plan has more retirees than another plan, would that first plan pay more money for administration or less, or is there some mix of those formulae? How exactly will that be established? It looks like this, but could the Treasurer put our mind to rest. It seems that the Treasurer can arbitrarily establish what the administration fees are going to be and then can reach into the plans and take out that money. Is there a process whereby he has to audit the fee, provide an audit to the plans of what the fees are and what the costs in fact are so that they can see the relationship between the two? Is there an authorization procedure? I'm sure there is, but I'd just like to hear it from the Treasurer.

I would also be interested in knowing what will become of the overpayment of $140 million that has apparently grown now to $250 million. Could the minister please simply ensure that that will be divided amongst the plans on a pro rata basis, and if so, what will the basis be? Will it be assets or membership or what the assets should have been?

Finally, the schedule of funding. Again, I'm interested in seeing, if possible, how it is that . . . We know we have the liability. We don't know exactly how much the three parties will be paying in excess against the unfunded liability. I'd like to see how their payment schedule over the period of time allotted to ultimately get to zero unfunded pension liability works, what assumptions are made about earnings and so on, and what assumptions are made about public service growth, which would affect the size of the premiums to be paid.

Thank you, Mr. Speaker.

MR. SPEAKER: Edmonton-Kingsway.

MR. McEACHERN: Thank you, Mr. Speaker. I want to add a few comments and questions to the Treasurer about this Bill. For starters, I want to take him up on some of his numbers. Well, I guess I should reiterate what I suggested to my colleague a few minutes ago. The Treasurer was bragging about the wonderful process he used to solve this problem. The fact is that there was incredible pressure from the public, so the government finally decided they had to do something. I am glad they did, and it does seem like what has come out is not too bad, but I would like to point out a few things.

For instance, the Auditor General in his report for the year ended March 31, 1990, had stated that the unfunded pension liability was $9 billion. That was the last number we had right up until the public accounts and the Auditor General's report came out in early April. I guess it was even almost mid-April, just the Friday before the budget came down, which I think was on April 18. So we had to try to work with those numbers, and of course by that time the numbers were nearly two years out of date. If you looked at the accumulation of the unfunded liability as indicated by the Auditor General over a period of years, it was a logical assumption to assume that it was about $11 billion. The Treasurer, however, made no such concession. He was going around using the figure of $3.4 billion, which was the pension liability not including the teachers' pension liability from the 1988 annual, or I think every third year, analysis of the unfunded pension liabilities.

The next year the Auditor General, when we finally did get his report, made some comments and re-evaluated that $9 billion, and that was including the teachers. It was $5.7 billion for the other five pension plans and $3.3 billion for the teachers that he'd had it set at, for $9 billion. He did re-evaluate that downward to $6 billion, and he mentions in his report some of the reasons why. He changed some of the basic assumptions, one of the main ones being that for some reason the Treasurer has decided that we should assume an increase in the value of the money in the pension plan from 2.5 percent to 3.5 percent over the level of inflation. The other thing was that they also changed the benefits downward from 75 percent to 60 percent on the COLA, the consumer price index allowance. So there are a couple of very major assumptions that helped to bring the figure down.

Now the Treasurer has gone ahead and concluded these agreements, and I congratulate him for that. I think it was a bit of good work, and I will admit that. However, I think he also put a lot of pressure on a lot of people to come to terms, because he carried a pretty big hammer in the sense that he was in control of those funds and in control of the situation. But he had allowed it to drift for 10 years – well, I guess only for five years under this Treasurer's stewardship, but for four or five years under the previous Treasurer the government let it drift, so the problem became very major.

I guess the thing that I rather object to is the throwing around of numbers in this extraordinary way. Here we've got the Auditor General saying that there's a $9 billion liability at March 31, 1990, and he's using the actuarial agreements and assumptions on which that fund was based. Of course, in a projection from that date to two years later, it would be logical, then, that it would have gone up to something in the neighbourhood of $11 billion. So those were, it seemed to me, reasonable figures to put out as the unfunded pension liability in this province, yet the Treasurer was going around at the time saying $3.4 billion, a figure, like I say, that was from 1988 and for only part of the pension plans; it didn't include the teachers. So that was most extraordinary of him to do that.

Now that he has supposedly fixed the plans, he also makes outrageous statements like he said in the House the other day to somebody asking him about the debt situation of the province: Still further, today the legislation which I introduced, complemented by the legislation introduced by the Minister of Education, reduces, in the Member for Edmonton-Glengarry's own terms, the liability of the province of Alberta by $9 billion, Mr. Speaker. Well, if in fact it was only $3.4 billion a few months ago, how could he possibly reduce it by $9 billion? I mean, it's an incredible sort of statement to make. And for him to expect us to believe that he's now got this liability down, I think in the last little statement he made, from $5.5 billion to less than half a million . . .

Now, if the government is going to be putting in half of the money on an actuarial basis, that sets up a whole series of obligations of the government in the future. But in terms of the unfunded pension liability, if he can do it on less than $500 million, why did he string it out to 2060, 68 years? I mean, I will believe the numbers when I see them from the Auditor General a year or two years down the road. I just can't bring myself to quite believe that the Treasurer has it straight or that he isn't kidding us about what's actually gone on.

9:50

I'm glad to know that the pensions are sorted out to the satisfaction of the parties that have agreed to these terms. I think the Treasurer did have to do some pretty good work to get that, but I do wish that he wouldn't be so radical in the numbers that he throws out, and then it doesn't really jibe with what the Auditor General says a year or two down the road. Just another example where he doesn't like to tell it exactly as it is; he likes to confuse everybody about what the numbers are so that he thinks he's the only one that understands what's going on. I guess he is, in the sense of these kinds of things, because he doesn't tell us all the details and all the facts. He just throws out some numbers and expects us to take it as gospel. Then the Auditor General comes along a year or two years later and tells it like it is. I'll be interested to see the real numbers.

MR. SPEAKER: West Yellowhead.

MR. DOYLE: Thank you, Mr. Speaker. I listened with great interest when the Treasurer brought forward his great words, Bill 46. He did mention the MLA pension fund going from some 7.5 to 10 percent. I feel that's very fair when other people have to increase their payments to the pension fund, but he didn't comment on the statement in the Budget Address of April 4, 1991. This member would like to know if the double-dipping of sitting MLAs has been discontinued yet, or is it sometime in the future that they plan to stop the double-dipping of sitting MLAs while the rest of us prop up the pension plan?

HON. MEMBERS: Question.

Speaker's Ruling
Improper Inferences

MR. SPEAKER: Before the Provincial Treasurer continues. It does not come as a surprise to many members, but there's a real concern that the Chair has about throwing around too casually the phrase "double-dipping." It simply has to do with this: that for persons who are legally entitled to collect what they are able to, it's certainly appropriate for them to be doing so until such time as this Legislature determines otherwise. It's just a caution.

Summation, Provincial Treasurer.

Debate Continued

MR. JOHNSTON: Well, Mr. Speaker, the next time we enter the debate, I'll be glad that you're . . . Excuse me, Mr. Speaker.

Mr. Speaker, the first responsibility of a politician is to be practical, and that's how this arrangement came about. That's how we framed this so that we could in fact put together a practical resolution to the problems facing all of us under the pension plan arrangement. Now, there are some fairly detailed questions which have been raised by my colleague from Edmonton-Meadowlark. I'll try in the brief few minutes left to perhaps summarize what we have done, because there are some aspects that need to be perhaps expanded upon.

I must say, Mr. Speaker, that the discursive comments from the Member for Edmonton-Kingsway are mostly troubling, because of course they do become part of the record, and I wouldn't want members of the plan to think that the member's comments were in any way typical of the way in which we deal with these kinds of problems which cut across not political bounds but, in fact, are issues which have to be shared in terms of the solutions. So this is not a crude political position at all; this is simply trying to find a reasonable solution to a complex issue whereby you draw together all the participants. I said how we'd do it at the beginning; I maintained my position throughout. To argue that for some other reason we're drawn into a consultative process is just wrong, because this government, far more than any other government that I know of, ensures that consultation and full participation in the process are there. We believe in shared futures. We believe in the greater importance of the community of Alberta than, in fact, some of the individual or subgroups therein. That's the only thing I'll say to the statement from the Member for Edmonton-Kingsway. I thought it was somewhat ironical that he would accuse me of throwing around numbers. If I were to review *Hansard* over the course of the past three or four years, I would suggest that the one who threw the numbers around is in fact the accuser in this case.

So, Mr. Speaker, while in fact the issues and the concepts of pension plans may well be hermeneutical in a sense, quite complex, they are in fact clearly related when it comes to the day when you . . . [interjection] Bill will pick that up, of course. When it comes to the scriptures, Bill knows what it's about. That's right.

REV. ROBERTS: That's Greek scripture. A messenger. [interjection]

MR. JOHNSTON: That's right. I'll end it there on this side, Mr. Speaker.

Let me say that they are complex, but they can be interpreted very quickly when you go to retire and suddenly have to decide how you're going to handle your pension plan. Then, in fact, they are certainly crystallized for most people, and it's at that point that people realize what they have done, what they have, and to some extent what they have but what they expected to have may well be two things. What we're doing here is firming up and ensuring that the contract that we have now negotiated and put in place will be there when everyone now in the plan retires. That is a new shift, that's a responsible shift, and that was always one of our objectives.

Secondly, let me talk about the governance question. This was raised by my colleague from Edmonton-Meadowlark. These are very important issues and in our mind were very important elements of the negotiating process. We believe that the government does not have any greater wisdom about the future of these pension plans than the beneficiaries. We started in that position, and ultimately we have arrived at that position where we now understand each other on that point. Accordingly, governance will be transferred over time to at least the following: the universities academic pension plan, the local authorities pension plan, the special forces pension plan. In those three pension plans, which essentially are one off from the government, those groups in particular will have full governance and full responsibility for the plans. In fact, in the academic pension plan they have essentially taken full responsibility already, because the government guarantee on the unfunded liability, which is not very large at this point, has ended under this agreement, under the turn sheets that we've exchanged.

Still further, in other plans we'll take some time to move to governance, but by "some time" I'm talking about a period which is certainly less than five years. In most cases in one or two years we will in fact move towards a governance position. In that governance they will have the full fiduciary responsibilities I've indicated. They will control the plan. They will set down the guidelines for investment; they will have the responsibility to hire the investment bankers; they will set the rates; they will hire the actuaries: they'll do everything. They will essentially be on their own: that's what we said. That's what they wanted, and that's what we've agreed to.

Now, if there is an unfunded problem which may occur between December 31, '91, and the date of the next actuarial calculation, which may well be in three years, then they'll simply have to increase the rates to accommodate that unfunded liability. It won't be significant. It would be a small amount of money. It will be easily accommodated within the rate system over the next six years or so, and they will have full responsibility for that. I would want though, Mr. Speaker, at least at the beginning, to have the Treasury to continue to invest these funds. I made the point with all of the boards and all of the stakeholders that I met with that it is important to keep this pool of capital together as opposed to having the dollars moved, say, to New York or Chicago or Los Angeles or even Toronto. It's better to have that pool of capital invested for common Alberta interests to the extent possible. That has been agreed to, and that's why this transition is not going to be full and quick but will be complete within a very near term, and the governance, without any equivocation, will pass through to those three plans.

Now, in the case of the other two plans, in particular the government of Alberta management pension plan and the public service pension plan, here the government has a role as the employer. I mean, we are part of the game, and in any game where you're 50-50, any pension plan where the employee and employer have a partnership agreement, then the employer has some say in the governance. So in these plans, though they will have more clearly defined, more autonomous decision-making responsibilities, they will not ultimately be fully self-governing, because of course the government will always want to have some say both in terms of benefits and in terms of all the processes because we are a partner in the plan. So in those two plans governance will move more fully to a representative board with much more detailed and significant responsibilities along the lines I talked about but will not be full and complete because of course these boards in fact are still employees of the government, partly the government operation.

10:00

As to the costs, if you have your own plan and your own governance, your own independence, presumably you have to have your own responsibility for the costs of the plan, and these

costs will be essentially a direct cost to the plan. Instead of the government paying for them, we'd pay out of each plan, because remember, each plan now has a separate fund accounted for on a separate basis independent from all other funds, and so you will be able to account directly for those costs. It unloads the costs from the government's General Revenue Fund, obviously, and puts it on the funds' own operating costs, but given the scale of these funds right now – there are large dollars invested – the administrative costs will be really quite small but truly will be in their own domain in terms of judging how to operate. Mr. Speaker, on those two points alone, I think in part I have dealt with the questions asked.

On the question of the so-called double dip, we didn't include it in this piece of legislation, Mr. Speaker, simply because under the announcement we made, the double dip in fact will not be in until the next election. Accordingly, we don't have to make any changes until the next piece of legislation comes in because we would not be taking or adding to the benefits at all. It will be fixed in the next piece of legislation when there's a comprehensive review of what benefits accrue to those people working for the government who may have drawn or are drawing pension plans from another source. That will be dealt with in another piece of legislation.

Mr. Speaker, I think those are the general comments. I will be looking at the *Hansard* record. Should there be others that may require comment or explanation, I'll be glad to deal with them in committee. I will pick up any deletions I may have missed that are reasonable by a review of *Hansard*.

Mr. Speaker, I move second reading of this Bill.

[Motion carried; Bill 46 read a second time]

[On motion, the Assembly resolved itself into Committee of the Whole]

head: **Government Bills and Orders**
head: **Committee of the Whole**

[Mr. Schumacher in the Chair]

MR. CHAIRMAN: The Committee of the Whole will come to order for the study of certain Bills, as the Deputy Government House Leader has announced.

Bill 34
Appropriation (Alberta Heritage Savings Trust Fund, Capital Projects Division) Act, 1992

MR. CHAIRMAN: Are there any questions, comments, or amendments to be offered with respect to this Bill?

MR. JOHNSTON: Mr. Chairman, it is true that we have just had a fairly comprehensive review of these capital projects division estimates. Just two nights ago we fully debated the request for dollars. We had an opportunity to exchange ideas, to provide explanation, to debate. Accordingly, I don't know that I have much more to add with respect to this request for $102,384,000. I expect that should there be any questions, either myself or colleagues here will do our best to add to what we've already provided through the Committee of Supply.

MR. CHAIRMAN: The hon. Member for Edmonton-Kingsway.

MR. McEACHERN: Yes, Mr. Chairman, I do have a few comments. I outlined in some detail at second reading the opposition's objection to the idea that these expenditures are done through the heritage trust fund. They are exactly the kind of services that should be included in the ordinary budget of the province, and I spent some time developing that theme. Now, I don't intend to redevelop it in great detail, but I want to say to the Minister of Advanced Education, who chose to get up and misquote me, or shall I say make some quotes on my behalf, which I did not make, and then turn around and beat up on them as if somehow he was beating up on me for what he said I said, which of course was not at all accurate . . .

We have already taken each of these expenditures and argued its merits in the estimates, so I don't need to go through them in great detail. I would just say that some of them we supported; some of them we had reservations about. But the point I was making was geared to the way in which they are accounted, the way they are put before us. Yes, they're put before us in an estimates manner so that we can debate them much the way we do the estimates of the General Revenue Fund, but our objection – and I said this very strongly – was to taking that money out of the heritage trust fund and therefore the expenditure is never really accounted for in any numbers the Treasurer admits to. You have to wait for the public accounts from the Auditor General a year or two years later before you get the accounting.

The Minister of Advanced Education then took my dissertation on the accounting process to mean that somehow I was against some of these expenditures. I want to comment more specifically on two or three of the ones he raised. Let me just say once again that some of these we're against, some of these we're for, but they were answered by each critic specifically in their own time in this House in the estimates debate. If somebody wants to know what we think, they can look to those estimates and find out from the critic. It was not for the Minister of Advanced Education to start making assumptions about what I was saying in saying I was against all these things. One of the specific ones he said I was against was most interesting. He said: I guess that means the member was against the individual line service for the province of Alberta from Alberta Government Telephones, as it was when it started.

AN HON. MEMBER: You never said that.

MR. McEACHERN: Of course I never said that. I never even mentioned the individual line service. But now that he's opened it up, I do want to make a couple of comments on it.

The individual line service in this province cost the taxpayers of the province $221 million, as passed through various Bills of this sort in the Assembly after debate in estimates over the last several years. Now, it seems to me what the government should do with that $221 million they spent is demand it back from the new Telus Corporation and the shareholders of Telus Corporation because they have become the beneficiaries of the system. The government having sold shares in AGT and no longer being the owner of it, the new owners have gained that benefit of $221 million at taxpayers' expense, and it's my belief it's the shareholders of Telus that should reimburse the taxpayers of this province that $221 million.

It's part of the whole AGT sale/NovAtel fiasco, quite frankly. We saw the government take a big company like AGT, a Crown corporation that was making money and had a subsidiary called NovAtel. We the taxpayers of this province put money into that corporation over the years as users of telephones and then the government decided to sell off the telephone company and repurchase NovAtel, a total disaster. On top of that we the taxpayers put directly into AGT – not through use of telephones

– taxpayers' dollars so that every rural person could have an individual line into their homes. I think that's a good idea. We in fact suggested the program before the government did. The government picked it up in the campaign and went ahead and did it; they thought it was a great idea. But they should have kept control of AGT. Since they didn't, then the shareholders of AGT owe the taxpayers of this province $221 million, and they should darned well come through with it. The government should demand it back from them.

10:10

I want to conclude my remarks by saying to the Advanced Education minister and anybody else that has an inclination to do so that we on this side of the House can speak for ourselves. We will speak for ourselves. We'll say specifically what we think and what we want to say, and it isn't for some member on the other side of the House to say "Well, you're saying this" and then beat up on us for it as if somehow we'd said it. In my remarks I did not do anything more than talk about the accounting process. I made no implications whatsoever about any of these individual expenditures, and for the Advanced Education minister to draw the conclusion that that meant I was against cancer research or renewable energy research or Farming for the Future or the individual line service program is totally wrong, totally erroneous. I did not say anything against those programs.

I do say now that on the individual line service one, which he made a point of raising and I had not even mentioned the words in my speech – it just shows how much he was putting words in my mouth – I think the government should darned well go after Telus Corporation and demand the $221 million back that we put into the system they now benefit from by making money off the telephone users of this province. Of course, it just shows the foolishness of the idea of selling AGT in the first place. I mean, it isn't just the individual line service dollars that are missing; it's all those NovAtel dollars missing too that is so scandalous.

Really, Mr. Chairman, we've had the debate on most of the individual items. I don't intend to reiterate them, but I just wanted to make those points very clear to this House and to anybody reading *Hansard*.

[The sections of Bill 34 agreed to]

[Title and preamble agreed to]

MR. JOHNSTON: I move that Bill 34 be reported.

[Motion carried]

Bill 1
Constitutional Referendum Act

MR. CHAIRMAN: Are there any questions, comments, or amendments to be offered with respect to this Bill?

The hon. Member for Calgary-Forest Lawn.

MR. PASHAK: Thank you, Mr. Chairman. I have three amendments I'd like to propose, and I'll do them in order. But I wonder if the Minister of Federal and Intergovernmental Affairs could provide just a little further explanation of what is really the key section of this Bill, section 2(1), where it says that

> The Lieutenant Governor in Council shall order the holding of a referendum before a resolution authorizing an amendment to the Constitution of Canada is voted upon by the Legislative Assembly.

Perhaps some brief description on how he would see this actually working in practice.

The federal government has just introduced a referendum Act. If they choose to go that route and hold a referendum on proposed constitutional amendments, would he see Alberta perhaps introducing its own resolution independent from the resolution that would be put forward by the government of Canada? Would it only be Alberta that would be doing that? I know that British Columbia has referendum legislation. In order to get constitutional changes ratified, is there a possibility, Mr. Chairman, that we could have . . .

MR. CHAIRMAN: I hesitate to interrupt the hon. member. I'm wondering if he would like to circulate the amendments while he's speaking so the members will have them while he's completing his remarks.

MR. PASHAK: I guess my real fear here is that during the Meech Lake process, whether you supported it or not – I think there'd be some agreement that one thing that caused its downfall was that a number of first ministers met and seemed to have worked out an agreement but by the time they could get ratification for those changes through various Legislatures, new governments had come into place and it was very difficult to maintain the kind of unanimity that was achieved during the actual Meech Lake round. If we're going to have a series of provincial governments holding referendums on these constitutional questions, first of all, there's a possibility it could be a very lengthy process. Again, many changes could occur in terms of elections that would be held to interfere with maybe tentative agreements that had been arrived at earlier. I guess there's also the danger that provincial governments could even begin to play one another off in the way they would word their referendum questions. I wonder if the minister would care to make any comments on that in some general terms, in terms of how he sees this actually working.

MR. HORSMAN: Mr. Chairman, the question posed by the Member for Calgary-Forest Lawn is extremely important, and I think it's important that I outline this situation as we see it.

Now, in section 2(1), "a resolution authorizing an amendment to the Constitution of Canada" is a key term. That resolution would be a formal legal text to amend the Constitution Act. That is the type of resolution that was introduced in the Constitutional Accord of 1987 and introduced in this Legislature in June of 1987. Precisely the same resolution was introduced and passed in the House of Commons, et cetera, and all the other parliaments of Canada with the exception of the province of Manitoba. That was the formal resolution which would, if passed by the federal Parliament and enough Legislatures, become the amendment to the Constitution itself. That's a very important resolution. It should not be confused with the question referred to in section 3 of this Act. The resolution, however, referred to in section 2(1) would be the result of the process of negotiations.

Let's just assume for a moment that we were able to conclude the negotiations successfully and deal with all the matters that are now on the table and deal with matters such as Quebec's concerns, aboriginal rights, Senate reform, division of responsibilities, and so on. That resolution would come before the Assembly sooner or later. Now, it need not be introduced before the referendum question is posed, but it could be just brought in the House, set aside, while the question is framed as a result of a vote in the Assembly as contemplated in sections 3 and 4 of this Act. I hope that's clear, that the resolution itself is in fact the amending item which, if passed by sufficient parliaments, would become an amendment to the Canadian Constitution.

Now, I don't think we should confuse the type of legislation we have before this Assembly with the legislation just passed through the federal Parliament, because that legislation is by its very nature not a binding resolution on the federal Parliament. The question posed by the federal government just might be one the government of Alberta could find acceptable to pass to the people of Alberta for judgment, but it wouldn't necessarily be the same question. Now, it is quite possible the provinces would pose different questions. I think a desirable question – let's be very frank – would be to have a successful negotiation which would have a legally drafted text associated with it, which would be the resolution which would deal with all the items that are now under discussion. We would then ask a very simple question: do you agree, Albertans, yes or no, with what has been arrived at as a result of these negotiations? That would be the best possible question to put to Albertans: yes or no, a full package question. I can't say that will be the end result, so we're going to have to wait and see what type of question might have to be put to the people of Alberta under section 3.

10:20

I think we have to make it clear that you must make a distinction between the resolution authorizing an amendment to the Constitution and the question to be asked, which is described in section 3. Now, I know there are differing views as to how that question might be formulated. It is proposed here that cabinet would draft the question "to be put to the electors at a referendum." I know there likely are amendments to that, and I expect we're going to have to deal with those later on tonight. I hope I'm clear on this for the hon. member and members of the Assembly, because it's an important distinction that has to be made.

I haven't had a chance to look at the amendments. Am I correct that there are two pages of amendments circulated?

AN HON. MEMBER: Three.

MR. HORSMAN: Three.

MR. CHAIRMAN: The hon. member hasn't moved them yet.

MR. HORSMAN: He hasn't moved them yet, but I'm just looking at them now.

Having made those general comments, I don't want to confuse anybody by saying things over and over again. But we've got to make that clear distinction between the resolution referred to in section 2 and the question and resolution in section 3. I hope that's a satisfactory explanation.

MR. PASHAK: I appreciate that explanation, Mr. Chairman. It might help, and this is just by way of a friendly comment, if section 2(2) read something like this: the motion for the resolution as provided for in the Constitution of Canada may be introduced. Would that be correct? That's the intent, isn't it?

I think other members may have questions on those first three sections. I'd be willing to allow other members to ask those questions before I introduce my amendment, which is to section 3.

I do have a general question with respect to section 3. As everyone who has looked at this understands, this is what makes this Constitutional Referendum Act clearly a referendum Act and not an Act having to do with a plebiscite, as the federal government Act might very well be, because it says the questions "shall be determined." It's obligatory. It must go to the electors. When I first looked at this, I thought that maybe we should change that "shall" to a "may" because it might give the government more flexibility, but on the other hand, it would negate the very purpose of the Bill. That's my general question to the minister. How is it that he's prepared to live with the constraint that "shall" imposes on the government?

MR. McINNIS: To save time, maybe I can throw my questions in as well. I think most of us have no difficulty with the idea of a referendum on the constitutional deal. But if a constitution can't survive that test, it doesn't have very much hope of governing the people as our basic law. If we can't get the majority of people to agree to it, then what chance does it have to function as a unifying principle or, if you like, the social contract behind our society? Why are we into the other kind of referendum which is mentioned under section 1, asking that a referendum be held on any question relating to the Constitution. That's what I call the rhetorical question referendum. Why are we into that at this stage?

Now, I can foresee a situation in which we have in this country dual referendums. The federal government has already said that there's a strong possibility they will move on a referendum. They've passed legislation through the House of Commons, so there's a possibility they will be putting questions forward to the people. Is the government thinking it would put another question on at the same time to counter a federal referendum? Let's suppose for a moment that there is a package the government of Alberta doesn't concur with and doesn't really want to have passed. Is there some thought to putting a question more to the liking of the government to the people rather than whatever question might come from the federal government? I presume – and again, you know, this is all in the realm of speculation – that such a federal initiative might be asking for approval of a package of measures. That seems to be the character of the kind of referendum we're talking about in section 2 in the way of ratifying: do you want to ratify a set of proposals? What sorts of rhetorical questions would we be asking, and how is the Legislative Assembly to interpret the result of two different referendums in the province of Alberta on two different questions related to the same package? I think that could put us in a very awkward situation, maybe even an impossible situation in terms of duties. I guess if we pass this legislation, this government is saying it will be bound by the results of a referendum held under this Act, although if you have a complicated and confusing question in a rhetorical vein versus a question that's clear and direct on a set of proposals, it seems to me easier to interpret the question that relates to a set of proposals rather than the rhetorical question.

Also, it sounds democratic to say that the question to be asked has to be approved by the Legislative Assembly, but section 3 states that the questions "shall be determined by a resolution of the Legislative Assembly on the motion of a member of the Executive Council." Well, that puts a little different complexion on it. What it means is that it's a government proposal. When governments propose things in the Legislature, they often pass on a party vote. What role does the Assembly really play if the Executive Council predetermines the question and brings it in here and uses the government majority to make it pass? As I said in second reading debate, one of the most critical things about this style of democracy is that the question that's put be a single question, not a dual question, and that it not be an ambiguous question, that it not suggest an answer. I mean, there are many criteria you can use to ensure that the question is one that's meaningful to the voter. It seems to me the Assembly doesn't have any particular role in that, so I wonder why the government rejected a kind of all-party approach to drafting questions in that particular measure.

The other broad area, and this will be the subject of an amendment: I'm curious to know why there's no limitation on spending by anybody in the referendum, including the government itself. It seems to me there's tremendous potential to influence the outcome of the vote with unlimited advertising or advocacy advertising, `infomercials' they're sometimes called. Why isn't there some attempt to make sure that in the marketplace of ideas there is a level playing field when it comes to dealing with this matter?

MR. CHAIRMAN: The hon. minister.

MR. HORSMAN: I'm sorry, Mr. Chairman. I must say I'm having some trouble hearing and understanding some of the questions being posed because of the background noise in the Assembly.

MR. CHAIRMAN: Hon. members, could there be a lowering of the background noise, please? Order please.

10:30

MR. HORSMAN: Let me try to deal with the questions that have been posed in a general way. Perhaps I could just start with the Member for Edmonton-Jasper Place.

Section 1 contemplates the possibility of holding questions that are not related to the actual resolution itself. Let me just give an example of what might be considered there. Holding a referendum on "any question relating to the Constitution . . . or relating to or arising out of a possible change to the Constitution of Canada": we could bring in a question to the Assembly which would say, "Before we go to the table to discuss the whole issue, would Albertans insist that Senate reform be included?" In other words, "Would you tell us in advance that you won't accept anything unless it includes Senate reform?" It's more in the nature, quite frankly, of a plebiscite, because it's not related to a specific set of resolutions, as is contemplated in section 2 and thereafter. So it holds open the possibility that we could consult with Albertans in advance of going to a constitutional discussion with the federal government and other provinces, and that's why that section is there. Whether it would ever be used, I don't know. It's really asking a hypothetical question, but it holds open the possibility that that could occur.

On section 2, however – and the hon. member's quite right – that would relate to an actual set of proposals. Now, the hon. Member for Calgary-Forest Lawn asked why the government would want to find itself bound by such a resolution. Well, quite frankly it is because on anything so fundamental to Alberta and to Canadians as an actual amendment to the Constitution itself, the people should have the final say. They should be able to say yes or no, and the members of this Legislature would then be bound by that decision to implement that final decision. We wrestled with this as to whether or not it should say "may" or "shall." But in order to be absolutely clear to the people of Alberta that the end decision is theirs, the people's decision and not the politicians' decision, we included the word "shall."

I hope those answer the questions that were just posed.

MR. PASHAK: Thank you very much.

MR. CHAIRMAN: The hon. Member for Calgary-McKnight.

MRS. GAGNON: Thank you, Mr. Chairman. I just have two questions before we proceed. In regard to the binding nature – and I posed this during second reading – how could we possibly accommodate any movement on the federal side unless we're dealing with the last word, the final offer, the final package? If we make our results binding, I can see a trap there, and I'm wondering if the minister could answer that. It also deals with timing, which is my second question. During second reading I believe there was reference made to the fact that our referendum might be held in October with the municipal elections, and I'm wondering if at that time the minister hopes that we will have a final federal package to deal with, which in turn we can dispose of in a binding way. I wonder if the minister could deal with that, please.

MR. HORSMAN: It would be desirable indeed if we were able to come to that conclusion. I can't say that that will be the case, obviously. Nor can I say that what the federal government may do would be what Albertans would necessarily see in the question. Let's make an assumption of this: let us say that we go to the table, a package is put together, and we don't sign. Alberta does not put our signature to that resolution. Yet, because it is within the scope of the possibility of amending the Constitution without our consent, it would still be possible for us, not having signed it, to bring that back and say to Albertans, "Okay, we haven't signed that; nonetheless, do you want to accept it?" If Albertans then say "Yes, even though the government hasn't signed that, we still want to accept it," then the people will have had the final say, and then we will be obliged as a Legislature to accept that end result. That's what we're trying to accomplish here.

MR. PASHAK: I want to make it very clear, Mr. Chairman, that we completely agree with and support the principle that people should have the final say on these constitutional questions that are so important to the future of the country. Our federal party was of the same view. However, they found it difficult to support the federal legislation that came down because they felt that it didn't really provide for fairness. That's an important concern of ours as well, so with that in mind we propose the following amendment to section 3 of the constitutional Bill. There would be a new 3.1(1). It would read as follows:

> Following the order that a referendum take place a constitutional assembly shall convene to deliberate upon the questions to be put to the electors and to prepare a statement detailing the arguments for and against each question posed in the referendum.

Further, subsection (2):

> All persons eligible to vote at a referendum shall receive, no fewer than 10 days before the date upon which the referendum is scheduled to be held, a copy of the statement detailing the arguments for and against each question posed in the referendum referred to in subsection (1).

Now, that's not an original proposal, Mr. Chairman. If I may speak to that amendment, the referendum provides a really positive educational opportunity here for all citizens of the province. That's especially so if they're able to participate in even the framing of the very question itself instead of that question just sort of coming out of the blue.

The British Referendum Act, Mr. Chairman, recognizes the importance of having two umbrella organizations, one for the yes side of a question and one for the no side as well. Although I haven't worded that suggestion within 3.1(1) that way, that's what I would envisage could come from a constitutional assembly. It could be really two different umbrella organizations, one set up to look at the yes side, one to look at the no side. That's a suggestion that's made, by the way, by Patrick Boyer in *The People's Mandate*, a book that I just received a couple of days ago. He of course is a Progressive Conservative member of the House of Commons in Ottawa. He was elected in Etobicoke-

Lakeshore in 1984 and 1988, and I think he's made a career out of advocating that people should have a larger voice in these critical decisions.

In any event, he points out that even the Quebec Referendum Act contained components for financing and registration of referendum groups. The Canada referendum Act that he proposed would have provided for preparing voting lists, conducting votes, broadcasting rules, campaign financing, and offences that could take place. Other suggestions that Boyer makes are that there should even be some recognition of Charter of Rights and Freedoms considerations such as level access for people with disabilities at voting stations and maybe even distinctions made between urban and rural voters in terms of getting to the polls.

10:40

The point that I'm just trying to make is that if a referendum of this nature is to do what I hope the government wants it to do – that is, give legitimacy to whatever constitutional amendments are being proposed – it's absolutely essential, not just important, that people do feel that they have an opportunity to listen to both sides of the question in some fair way and that they do have made available to them succinct arguments that spell out reasons why one should either vote for or against a referendum question.

Originally I'd proposed 60 days; I recognized that that's too long. If you have some kind of umbrella groups operating out there – the way Boyer sees this operating is that the umbrella groups would come together under the control of the Chief Electoral Officer, and they'd provide opportunities for groups of citizens to get together in each electoral district, where debates could take place so that the citizens would really be informed of the issues well in advance of the actual vote taking place.

With those remarks I would ask the Assembly to support this amendment.

MR. HORSMAN: Mr. Chairman, this is obviously an amendment which is unacceptable to the government. Some of the ideas here are not bad if one puts them in the context of determining the rules for elections, which in my view are best formulated by way of regulations. But it's a fundamental change from section 3 as posed in the legislation in that the government under section 3 is required to bring forward a resolution "on the motion of a member of the Executive Council." What this contemplates is turning the development of the question itself over to a constituent assembly. Now, the constituent assembly as a body has never been defined, and quite frankly, during the course of last year or so during this question of how we approach the current Constitution, there were a plethora of suggestions about what a constituent assembly might be. It is far from being defined in this amendment, and I think that is a fundamental flaw with the amendment.

However, there is certainly the germ of a good idea here relative to making sure that both sides of the issue are indeed going to be thoroughly examined and perhaps supported. Also, I must say that this notion inherent in the second part of this amendment, which would be that all eligible voters would receive an explanatory document in advance of the actual vote, is one which has in fact been followed and is the practice in many of the states of the United States, which indeed utilize referenda, initiative, recall, et cetera – and Quebec, I guess as well.

I want to tell you that having examined the booklet which is supplied in the state of California prior to their initiatives, it's staggering as to its complexity. In fact, I think the booklet I saw – now, it covered a number of initiatives so therefore it's perhaps not entirely accurate here – was thicker than the Medicine Hat telephone directory. I think there's merit in this, but I don't believe it should be put into the legislation. Therefore, I think that it's still incumbent upon the government, as set out in section 3, to come forward with the question, and then it has to be debated in this Legislature and approved. I think it's the type of thing which would obviously warrant the closest consultation with other parties in the Assembly, but in the end it is still the government's responsibility to bring forward the question. Without getting into debating an amendment which is not yet on the floor, I notice that the Liberal Party is suggesting that an all-party committee process be established to work on developing the question before it is actually brought here by way of debate.

What the hon. Member for Calgary-Forest Lawn is suggesting is this very vague and undefined constitutional assembly, and quite frankly, unless it were clearly defined in legislation, I don't think it could be accepted. But I'm not, at the same time, dismissing the notion at all that in the process of determining the rules which would be in place, there is merit in the proposal of having the two sides identified and appropriate clarification being provided to the voter. But I don't believe it should be part of the Act itself, and I would ask my colleagues to reject these amendments.

MR. McINNIS: Mr. Chairman, I hope to convince the Deputy Premier to reconsider his out of hand rejection of these three thoughtful amendments that are before the Assembly.

AN HON. MEMBER: Hon. member, there is only one.

MR. McINNIS: Just the one, to 3.1. Okay; sorry.

The question of producing a balanced argument. It is true that in California things have gotten a little out of whack. One of the growth industries in Canada is the Constitution business, but it's not one that we can export, and I hope that the California political consultancy movement isn't exported here as well, because all kinds of things happen under the guise of direct democracy which are very unfortunate. When you get a large number of questions on a ballot and a large amount of background material, of course you get a great, large document.

We in this country don't make the same use of referendums. A referendum is only used on very important occasions in our country and our province, and I think that's the spirit of this particular Bill that's before us today. We're not talking about every voter getting a Medicine Hat phone book every election, because we aren't going to make that kind of use of referendums. We're talking about a book arriving a day before and a mechanism to achieve it. I think my colleague has done both things in preparing this amendment. He's set forth a means whereby the arguments can be generated, because it wouldn't be fair to have, say, a government which takes one side in a referendum debate and prepares both sides of the argument. The temptation would be overwhelming to put the stronger case on the side that the government favoured. He's addressed the question of how to get a balanced argument prepared and said that Albertans should have a right to have balanced arguments before them when they make a referendum. I think this is a very democratic initiative, and I think it's quite well thought out, so I urge that he consider it.

HON. MEMBERS: Question.

MR. CHAIRMAN: Is the committee ready for the question on the amendment proposed by the hon. Member for Calgary-Forest Lawn?

[Motion on amendment lost]

Point of Order
Procedure

MR. GOGO: Mr. Chairman, with regard to the amendments that are coming forward, under Standing Order 77 I, sir, know very well that when you call a Bill and ask if any member has comments, questions, or amendments to the Bill, it's been, I believe, sir, an established practice for some time that amendments when asked for would be considered in numerical order as they affect the various sections of the Bill. Could I ask you, therefore, that we follow that procedure tonight? If there are additional amendments, so be it. However, I would suggest to you, sir, that we consider the amendments in numerical order. For example, I noticed Calgary-McKnight is making an amendment to section 2 of the Bill, Calgary-Forest Lawn to section 9 of the Bill, Calgary-McKnight again to section 3 of the Bill. Could you, sir, give consideration to the government and this committee that we consider the amendments proposed in numerical order as they apply to Bill 1, if that's in accordance, sir, with your wishes?

MR. CHAIRMAN: Certainly the Chair is in the hands of the committee. If that's the wish of the committee, we'll move to Calgary-McKnight for her comments on her amendment to section 2.

Debate Continued

MR. CHAIRMAN: Calgary-McKnight.

MRS. GAGNON: Thanks, Mr. Chairman, and thank you to the deputy House leader.

My amendment under section 2(2) is as follows. I would amend it by striking out "may be introduced" and substituting the words "shall be introduced." The reason for this is twofold, actually. It ensures public consultation within the process, and I think it deals with the issue of time constraints. We feel that too often in the past constitutional business has been done behind closed doors, and the Meech Lake process, for instance, was a case in point.

10:50

I'm talking here about the resolution which the hon. minister clarified earlier for the Member for Calgary-Forest Lawn. I'm not talking about the referendum itself but the resolution. By requiring that the resolution of the amendment to the Constitution be tabled in the Legislative Assembly prior to the initiation of a referendum campaign, we feel that Albertans would have an opportunity to consider and contemplate these amendments in isolation rather than during the throes of a campaign. Members of the Assembly would have the opportunity to inform their constituents of the nature of the amendments proposed, and essentially we feel that this type of activity would ensure that there is no political manipulation, because the nature of the amendments would be out there prior to the referendum campaign assuring that Albertans knew exactly what it was that they would be dealing with when the referendum was put to them.

Now, as far as the issue of timing here – because I think it is still unclear as to exactly when this referendum will be held, whether it will be held in October with the municipal elections, whether it will be held after a federal initiative is finalized and presented, whether it will be held before that – we just feel that again if the resolution has been circulated and well understood, because of this amendment which says that it shall be introduced, then everyone would be dealing with full knowledge when referendum day comes and when they're asked to vote.

So I ask that members of the Assembly support this amendment.

MR. HORSMAN: Mr. Chairman, the use of the word "may" or "shall" is significant here. We would much prefer to stay with the wording as it is in the present legislation, which would permit some flexibility as to whether or not the resolution would be required to be introduced before the referendum is held. Now, there may be, as I say, good reasons not to actually bring the resolution into this Assembly and move it. That's what would have to be done; it would have to be moved by the government. If the government had not signed on to the deal, it would not be the intention of the government to actually move it into the Assembly until after the referendum was held and the people had said, "Yes, we want that." Then we'd be required to bring it forward. The question itself would obviously have to relate to the resolution, but the resolution may not bear the signature of the government. Therefore, it would be undesirable to be required to have to introduce it into the Assembly.

That's the reason we want to stay with the word "may" rather than "shall," and I would ask that the amendment be defeated.

MR. CHAIRMAN: Ready for the question on the amendment?

HON. MEMBERS: Question.

[Motion on amendment lost]

MR. CHAIRMAN: The hon. Member for Calgary-McKnight as to the remaining amendments to section 3.

MRS. GAGNON: Yes, Mr. Chairman. Our first amendment to section 3 would ensure that the question or questions to be put to the electors at the referendum shall be presented by the chairman of an all-party committee of the Legislature. This all-party committee of the Legislative Assembly would be composed of one member from each political party represented in the Legislative Assembly under our second amendment to section 3(1). So what we're saying here is rather than a constituent assembly as proposed by the Member for Calgary-Forest Lawn, we would like to see that the questions be struck by an all-party committee of the Legislative Assembly. Our reasons for that are quite simple, I think. After the Executive Council or the government side has determined what the questions would be, they will bring it into the Assembly, and we would debate it and so on. We don't feel that we would have a lot of influence on the nature of those questions. That would really have been determined in committee, because the government does have a huge majority, and what the government determines shall be the questions I think shall be the questions. So we truly believe that we must be involved at the question stage.

Now, I know that in second reading the hon. Member for Drumheller felt that only his government had the privilege of framing the questions, because, after all, they were the government in majority and so on. He just felt that if the government agreed to a nonpartisan approach with respect to question framing, there would be no incentive for anybody to ever want to be in government. Personally, I thought the member's arguments were somewhat ridiculous. We're talking here about the Constitution of our country, and this Constitution belongs to all Albertans. It is not the private preserve of the government party. This is not a matter of confidence, such as a supply Bill or the like. It's precisely because the Constitution belongs to all Albertans that we really feel a nonpartisan approach to the framing of the questions is required. That's why we ask support for this creation of an all-party committee of the Legislative Assembly to frame the questions. It would certainly add to the openness and to the fairness of what will be the questions which would finally be sent forward to Albertans.

As I said earlier, if the government brings in the questions and we have a debate, even if there's a free vote I still believe that the government in the final analysis will have determined what the questions are. What we're asking here is for input from the three parties in the Legislature, and I ask support for these amendments.

MR. CHAIRMAN: Just before commencing, the Chair would like to inquire of the hon. Member for Calgary-McKnight whether she's grouping 1 and 2 together.

MRS. GAGNON: Yes, for section 3; both sections of 3.

MR. McINNIS: Mr. Chairman, that makes no sense, because neither one stands without the other, so they might as well be considered one.

I understand that the member is trying to thwart the awesome power of the government majority in determining the questions to be put before the Legislature. I have a little trouble with favouring the all-party committee approach over the constituent assembly approach, because I think if anything the experiences that she knows as well as I do in the last round indicate that the constitutional elite in this country is not trusted to handle all the questions. Having a choice, I would assume the Liberal Party would look with some favour upon the idea of a constituent assembly.

Putting into legislation the idea that a committee has to be – oh, I see: three members drawn equally from each of the political parties in the Legislature. So it wouldn't matter how many members a political party had. If there was one member, then I guess that one member would be on it. Well, it's an effort. I'll give her an E for effort on that one. Not as good as a constituent assembly, but . . .

MRS. GAGNON: Patronizing. Thank you. What a jerk.

MR. McINNIS: This coming from a member who plagiarizes everybody else's work around here and puts her name on it. You know, she'd get thrown out of the finer universities everywhere in this country, including the province of Alberta, somebody who pretends to be her party's education critic. God forbid that person would become the Minister of Education. Calls me a jerk because I give her E for effort. Go figure.

MR. HORSMAN: I certainly agree that the notion of all-party consultation is worthwhile in terms of arriving at drafting the question which must come forward. I certainly cannot accept this amendment, Mr. Chairman, as it's worded now, because quite frankly this is an Act which will be in place for the future of this province dealing with all future constitutional amendments, not just the one that's under consideration now. It has a fundamental flaw. It talks about "three members drawn equally from the political parties currently represented in the Legislative Assembly." Well, Mr. Chairman, after the next general election in Alberta there may be five parties represented here. So I think it's fundamentally flawed in that respect. To tie it to the current representation in the Legislature by the current political parties I think is a fundamental flaw, and I would ask members to defeat it. I'm not at the same time, I want to make it clear, ruling out that there should be and could be all-party consultation. But at the same time, it could never be acceptable as well that if there were the three parties, the government, through accepting this motion, would find itself in the minority on any such committee. I mean, I don't care where you are in the parliamentary government, the government should have a majority on any committee. Therefore, that is another fundamental flaw, and I would ask that this amendment also be defeated.

11:00

MR. CHAIRMAN: Is the committee ready for the question?

HON. MEMBERS: Question.

[Motion on amendments lost]

MR. CHAIRMAN: Next would be the hon. Member for Calgary-Forest Lawn with regard to section 9.

MR. PASHAK: Before I look at section 9, Mr. Chairman, I'd just like to make a comment with respect to sections 5, 6, 7, and 8, in which there's a reference to a referendum being held either in conjunction with a general election under the Election Act or separately on a date provided under the Election Act or possibly under the Local Authorities Election Act. I had some concerns that maybe the electors would not be the same under both sets of conditions. I've talked to the minister about that. He's assured me that there would be no discrimination regardless of under which Act the election was held, and I'm satisfied with that explanation.

In section 9 I'm prepared, if it's acceptable to members of the committee, to combine my remaining two amendments, 9.1 and 9.2, because they both deal with financing. Is that acceptable?

HON. MEMBERS: Agreed.

MR. PASHAK: My amendment to 9.1 is as follows:

> For the purposes of supporting or opposing any question put to the electors at a referendum
>
> (a) contributions that may be made to political parties, persons or groups of persons may not exceed
>
> (i) $5,000 for any one contributor, and
>
> (ii) $1,000,000 in the aggregate for the total of all funds contributed to all parties, person or groups campaigning on a particular side of a question put to the electors;
>
> (b) expenses that may be incurred by political parties, persons or groups of persons may not exceed $1,000,000 in the aggregate for the total of all expenses of all parties, persons or groups campaigning on a particular side of a question put to the electors.

Then in order to accommodate that, section 10 would be amended by striking out subclause (d). In other words, the intent, Mr. Chairman, for this section of the amendment would be: instead of leaving the question of funding in a referendum campaign to regulations, it'd be clearly spelled out in the Act.

Further, Mr. Chairman, my remaining amendment, which would be added after section 9.1 and would be a new 9.2, would be that

> The Government of Alberta shall not expend money in the campaign on a particular side of a question put to the electors, except in relation to the express responsibilities of the Government as set out in this Act.

I'd just give some reasons for those two amendments, Mr. Chairman. First of all, I think it's absolutely critical that spending limits be included in the Act. Otherwise, if we're really trying to hear from the grass roots and hear their voices, they could be lost in a barrage of slick American-style advertising. I believe the minister has referred to some campaigns in California. For those with large sums of money at their disposal, it can just completely overwhelm any discussion or debate on an important or critical issue. So there must be limits. I note that the federal election has a limit of $8 million per committee. The problem with the federal legislation, though, is that there are no limits on the number of committees that can be established. Now, I know that constitutionally the limits on contributions are extremely tricky, particularly because of section 2 of the Charter of Rights,

which guarantees freedom of speech. However, I do have a legal opinion that a court would likely decide that such limits placed on spending are reasonable. Section 1 of the Charter provides for reasonable limitations, and it could be in vogue to cancel the previous section 2 that I mentioned.

In suggesting that there should be limits on spending – and that of course would put limits on media buys and that sort of thing – I'm not trying to suggest that there should be restrictions on the part of the media to editorialize or to write articles on informed points of view or anything like that. The limitations that I'm talking about are purely in terms of the amount of dollars that would be made available to either side in a referendum campaign to influence popular opinion on those issues.

Of course, the reason why I've proposed 9.2 is that the government is in a very strong position to influence the vote on a particular side of a question simply because of the resources that they have available to them. I think they should be precluded from providing any funding in support of either side of the question. They should appear to be neutral in these issues. Their job is solely to create or find the means whereby a debate can take place and to carry out whatever other responsibilities the government has as set out in the Act to ensure that a fair discussion and debate takes place on whatever referendum question is posed.

MR. HORSMAN: What the hon. member is proposing, of course, is to put into the legislation what we propose to deal with in the current legislation by way of regulation. These things must be clearly thought through. In my view, when the final results come about of the regulations dealing with the subject of financing referenda, it will occupy a much greater amount of paper than we now have before us in these two amendments as being proposed.

We cannot accept these because the amendment does not say who would regulate the limits or what the penalties may be. We're going to have to in the regulations provide for these things by way of penalties, and if you strike out section 10(d), you eliminate the ability of the government to regulate those types of matters. So spending limits of course – and the hon. member himself has pointed out the Charter of Rights and Freedoms – is a very difficult question which has to be carefully thought through. I don't believe the amendments which are now before us would be acceptable for those reasons.

We will prepare careful regulations. We do want to approach this in a nonpartisan way, because it is a matter which deals with the future of the Constitution. I think some consultation could very well take place amongst all parties before we put those regulations in place. Nonetheless, we believe that it is still best done by regulation rather than inserting these in the Act in a way which does not say who would regulate the limits, what the penalties might be, and we must be certain that we do not infringe upon the freedom of expression contained in the Charter of Rights and Freedoms. So therefore I would ask that these amendments which have been put forward en bloc be defeated.

I just want to make one comment about the 9.2 suggestion. I concur with the hon. member that the government should not be financing one side or another of the campaign; in other words, donations and so on which would flow through the political party process, et cetera. On the other hand, the government is going to have to undertake some expenditures relative to running the process, and that of course is dealt with further down in section 11.

I would think that while some of the thought behind this is well intentioned, we're going to have to clearly make it fair and not permit the referendum to be bought by highly financed interest groups and so on. It's best dealt with by way of regulation rather than being put into the Act.

11:10

MR. McINNIS: Mr. Chairman, in fairness to the Deputy Premier I think he has put forth a decent argument in respect of the proposed 9.1, but I don't think he has at all in respect of 9.2. I wonder, therefore, subject to the approval of the mover, if I could suggest that we do consider them separately as opposed to considering the two at the same time just so that the members are aware of what they're voting on at any given point in time.

MR. HORSMAN: We just agreed that we would deal with them together. I'm not trying to be objectionable here, but it strikes me as being peculiar.

MR. McINNIS: Well, it's not unusual at all. Those of us who frequent this committee know that we often put amendments through en bloc, and if there are differences within them that are identified in the discussion, they are then separated and considered severally. What do you do, then, if you favour one amendment and you don't favour the other? It's clearly unfair to leave members in a quandary like that.

What I was going to say is that the Deputy Premier is correct that the subject matter of 9.1 is complicated and could well benefit from being fleshed out by regulations, but this is the first time that I've heard the government address in any forum the question of financing of campaigns, contribution limits, expenditure limits. What we've gotten today is basically an IOU that there will be regulations of some character introduced that will deal with this subject matter. What we don't have is any idea of what those limitations might be in terms of dollar figures, what general approach the government is going to take in terms of handling these issues, whether there will be umbrella committees, how these things will be kept track of, what role the Election Finances and Contributions Disclosure Act will play. So I think he's presented an argument that suggests that the government may have a better way of dealing with it, but what he hasn't done is given us very much of a look into what that process might be. I guess it would be difficult at this date to produce draft regulations, but perhaps some indication of the framework for those beyond what was said today would be very helpful.

I think the other one is quite a bit different in terms of its implication, and for that reason I request that they be dealt with separately.

MR. CHAIRMAN: The hon. Member for Vegreville.

MR. FOX: Thank you, Mr. Chairman. I would just like to make a couple of comments in support of the amendments proposed by the Member for Calgary-Forest Lawn. I think it's very good that these items have been placed on the agenda tonight for debate, because they are significant and germane to any consideration of referendum legislation. I don't find very comforting the hon. Deputy Premier's reassurances very comforting. You know, he's basically saying: we agree with the Member for Calgary-Forest Lawn; we understand the principle involved here, but we really do think that it's best left to us to come up with these things, you know, behind closed doors, do it in the form of regulation at some time in the distant future and not subject the things that we've put into regulation to the scrutiny of the Members of the Legislative Assembly. Well, you know, that flies in the face of what the purported purpose of this whole Act is, and that is to be open and accountable and involve people and try and solicit input. That's why the Member for Calgary-Forest Lawn put forward these amendments, so they'd be part of the Bill, part of the legislation, and not be dealt with in regulation.

In terms of the principle of the government not being involved in funding either side of the argument, I think that's absolutely critical to the long-term success of referendum legislation. No matter how benevolent or open or democratic government may be in the future, the government is still perceived as a stakeholder in virtually every decision that's made, every question that may be put, and the government must remain scrupulously clean with respect to any charges of alleged influence with respect to the outcome of the referendum. It's supposed to be an opportunity to seek information and counsel from the citizens of the province without trying to taint that process in any way, and it's the amendment proposed by the Member for Calgary-Forest Lawn that would accomplish that noble objective.

I might remind the members of the Assembly that this provincial Conservative government in the province of Alberta during the 1988 federal election spent taxpayers' money trying to get Conservative MPs elected in this province so that they could impose a GST on the people of Alberta.

AN HON. MEMBER: No.

MR. FOX: Isn't that what happened? Well, I thought they brought in the GST after the 1988 election. Maybe I'm wrong. Maybe the Conservative government didn't get elected in 1988 and foist the GST on the people of the province of Alberta and indeed the rest of Canada.

MR. HORSMAN: That's nonsense.

MR. FOX: "Nonsense," the Deputy Premier says, but that's exactly what happened. The Prime Minister stated prior to the 1988 election that a value-added tax was part of their agenda. This government spent taxpayers' money to convince Albertans to vote for the laggards, so Canadians got a GST rammed down their throats. If the Conservatives hadn't won a majority of seats in the province of Alberta, they might not have formed the government. If that is at odds with the facts, the Deputy Premier is welcome to correct that.

MR. HORSMAN: What does that have to do with this?

Point of Order
Relevance

MR. GOGO: A point of order, Mr. Chairman.

MR. FOX: What does that have to do with government money being spent on elections, Deputy Premier?

MR. CHAIRMAN: The hon. Deputy Government House Leader, on a point of order.

MR. GOGO: Under rules of debate, Mr. Chairman, it's a long established practice established in our orders that hon. members addressing either a Bill or an amendment will at least periodically refer to the amendment before the House.

MR. FOX: That's an absolutely ridiculous point of order from the Deputy Government House Leader. I've referred to the amendment, to section 9.2, at least five times during my measured comments over the last four minutes. If that's not frequent enough reference to remind the member what I'm speaking about, I could go over it again.

Debate Continued

MR. FOX: I did make my points. Governments have spent money trying to influence decisions made by the electorate that don't directly involve them. I think it's a process that if allowed to continue, would invalidate the Constitutional Referendum Act. I think this is an important amendment that has to be supported by members of this Assembly who care about the integrity of the constitutional referendum process.

SOME HON. MEMBERS: Question.

MR. CHAIRMAN: Before we proceed to the question, the hon. Member for Edmonton-Jasper Place made a suggestion about voting on 9.1 and 9.2 separately. The Chair takes the position that it's up to the committee as to what they wish to do, whether they want to group things or ungroup things.

Is the committee prepared to deal with them separately? All those in favour, please say aye.

SOME HON. MEMBERS: Aye.

MR. CHAIRMAN: Those opposed, please say no.

SOME HON. MEMBERS: No.

MR. CHAIRMAN: Then they're together. The question is then on . . .

MR. HORSMAN: Before you pose the question, may I just make one brief response? The hon. Member for Vegreville knows very well that the government of Alberta did not expend one cent of taxpayers' money to support the GST. What we did do as a government was put forward a document and put forward advertising in support of the free trade agreement between Canada and the United States. To come into this Assembly and suggest that in any way, shape, or form the government of Alberta put forward funds to support the introduction of the goods and services tax is far from the truth. As a matter of fact, we've expended a great deal of publicly spent moneys on our unsuccessful efforts, unfortunately, in the courts of this country, as evidenced by the Supreme Court of Canada's decision, to defeat the goods and services tax.

So don't come into this Assembly and put it on the record without being responded to by myself that in any way, shape, or form one single red cent was expended by this government by way of taxpayers' money to support the goods and services tax.

MR. FOX: The cents might not have been red, but they were Tory blue, and a lot of them were spent to influence the outcome of that election. The argument is called cause and effect. If they don't teach it in law school, they teach it in the school of hard knocks, where the Member for Vegreville got his education.

11:20

MR. HORSMAN: If the hon. Member for Vegreville can produce one scintilla of evidence that one cent of taxpayers' dollars was spent by this government to support the introduction of the goods and services tax, I defy him to produce it. It is an absolute canard – and I don't mean duck – for the member to come in and make that allegation in this Assembly, and it cannot go without response. We did and do today continue to support the free trade agreement between Canada and the United States, and we did tell

the taxpayers and the voters of Alberta that we did and do support that agreement.

MR. FOX: Mr. Chairman, with respect, the voters of Canada did not have the option to split the motion that was placed before them in November of 1988. They had the option to vote for one of three parties, generally, in most constituencies. The governing party of the day that put forward their legislative agenda that included a free trade deal with the United States and a GST was the government whose candidates this government spent money trying to elect in the province of Alberta. If the Deputy Premier can't follow that line of reasoning, then I don't know what more needs to be done to convince him.

MR. HORSMAN: Well, the fact of the matter is that the hon. member came in here and said that we spent money to support the introduction of the goods and services tax. That is a falsehood. The fact of the matter is this: moneys were expended to convince Albertans that the free trade agreement between Canada and the United States was a good thing, and it is a good thing. That's what was done, and the record has to be clear. If the hon. Member for Vegreville's logic is as flawed as he demonstrated tonight, perhaps it's too late in the evening and too long in the session.

MR. CHAIRMAN: Is the committee ready for the question?

HON. MEMBERS: Question.

MR. CHAIRMAN: All those in favour of the amendments proposed by the hon. Member for Calgary-Forest Lawn numbered 9.1 and 9.2, please say aye.

SOME HON. MEMBERS: Aye.

MR. CHAIRMAN: Those opposed, please say no.

SOME HON. MEMBERS: No.

MR. CHAIRMAN: The amendments are defeated.

[Several members rose calling for a division. The division bell was rung]

[Eight minutes having elapsed, the Assembly divided]

11:30

For the motion:

Doyle	Laing, M.	Mjolsness
Ewasiuk	McInnis	Pashak
Fox		

Against the motion:

Ady	Gagnon	Nelson
Betkowski	Gogo	Oldring
Black	Horsman	Orman
Bogle	Hyland	Paszkowski
Bradley	Johnston	Payne
Brassard	Jonson	Severtson
Cardinal	Laing, B.	Shrake
Day	Lund	Sparrow
Elliott	McFarland	Tannas
Evans	Mirosh	Thurber
Fischer	Musgrove	Zarusky

Totals: For – 7 Against – 33

[Motion on amendments lost]

MR. CHAIRMAN: There are two amendments left. The Chair feels that the first one should be that proposed by the hon. Member for Calgary-McKnight to clause 10.

MRS. GAGNON: Thank you, Mr. Chairman. The amendment to section 10(d) would strike out "prohibiting or regulating." Our reasons for this are that we don't think that the government has the right to determine which political party, persons, or group of persons an individual may contribute to financially during the course of the referendum campaign. Like, what gives the government the right to determine that? What gives the government the right to determine how a political party, group of individuals, or an individual spends their money in support of or in opposition to the referendum question? We feel that people should have freedom here to deal with this matter exactly as they wish and that the regulations which say that the government can prohibit or regulate these matters is totally against any type of freedom of speech, freedom of association, or freedom of deciding who you wish to contribute money to.

I urge support of this amendment.

MR. CHAIRMAN: Any comments? The hon. Member for Edmonton-Jasper Place.

MR. McINNIS: Yes, Mr. Chairman. I'm scarcely believing my ears. Would this amendment take away from the government the ability to regulate contributions and expenditures on the part of parties participating in the referendum? That's what I thought I heard the member say. If so, I have to say that this is a phenomenal development in Alberta politics. The Liberal Party's come out now in favour of chequebook politics: whoever's got the most money can have the most influence. This is like Ross Perot, the man who would be President of the United States. He's prepared to spend a hundred million dollars of his own personal fortune in order to become President, more than double what any other candidate has ever spent before in the history of the United States. Surely this kind of thinking is foreign to this country. We don't believe that because you've got more dollars, you should have more influence in a proceeding. I think we believe in our country and have for a very long time that there should be some limitation on the ability of one person, one corporation to have influence within the system politically through writing cheques and making campaign contributions. That's the very fabric of the Election Finances and Contributions Disclosure Act provincially. There is federal legislation which not only does that but limits the amount of spending in absolute dollars on a per riding basis.

So if the Liberal Party is indeed saying they've abandoned that Canadian tradition and they're prepared to go with buccaneer capitalism, as much as the market will bear, as many dollars as you can spend without any regulation in terms of reporting or contributions, and that political parties can wade in full force and, I suppose, by implication, the government as well, I have to say I'm astounded.

MR. CHAIRMAN: The Member for Calgary-Forest Lawn.

MR. PASHAK: I want to reinforce very briefly what my colleague for Edmonton-Jasper Place has said and just make a couple of quick points. American case law absolutely rejects the concept of spending limits in either elections or referendums, but

that's American case law. There was a case in Alberta involving Medhurst in 1984. The National Citizens' Coalition is said to have won a similar decision in a Canadian court, but current expert consensus is that the Medhurst decision is not a strong precedent since it was tried in a lower court only. It was tried at an early stage in Charter law when the attitude of the courts to the Charter was still in a formative phase, and besides that, it's based exclusively on American law. Canada has had a longstanding tradition of election expense limits at all levels of government as well as broadcast regulations on campaigning. The courts have also shown in other ways that they're willing to restrict free speech. I'm thinking of the Keegstra case. So what the Member for Calgary-McKnight is proposing is totally against the whole Canadian tradition and reflects American political views, not Canadian political views.

MR. HORSMAN: Mr. Chairman, I would urge the defeat of the amendment. We've had two amendments dealing with the contributions issue, one from the Official Opposition which wished to put into legislation specifically the limits and so on. We now have one which, in my view, is diametrically opposed to the original amendment proposed by the Official Opposition.

Quite frankly, it has some other technical problems which I want to point out as well. Simply removing the words "prohibiting or regulating" makes the section ungrammatical. It would need to be rewritten to replace the verbs, and it would logically follow that subsections (1) and (2) should also be removed. So it has those technical defects in addition to the fact that what it indeed would do is remove any ability of the government, through regulation, to set limits on expenditures or contributions.

We have, as has been pointed out by the Member for Calgary-Forest Lawn, a tradition of making clear the level of contributions, the disclosure of contributions. It's in our own Election Act and the Election Finances and Contributions Disclosure Act. It was incorporated in the Senatorial Selection Act. I think it would be completely at odds with public opinion as well as the traditions of Canadian and Alberta political life.

I would ask that the amendment be defeated.

MR. FOX: I'd just like to express my surprise as well with this amendment. I find it somewhat confusing just reading it on its own without hearing any rationale or explanation. It does seem somewhat confusing. The Member for Calgary-McKnight made it very clear what the purpose of the amendment from the Liberal point of view was, and as was so eloquently put by other members, it does fly in the face of Canadian parliamentary tradition.

I would just like to point out to members of the Assembly that the trend in electoral politics is to move toward greater regulation and greater disclosure of campaign contributions and election finances. Indeed during debate on Bill 21 I mentioned some jurisdictions in the United States that now put strict limits not only on the amounts of money that can be donated to election campaigns but on who may make those donations. You can't accept donations in some jurisdictions from political action groups. You can't accept donations from corporations. You can't accept donations from trade unions.

11:40

The only donations that are allowed are donations that come from registered individual voters, and in order to facilitate that, you have to have very strict rules of disclosure so that you can determine whether or not money is being laundered through large numbers of people by interest groups who are seeking to have undue influence on the outcome of an election. So it's not enough in jurisdictions like that just to have the name of the person purported to have made the donation; you have to know their address and place of work and be able to kind of cross-reference other pieces of information.

I would sure like some further clarification from the Member for Calgary-McKnight, because I don't know if this is an indication that the Liberal Party will now be coming forward with proposed amendments to the Election Finances and Contributions Disclosure Act suggesting that we remove all regulations with respect to those two time-honoured practices in the province of Alberta. I'd sure be interested in hearing about that.

MR. CHAIRMAN: Question?

HON. MEMBERS: Question.

[Motion on amendment lost]

MR. CHAIRMAN: The hon. Member for Calgary-Forest Lawn with regard to his amendment to section 10.

MR. PASHAK: That was actually included in my amendments to section 9. There was a reference to . . .

HON. MEMBERS: Question.

[Motion on amendment lost]

MR. CHAIRMAN: Are there any further comments or questions?

HON. MEMBERS: Question.

[Title and preamble agreed to]

[The sections of Bill 1 agreed to]

MR. HORSMAN: Mr. Chairman, on behalf of the Premier I move that Bill 1, the Constitutional Referendum Act, be reported.

[Motion carried]

MR. GOGO: Mr. Chairman, I move that the committee rise and report progress.

[Motion carried]

[Mr. Speaker in the Chair]

MR. SCHUMACHER: Mr. Speaker, the Committee of the Whole has had under consideration certain Bills. The committee reports the following: Bills 34 and 1. I wish to table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

MR. SPEAKER: All those in favour of concurrence, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Carried.

[At 11:46 p.m. the Assembly adjourned to Friday at 10 a.m.]