

## Legislative Assembly of Alberta

Title: **Monday, April 26, 1993**

**8:00 p.m.**

Date: 93/04/26

[Mr. Speaker in the Chair]

MR. SPEAKER: Be seated, please.

head: **Government Bills and Orders**

head: **Second Reading**

### Bill 62

#### Members of the Legislative Assembly Pension Plan Amendment Act, 1993

MR. KOWALSKI: Mr. Speaker, I rise tonight to move second reading of Bill 62, the Members of the Legislative Assembly Pension Plan Amendment Act, 1993.

Mr. Speaker, by way of a bit of background with respect to this particular Act, in May of 1992 the then Premier of Alberta requested the Special Standing Committee on Members' Services, or the Members' Services Committee, to consider approaches to assessing members' total compensation. The committee, as a component of its formal review process following from the Premier's request, gave approval to the undertaking of this study, and an outside consulting firm, Peat Marwick Stevenson & Kellogg, was retained to examine how the current compensation package for ministers and MLAs compares with that of equivalent positions in the private and public sectors. That particular organization worked with the Members' Services Committee and an appointed subcommittee in conducting the assignment. Most recently they made a public presentation to the Members' Services Committee on March 18, 1993, in this Assembly, and a month and several days ago on March 24, 1993, all members received a copy of the Peat Marwick Stevenson & Kellogg report.

These consultants, Mr. Speaker, used as a basis of comparison a job model plan that they had created themselves, and it's known as the Peat Marwick Stevenson & Kellogg job evaluation plan. They then modified it somewhat to reflect the unique world of MLAs. They used this plan to evaluate 32 selected MLA and ministerial positions, elected officials in other provinces and Members of Parliament, 38 positions in the Alberta public sector, and 80 positions in the Alberta private sector.

In the report that they made public about a month ago, they outlined a number of members, men and women of this particular Assembly, they had consultations with. They had consultations with, as I indicated, 32 selected MLA and ministerial positions. Consultations were held with several then ministers of the Crown including the MLAs for Peace River, St. Albert, Medicine Hat, Bonnyville, Barrhead, Chinook, and Fort McMurray. That accounted for seven of the 32 interviews they had. Of the other 25 interviews, Mr. Speaker, they interviewed a number of MLAs including the Liberal Member for Calgary-North West, the NDP Member for West Yellowhead, the NDP Member for Vegreville, the Liberal Member for Calgary-McKnight, the NDP Member for Calgary-Mountain View, the NDP Member for Edmonton-Avonmore, the NDP Member for Edmonton-Jasper Place, the Liberal Member for Edmonton-Meadowlark, the NDP Member for Calgary-Forest Lawn, and the Liberal Member for Westlock-Sturgeon.

As a result of all of their interviews, Mr. Speaker, they put together a report and basically came up with a number of conclusions. One of their conclusions, and I quote directly from page 2 of that report, says:

On a cash basis, we found that MLAs were paid lower than both the public and private sectors and at approximately the same level as elected officials in other jurisdictions.

They also

found that pensions had the greatest effect on comparative compensation, with the Alberta MLAs' and Ministers' pension plan accruing at a substantially higher rate than is typical in Alberta public and private sector plans. On the other hand, Alberta is at the low end when compared to elected officials in other jurisdictions.

They then compared total compensation across MLAs, public and private sectors, and they found that

MLAs are paid higher than the public sector, higher than the private sector at the MLA level, but lower than the private sector at the Ministerial level. MLAs are paid slightly lower than comparable elected officials in other jurisdictions

is one of the statements that they made.

Mr. Speaker, the report is an exhaustive report that includes a number of recommendations on a number of areas, and on page 34 they do conclusions and make a series of recommendations. One of their major conclusions was, and it's a statement that they have in the report, "Our main conclusion - some re-balancing of cash and benefits is indicated." They said, number 1, that one of their conclusions was that, "We found the cash compensation to be low." A second conclusion was:

Overall, total compensation is higher than the public sector, higher than the private sector for MLAs and lower than the private sector for Ministers.

Then they had another conclusion, number 3 on page 34 of the report: "Overall, the benefits seem fair." Another conclusion on page 35, and I quote from the report:

The pension plan is equitable with other MLA and MP positions, but is high relative to other public and private sector positions in Alberta.

On page 36 they have, and I quote: "We recommend that a competitive salary be established," and then went on to recommend that there be an "increase in Cash Compensation for MLAs." They indicated that MLAs' salaries should go up \$5,214 per year and that ministers' salaries should go up \$19,422 per year.

Well, Mr. Speaker, the government has a freeze on salaries, and Premier Klein has said that we're going to continue that freeze. At the outset I want to point out in dealing with Bill 62 that this Bill does not include the recommended increase in cash compensations for MLAs as outlined by the consultants.

The consultants went on to point out some other things. They also pointed out that there should be a modification of the pension plan to bring the total compensation line of MLAs approximately to the public-sector line. Very specifically they said, and I quote:

We recommend that the benefit formula be modified from 4% to 3% of final average pensionable earnings over years of service, and that the eligibility requirements for unreduced pension be changed from "age and service = 55" to 65.

This is from their report on page 38, and I quote:

The net effect of this will be to reduce the value of one year's pension benefit for a typical MLA by \$11,658, and for a typical Minister by \$22,708. It will also reduce the incidence of relatively young people receiving pensions while still in the workforce.

Then they go on, Mr. Speaker, on page 39 of the report to make the following statement:

We would expect that these plan provisions would apply prospectively as per the precedents of administrative law and would not alter pension credits accrued to date.

Now, Mr. Speaker, this is an exhaustive report come about as the result of a process that was enunciated some time ago, in the spring of 1992. I repeat that it was a month and two days ago that this report was received by all members of the Members' Services Committee and as a result all Members of the Legislative Assembly as well. It's now April 26, 1993, and Bill 62 was introduced on Friday last, about one month after we had received the report.

Mr. Speaker, a number of other things, though, have also happened relative to MLA adjustments and MLA pension adjustments. All members will recall that in January of 1992 the Members of the Legislative Assembly Pension Plan Act was amended by regulation to assure its compliance with the federal Income Tax Act. The approach taken to achieve this objective was to divide the MLA pension plan into two components: a registered pension plan and a supplementary plan, both of which meet the requirements of the federal tax rules.

Then subsequently under Bill 46, the Pension Statutes Amendment and Miscellaneous Provisions Act, 1992, the contribution rate was increased from 7.5 percent to 10 percent of earnings, or a 33 percent increase. MLAs currently receive \$57,500 per year in compensation, and their contribution to the MLA pension plan is 5,750 per year for each individual contributing to the plan. I might point out as well, Mr. Speaker, that for those who contribute to the ministerial pension plan, the contribution level is 10 percent of salary as well. Of course, that salary of \$47,000 was recently reduced 5 percent as a result of direction taken by members of Executive Council. The contribution level, though, remains 10 percent of salary level.

#### 8:10

Mr. Speaker, it has been brought to my attention certainly in discussions that I've had with various members of the public in recent weeks and in fact recent months that a fair number of individuals do not recognize that those who do participate in the MLA pension plan and the ministerial pension plan do so by way of contributions, contributions at the rate of 10 percent of salary. Secondly, I guess when the adjustment, a 33 percent increase in contributions, was dealt with in 1992, a fair number of people in the province of Alberta somehow either were not aware of this adjustment upward or simply had forgotten about it.

Bill 62 basically will bring further amendments and make further changes to the MLA pension plan. Very specifically, Mr. Speaker, the Bill that was introduced on Friday last and is being moved by way of second reading tonight, takes in the recommendations put forward by the independent management consulting firm Peat Marwick Stevenson & Kellogg. It came about as a result of a lot of decision-making by the Members' Services Committee to basically screen prospective consultants from across the country of Canada, and a decision was made that this particular management consulting firm would be the one directed to undertake in the comparative and come up with a series of initiatives with respect to this.

Very specifically, Mr. Speaker, by way of the principles that are initiated and enunciated in Bill 62, I would like to highlight the following: first of all, the benefit accrual rate will be reduced from 4 percent per year of service to 3 percent per year; secondly, eligibility for qualification for an unreduced pension for service after the next election will change from age plus service totaling 55 years to age plus service totaling 65 years; and pensions will be reduced by 3 percent for each year that the individual falls short of the qualifying formula.

There has been some discussion with respect to a concept called – and I wish I could find better words than the often trite words used – double-dipping. Another one of the principles that's found in this particular Bill is that after the next general election an individual will no longer be able to receive a pension from the MLA pension plan while they continue to hold any office. Mr. Speaker, that would apply to a minister, an MLA, the Speaker, the Leader of the Opposition, and anyone in such a situation. I don't know another synonym for this particular D-D phrase, so I'll just

skip over it, but I think the point has been made that Bill 62 does contain provision for dealing with this.

Another principle enunciated and held within the Bill is that after the next general election a former member who was elected at a future election would have his or her pension payments from the MLA pension plan suspended while in office. An additional principle, Mr. Speaker: the proposed amendments will also allow former members' pensions to be suspended if employed by employers participating in the public service or public service management pension plans and if the pensioner is employed for longer than a specified period. Now, there are two particular plans mentioned here in the Bill per se, but the Bill also goes on to provide a permissive situation that would allow, in essence, in the future to basically have a similar provision apply to the local authorities pension plan, the universities academic pension plan, and the special forces pension plan.

Mr. Speaker, by way of transition considerations that are contained within the Bill by way of principles: for an individual who ceases to be a member after the next general election but continues to hold another office for a period of time, as an example, the Speaker of the Assembly, their pension for service as a member will be based on the present rules but will be suspended until they cease to hold any office; as well, their pension for service in the other office will be based on the present rules once they have ceased to hold the other office. I would point out that these changes will come into effect at the date of the next election in the province of Alberta.

In essence, Mr. Speaker, Bill 62 deals with a number of the issues that have been held in the public venue for some period of time now, follows through on the commitments of the former Premier to basically take a major review, and follows through as well to deal with an outside firm that would look at this in a rather objective way.

Peat Marwick Stevenson & Kellogg recommended that on an annual basis the cash compensation for MLAs should be increased \$5,214 per year. They also recommended that on an annual basis the cash compensation for ministers be increased \$19,422.

Mr. Speaker, these increases will not be implemented. MLAs' salaries have been frozen since 1989 and will continue to be frozen. Contributions that participants make was raised 33 percent in 1992, and the contribution level will remain at 10 percent of salary under the legislation known as Bill 62.

This legislation ends that ability of an MLA to collect a pension while continuing to hold office; that will come to an end. This legislation increases from 55 to 65 the age and length of service factor that has to be met before a pension can be received. This legislation suspends the pensions of retired MLAs if they work for more than a limited period of time for any employers covered by the public service or public service management pension plans. This legislation includes a 3 percent reduction penalty for each year that an MLA falls short of the 65 factor, and this legislation reduces pension benefits by 33 percent. Mr. Speaker, these amendments will make the Alberta plan the least generous plan for MLAs anywhere in Canada and will be far short of the plans currently available for Members of Parliament.

By way of illustration of that particular example, under the new rules for MLAs in the province of Alberta, just to compare it to the situation for MPPs in the province of Ontario and the situation for Members of Parliament in Ottawa, the contribution level will be 10 percent in all three cases. In the case of Alberta the accrual benefit will be 3 percent of the average of the three highest consecutive years multiplied by years of service, to a maximum of 60 percent. In Ontario that same formula is 5 percent of the highest three years' average multiplied by years of service, to a

maximum of 75 percent. The situation in Ottawa is that it also goes to a maximum of 75 percent. In Ontario the age and service factor is 55. For a federal Member of Parliament the pension commences upon leaving office. But in Alberta under the amendments in Bill 62 the age and service factor will now be 65, Mr. Speaker. In terms of minimum service requirements, in Ontario it's five years, for the federal Members of Parliament it's six, and in Alberta it's five.

There is one very dramatic difference as well in the new plan for Alberta as compared to the plans in other jurisdictions. In Ontario the cost of living increase in relation to the consumer price index is set at 100 percent in terms of an annual adjustment for a person belonging to the Ontario pension plan. Federal Members of Parliament also receive a cost of living increase of 100 percent in relation to the consumer price index. But in Alberta, Mr. Speaker, that cost of living increase in relation to the consumer price index will be 60 percent, a substantial and dramatic difference.

This is a subject matter I'm sure not one Member of the Legislative Assembly likes to deal with, and unfortunately we are the only ones who must in the end deal with this whole matter dealing with compensation, pensions, and that sort of thing. I wish there was a way, Mr. Speaker, and I know that all of us, all men and women of good merit within this House, would feel much, much better and much, much more positive if in fact there was an instrument in life that basically said that someone else other than those who are in this court in this province of Alberta would have to deal with this. It is a matter where we may receive all the recommendations that we would want from anyone, but there is simply no one else who can deal with this matter other than ourselves.

Mr. Speaker, in my humble opinion, this is not a time for political expediency or grandstanding. I believe this is an opportunity for men and women of goodwill to have an honest debate with respect to this whole matter and to deal with it on this basis as best we can, recognizing that we are all servants of the people. Bill 62 has been dealt with within a month and two days after the report that came out by the Peat Marwick Stevenson & Kellogg management consultants. It's a report that we were directed we should deal with by the Premier of the province of Alberta, Premier Klein, and deal with with the greatest degree of expediency that we can. It's a very complicated Bill in terms of its various headings, but when we do come to committee, I'll be in a position to respond and take members through each and every one of the sections contained in the Bill, because it is not the easiest reading in the world, let me assure you.

8:20

I wanted this evening to outline the principles associated with Bill 62, and I sincerely hope that I've made a modest contribution, at least in trying to outline what's included in the Bill. I recognize and understand that all members will want to participate in this debate, and I'm sure that all members will want to make useful comments with respect to this matter. I think it's incumbent upon all of us to listen attentively to the points that will be made by various members in various seats throughout the House. As I said before, Mr. Speaker, this is not the easiest matter in the world to deal with. Unfortunately, we are the only ones who can deal with it.

Having said that, Mr. Speaker, I hope that I have given ample opportunity to what the principles are in Bill 62, and it's my pleasure, of course, to move second reading of Bill 62.

MR. SPEAKER: Might we have unanimous consent of the House to revert to the introduction of guests?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried. Thank you.  
Calgary-Bow.

head: **Introduction of Special Guests**

MRS. B. LAING: Thank you, Mr. Speaker. I would like to introduce to you and through you 17 Girl Guides and five leaders and helpers: Cindy Hanson, Chris Churchill, Marianne Misko, Ann Dobson, and Sharon Marshall. These Girl Guides and their leaders are from the 108th Edmonton troop and are seated in the members' gallery. I'd like to ask them to rise now and receive the warm welcome of the Assembly.

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

**Bill 62**  
**Members of the Legislative Assembly**  
**Pension Plan Amendment Act, 1993**  
*(continued)*

MR. MARTIN: Mr. Speaker, in rising to debate Bill 62, I'll say first of all that obviously it's better than what we had. But I want to say, with all due respect to the hon. member, it's not good enough, because it does not settle the public furor over this particular issue. I won't go into all of the details of this particular Bill; I'm sure that will come up.

I want to allude to two or three things, Mr. Speaker. Now, I recognize that Peat Marwick's done a study. They are a management firm. A lot of people in Alberta aren't in management, and frankly they're hurting out there. The economy's not good and they're looking for leadership, and the only place they can look for leadership is from this legislative body right here. That's the reality out there when you talk to people. I mean, how many layoffs have we heard of in the province? We notice that now Telus, or AGT, are laying off 1,200. It wasn't supposed to happen when we privatized. What's happened to the oil patch, to Woodward's? The list goes on and on and on. It's not just the people that are losing their jobs. It's that insecurity that's out there, because even when formerly you thought you had jobs, if I can put it this way, and that there was some security there that you'd have those jobs for some period of time, be it in the private sector with major corporations or the public sector, you no longer have that security. So people are hurting and they're hurting badly, and we'd better listen to them.

What is set out here is a symbol of what's going on here, Mr. Speaker. When they see, for instance - we've had this debate in the Legislature - the fact that 30 or so people, and I don't know how many there will eventually be, are walking away with something they could never dream of having and when it's their elected representatives, then they are angry. Make no mistake about it; they are angry not only with the pension but with what they see as a relatively short period of time and with some people that are quite young getting it. Also, tie that in with the severance package and it just blows them away.

I say to you that what we're debating here is a credibility somewhat of the whole system. I'm sure with the deficit the Treasurer is going to come down as Mazankowski did today and demand sacrifice. How can you do it? What moral authority do you have when people see this happening? It is, as I said the other day, a symbol to people, and that's what we're talking about. At one time, Mr. Speaker, perhaps people wouldn't have cared, or certainly they would have accepted this. They're not prepared to

do it now because the times are very different. That's the new reality that we face. So I say to the hon. member that Bill 62 is just not good enough.

Now, I want to go into three or four things, Mr. Speaker. The Deputy Premier I believe said that this was the only way. I agree with him: it is difficult to sit in this Legislature and deal with your own remuneration, be it pensions or salaries or whatever else, and we shouldn't do it. I think all of us, regardless of which political party we're in, have got to get this system away from the Legislature and have an independent commission, as we've advocated for a long period of time. We may not like what that independent commission comes up with, but if we agree to live with those salaries, then I think that would be reasonable and fair. So there are things that we can do. We don't have to do this, be it Members' Services doing it or voting on it in the Legislature, and we've gone through it in both ways.

Second is the idea of retroactivity. Now, I know people are saying that this would be unfair to these MLAs that are leaving. Well, life's unfair right now for a lot of people. They're getting laid off. They're getting hurt. We have more people on welfare. They're not getting severance packages. You see, that's the point. That's the message that the public, average people, have. They see people leaving here, after the deficit and the NovAtels and everything else that has occurred, and what's happening? People here are walking away from it, feeling very good about their pension and severance package. Those people don't feel that good.

Mr. Speaker, if you think I'm exaggerating, just go out and talk to the majority of the people. I was at a fair in Sherwood Park over the weekend, with the petition there about it. It wasn't us asking them; people were coming up. They're angry about it, and they're looking for that leadership. If what we're saying here is that as the Legislative Assembly we care about the political process and we care what people say – we're under new management – we'd better listen. Now, that's not to say that we should wipe out, you know, all of the pensions and everything for people who have sat here, but there have to be limits to it. The idea that we can't go back retroactively: we've done it with other pensions.

There is a legal opinion here that we went through, dealing with the local authorities pension. If they can do it for other pensions, we can certainly do it here. It says: "In my view the Province can amend or repeal the LAPP Act at the will of the Legislature." In other words, Mr. Speaker, the Legislature is sacrosanct. They can do it, and we can do it in a fair way, to roll it back. The idea of reasonable expectations, the idea that we ran in 1989 so that we could add to our pension: well, I doubt that many members here on either side did it for that reason; at least I would hope not. Even if they did, there would still not be reasonable expectations that there would be that increase we got which really impacted the pensions by some 40 percent. That reasonable expectation wouldn't be there if you were elected, it seems to me. When people were running in 1989, they did not expect that; at least I didn't. I doubt that many members did.

I think if you go through this particular document that we released dealing with other people's pensions, we've changed the contributions on them retroactively. We've done all things in this Legislature retroactively. I don't particularly like the principle, but I think that people showing credibility in the democratic process is perhaps the most important thing that we can do at this particular time. If we say we're listening, we'd better listen, Mr. Speaker, and make it reasonable.

Now, Mr. Speaker, not mentioned in Bill 62 are severance packages that are part of the pensions at least one time, depending how long you're going to be here. Now, other people aren't

getting severance packages to any great degree if they get laid off. People may feel uncomfortable, but that is the huge reality. If we're going to have a severance package, then rather than a one-time thing, let's model it on UIC, which most ordinary people have to deal with. It's 60 percent of your wage till you get another job. If you get another job, you don't get a severance package. Why do you need a severance package if you're going to another job? So base it on that sort of principle. Ordinary people could understand that, but a one-time sort of handshake with thousands of dollars they can't accept and won't accept. That is the reality, and we in the Legislature had better understand that. We can screw up our faces all we like, but that's the way the average public out there is feeling right now. If these people don't want to listen to it, they're just not listening.

Now, Mr. Speaker, the other thing about the pension – although admittedly it's better after the election, after some people have walked away. It seems to me that one of the problems we got into – I mean, this pension, as I understand it, was brought in in '69, but they didn't deal with the . . . [interjection] The hon. Member for Lloydminster is getting a little nervous. His colleagues were just telling me they don't want him there, because he's going to get a big pension after.

**8:30**

DR. WEST: Your guy resigned last week.

MR. MARTIN: Good, good. That's right, because we've got somebody else to get you.

Mr. Speaker, the reality is that one of the problems is that the wages went up. It's a step, obviously, in the right direction to move it down from 4 percent to 3 percent. Now, the Deputy Premier said that this was – I don't want to misquote him or anything – something like the least generous pension in Canada, I believe were the words. He went on to talk about Ontario and Ottawa. Well, I would point out that in Saskatchewan, our neighbour to the east, they've had a pension plan that was based on contributions, not based on benefits. The problem that we run into is with the deficit. As we keep running it, it's benefit driven. This pension still will be benefit driven. Why not have one that's closer to what the private sector does and have it so it can't run up any more debts in the long run? The contributions, equal contributions to either piece: why can't that be done? Even this, even though it's down, depending on how long people in this building last, still could be adding to our deficit down the way. That's a reality.

I might point out to the minister that Saskatchewan's had this type of plan in there since 1979 – since 1979. So I would dispute, as we did in question period today, the idea that this is the least generous proposal. That's not entirely true. It may be better than some provinces', but it's not the least. I say to hon. members here . . . [interjection] If the hon. members want to understand what the public feels about this, they will listen, Mr. Speaker.

MR. MAIN: It's not a compulsory program. You can opt out.

MR. SPEAKER: Order, hon. member. You'll get a chance.

MR. MARTIN: Now, the hon. member is getting a little excited there. Good. I'm glad he is. He should be excited, because he should be ashamed of himself the way he's acting.

Now, Mr. Speaker, it seems to us here in the Legislature that we should be listening to public opinion on this issue. The reality is, I'm sure, that the Deputy Premier has heard some of the same arguments. I'm sure he has. To say that we can't go back to

1989, when there weren't those unreasonable expectations, and make this a more reasonable package for people is just wrong. I think legally we can, and I think morally we should. I honestly believe that.

As a result of that, again being the ever helpful person that I always am, I've decided to bring in an amendment on this particular Bill – I'll read it here, Mr. Speaker – by striking all the words after “that” and adding:

Bill 62 be not read a second time because the Legislative Assembly deeply regrets that Bill 62 fails to adequately address the concerns of the public that benefits payable under the Members of the Legislative Assembly Pension Plan Act be substantially reduced and that the said reductions in pension benefits be applicable to all members and former members of the 22nd Legislature of the province of Alberta.

Now, if we adopted this, it would go at least a long way in terms of the points that I've been trying to make. If we want to reject it – I know the numbers are on the opposite side – I think we will pay a political price. It's not just a partisan political price. It will be more and more a lack of credibility in what we do here. When we come to the public, Mr. Speaker, and demand sacrifices and say that we all have to tighten our belts, what moral authority are we going to have on this particular Bill? I would hope that some of the people that are leaving would understand this. It wasn't reasonable expectations to run on in 1989. Even if we could work it back to what it was then, that would be reasonable.

Mr. Speaker, I would hope that hon. members would support this particular amendment. I say for once vote with your conscience. I think that deep down all of us understand how people are feeling, how they're hurting out there, how people that are unemployed are hurting, how even people that have jobs are hurting and how they're worried. They're looking for some security in their lives. They want to believe in this institution, but it will be very difficult for them to do so if we proceed with this Bill.

Thank you very much.

MR. DECORE: Mr. Speaker, I'll support the Leader of the Opposition's amendment. I want to start by reading a definition of “pension” from the *Oxford* dictionary, because I think that some members of this House have failed to recognize exactly what a pension and its benefits entitle a member to. In the *Oxford* dictionary it says: “periodical payment made . . . by a government, a company, or an employer . . . in consideration of past services” or on retirement. I'm going to keep referring to that definition, because I think we have lost sight of the purpose of pension, and there are abuses to the pension plan that we now have in place that clearly are at loggerheads with that definition.

I agree with the comments made by the Leader of the Opposition when he talks about the fact that taxpayers are angry with the present situation, with the present pension plan. A great deal of that anger stems from the uncertainty that people have with their jobs, the fact that there is a high unemployment rate, the fact that wages have been scaled down in a number of sectors. People are earning much less than they were just a few years ago, but in the public's eye we and others, particularly we, haven't scaled back accordingly.

Mr. Speaker, a year ago when this matter arose, I introduced a private member's Bill in the Legislature asking the government to take the whole issue of pensions and pay and benefits, allowances that MLAs are entitled to get, and to review all of them. The question of severance package, the question of whether receipts should or shouldn't be supplied, the question of whether or not members should be entitled to earn moneys working on committees while they're making a substantial wage: all of those issues.

I very vividly remember the then Premier saying – laughing, in fact – that it took courage to make decisions, that those courageous decisions had to be made in this Legislature, and nobody could or should farm something like this out to an independent commission of Albertans to sort out.

I really believe that the public has had it with MLAs and pension benefits and pay and perks. I think that we have lost all credibility on this issue. It's an issue that I meet everywhere I go and everywhere I speak. This question is asked of me everywhere I go and everywhere I speak: “What, Mr. Decore, do you and your party intend to do with respect to the extravagance of the pension plan?” Because the government hasn't done it, we took the initiative and proposed a pension plan that we thought was much more realistic.

8:40

Mr. Speaker, there are three major problems that our present pension plan has: the issue of double-dipping, the issue of early accessibility, and the issue of the extravagance of the plan. As I said, these are not new issues. These issues have been hotly brought to the attention of MLAs at constituency meetings and public meetings and so on. They continue even today to be the subject matter of emotional debate on most talk-back programs in Alberta. It's true that an accounting firm did do a review of the pension plan, but that was a cursory review, and many of the issues that should have been dealt with were not dealt with. The review did indicate that the plan is some three times richer than you can find pension plans in the private sector. Now, this is in the context of an Alberta that has seen its assets completely lost from that period of 1986 to the present moment. In 1986 the assets of our province were some \$12 billion. Today we have a net liability of \$11 billion, according to the Financial Review Commission. In that context and also in the context of people losing jobs and being scaled back in their own wages, people are demanding change to these three issues of double-dipping, of early access, and of the extravagance of the plan.

#### Speaker's Ruling Parliamentary Language

MR. SPEAKER: Forgive me, hon. member, for just a moment. The Chair has tried over the last number of months and the last few days to find some other phrase for this “double-dipping.” For one last time the Chair points out that the members who have chosen to take this are taking something that they are legally entitled to. The phrase “double-dipping” to the general public means, in the common usage, that it's taking something they're not entitled to. Now, having said all that, since all parties in the House are still using the phrase “double-dipping,” the Chair yields. You can all use the phrase “double-dipping,” but I think you do yourselves a disservice.

Carry on.

#### Debate Continued

MR. DECORE: Well, Mr. Speaker, thank you for allowing me to use the word, because I don't know of a better explanation of something that is now clearly defined in the public's mind. This is an extravagance. It may be legal, and it is legal, because nobody's being sued or is being taken to court, but it's wrong. When I read the definition of “pension,” it talks about retirement and it talks about past service. I don't think that that should be construed as being service in cabinet. I think that was intended to mean and should mean service to this Assembly. There shouldn't be those who are elites and those who are something different. I

think that the public expects people to be treated fairly and properly. This is elitist, this isn't fair, and this is extravagant.

I think it's in need of putting on the record exactly what's happening in this Assembly. We have the hon. Member for Peace River, who is accessing some \$37,642 on double-dipping – on taking moneys in addition to the moneys that he's being paid to serve in this Assembly as a legislator. We have the hon. Member for Calgary-Currie, who's getting \$11,293. The hon. Member for Taber-Warner, an individual who, I think, is one of the highest paid MLAs in this Assembly, now accessing some \$14,468. The hon. Member for Pincher Creek-Crowsnest . . .

MR. SPEAKER: Order please. We seem to have a point of order.

#### **Point of Order Questioning a Member**

DR. WEST: Under *Beauchesne* 482, would the member entertain a question?

MR. DECORE: After I'm finished, Mr. Speaker. I want to get through this list. I know the hon. member is embarrassed that I'm reading it out.

#### **Debate Continued**

MR. DECORE: The hon. Member for Olds-Didsbury, \$4,772. He sits there during the day and gets paid as a regular MLA and has the audacity to pull down some \$4,772 in addition to that.

The hon. Member for Pincher Creek-Crowsnest – I'm not sure if I finished that – \$4,315. The hon. Member for Macleod, \$18,821. The hon. Member for Stettler, who hasn't been seen in the vicinity for some time, \$16,758.

#### **Speaker's Ruling Reference to a Nonmember**

MR. SPEAKER: Hon. member, for a moment. I'm sorry; we no longer have a Member for Stettler in the House.

MR. DECORE: Oh, yes. I forgot. You're right, Mr. Speaker. I apologize.

#### **Debate Continued**

MR. DECORE: The hon. Member for Lethbridge-West, \$11,293. The hon. Member for Medicine Hat, who's sitting here this evening, \$24,468. The hon. Member for Lethbridge-East, \$31,996. Is that correct, hon. member? Yes, it is. He's nodding his head that it is correct.

MR. SPEAKER: Order. Through the Chair. It's not question period.

MR. DECORE: The hon. Member for Calgary-Fish Creek, \$4,937. The hon. Member for Camrose, \$11,293. The hon. Member for Calgary-North Hill, \$5,646, and the hon. Member for Fort McMurray, \$11,293.

Mr. Speaker, I would like these hon. members to stand and defend these payments. I would like the hon. Member for Lethbridge-East, who's smiling as I speak, to stand and tell Albertans that the hon. member is entitled to pull down his regular remuneration as an MLA and in addition to be paid a pension benefit as high as he's getting: \$31,996. I'm going to watch for the hon. member and the other hon. members to stand and defend these payments. The hon. Member for Medicine Hat, who's sitting in the Assembly tonight and listening to this speech – I'd like him

to stand and defend his payment of \$31,996. He's shaking his head that he won't. Well, I regret that.

MR. HORSMAN: You got the wrong figure. You read out a different . . .

MR. DECORE: Well, I'm sorry if it's more, hon. member. Stand and take a point of order and tell me exactly what the figure is. I apologize if I'm out a few thousand dollars.

Mr. Speaker, this is wrong. This is extravagant. This is not the definition of pension. This is not what the public will stand for, and the public wants change. For the hon. Deputy Premier to stand and say that this new Act meets the concerns – it doesn't. It doesn't meet the concerns.

MR. McFARLAND: What did your Liberal caucus vote on that?

MR. DECORE: I'll get to that in a moment, hon. member.

Everybody will be treated retroactively under our Act. The statements made by the hon. Deputy Premier are not the answer to an extravagance. They are not an answer to an illogical definition of pension. These matters need to be revisited. The best thing the government can do is to take this whole matter back, listen to the debate, ask the hon. members that are sitting here taking the double-dipping to provide some explanation for what they're doing, and I'm sure that when they hear that explanation, the government writers that are writing the legislation will say that it doesn't make sense, and we'll get rid of double-dipping.

Mr. Speaker, every time the hon. Deputy Premier came to some significant issues, I noted the words “extravagance,” “double-dipping,” “when access to the pension plan could take place.” It was always after the next election, after the next election, after next election. So we have individuals who walk away from this Assembly with, I think, an extravagance that's unwarranted.

The Association of Alberta Taxpayers has done a good service to this Assembly by providing an analysis of some 29 individuals who will not be here by their own volition who will be able to access some \$39,000. [interjection] Sorry; \$39 million. Thank you, hon. Member for Little Bow, for correcting me and drawing my attention to the fact that it's not \$39,000 but \$39 million. Twenty-nine individuals will access almost \$40 million if they live until they're age 75. Mr. Deputy Premier, hon. ministers, members of the government side, stand and defend this. Stand and defend this extravagance of \$40 million.

**8:50**

MR. McFARLAND: You get one million of it.

MR. DECORE: Stand, hon. Member for Little Bow, and defend it. I hear your catcalls, but stand and defend this. I invite you to stand and speak to this issue and tell Albertans that you're right in allowing this kind of extravagance to continue, that you condone it, that you like it, that you endorse it. You're nodding your head, hon. member. Does that mean you do not agree with it?

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

MR. DECORE: Mr. Speaker, if the hon. member wants to heckle, then I'm entitled to note his head motions. He indicated that he doesn't want to stand to defend it. I can understand why. But I invite other members to stand in this Assembly and defend this. They can't and they won't and they'll never defend it.

Mr. Speaker, our Bill calls for a 9 percent contribution from the member matched by a 9 percent contribution from the government.

Only that which is contributed by government and the member plus the interest which accrues – it's like an RRSP – is what you can draw back as a retired member of this Assembly. That is the only amount you can get back. Therefore, there are no unfunded pension liabilities. There never will be an unfunded pension liability. It meets the test of the definition of "pension" in the *Oxford* dictionary. It is not extravagant, and our Bill provides for retroactivity. That means that every member that was elected in 1989 will be affected by this legislation. There is no elite that leaves this Assembly like the hon. Member for Pincher Creek-Crowsnest, who can access some \$3.2 million if he lives until age 75 years. That's an extravagance. It's an extravagance that that member at age 44 can access that kind of taxpayers' money.

Mr. Speaker, this Bill isn't good enough. This Bill has to be sent back and reworked. This Bill has to meet the test of the taxpayer, not the test of MLAs sitting in this Assembly. The test is the morality of the taxpayer, not our morality as a test. The test is in the context of an economy that's in trouble. The test is in the context of a debt which this government has created, which is some \$11 billion net. This is in the test of a government that has seen its debt from '89 go from \$10 billion to some \$22 billion or \$25 billion now. This is in the context of a mess that has been created by this government. People want this cleaned up.

I said earlier last week that this is going to separate the good guys from the bad guys. Retroactivity is an issue. Not to defend this position or to gloss over it or to forget about it is going to be a big mistake for the government on the hustings when we go in just a few days. Mr. Speaker, I'm ready for an election on this issue, and I know my colleagues in the Liberal caucus are.

Thank you.

#### **Speaker's Ruling Filing Documents**

MR. SPEAKER: Hon. Member for Edmonton-Glengarry, in the course of your remarks you made considerable reference to a document, and I assume you were quoting from the document with certain figures. I wonder if you'd be good enough to file copies for all members of the House.

MR. DECORE: I'd be delighted, Mr. Speaker.

MR. SPEAKER: Thank you.

#### **Point of Order Questioning a Member**

MR. SPEAKER: Earlier the minister raised a point about a question. There's still time in your debate time if you're willing to take it.

MR. DECORE: Yes; I'm prepared to answer that question.

DR. WEST: In view of the comments of your apparent distress over the pension programs, could you indicate if you have any knowledge of anybody in your caucus that's collecting pensions at the present time from either another public or private sector and indicate whether you think it's fair to collect a full salary in this House and collect a pension in the private world at the same time?

MR. DECORE: Mr. Speaker, I'm not aware of anybody in our caucus accessing another pension. If the hon. minister is referring to the hon. Member for Edmonton-Whitemud accessing a disability pension, I'm not sure about that issue. That's the only member that I know of that's accessing any kind of pension.

#### **Debate Continued**

MR. SPEAKER: Speaking to the amendment, Edmonton-Strathcona.

MR. CHIVERS: Thank you, Mr. Speaker. I rise to support the amendment. I think the amendment certainly captures the sentiments of the overwhelming majority of Albertans, because indeed Albertans are concerned.

#### **Point of Order Clarification**

MR. DECORE: Mr. Speaker, a point of order. I did make an error on that. There are old age pensions that are being accessed by, I think, one or maybe two members of our caucus.

MR. SPEAKER: Thank you.

#### **Debate Continued**

MR. CHIVERS: Mr. Speaker, anywhere one travels in the province of Alberta, this is certainly a topic of great concern to Albertans. I would point out that the amendment contains three basic elements. The amendment first refers to the failure of Bill 62 to adequately address public concerns, the failure of Bill 62 to reduce substantially the pension benefits available, and the failure of Bill 62 to make changes to commence the operation with respect to all current and former members of the 22nd Legislature of Alberta. These are the three elements of the amendment, and I'd like to address each one of them in turn.

Bill 62 does indeed fail to adequately address the public's concerns with respect to MLA pensions. What are the public's concerns with respect to MLA pensions? I submit, Mr. Speaker, that they are many and they are varied and they are serious and they are legitimate. They are perhaps too many, too varied, too serious, and too legitimate to enumerate all of them, but I would like to address some of the concerns that have been addressed to me.

Recently I held an MLA town hall meeting and had a great many of the concerns that I will refer to herein addressed to me during that MLA meeting. One of the major concerns in the public at the present time is that they lack confidence in our political system. There's a feeling that politics and politicians face a crisis of confidence. I submit, Mr. Speaker, that that is a very serious, a very widespread, a very legitimate concern of Albertans. There is a feeling of distrust. There is a feeling of disillusionment, and those feelings are rampant. If any single issue that the Alberta Legislature has faced in the last few years could be seen to be a more important aspect, a more important ingredient in terms of that crisis of confidence, I submit that it must be the MLA pension/remuneration issue. This has been an ongoing problem for many years in the province of Alberta. It is a problem that has not abated; it is a problem that has increased in terms of the extent and seriousness of the feelings that the public views this. In fact, this issue has become a lightning rod for resentment; it has become a lightning rod for anger; it has become a focus of the crisis of confidence, the crisis of distrust that I spoke of earlier.

**9:00**

Albertans know that these are tough times. They are certainly tough times for most Albertans. They know that they will be and are being called upon to make sacrifices. Indeed many, many Albertans, by far the vast majority of Albertans, are already facing these tough times and are already making these sacrifices. These are not small sacrifices for the majority of Albertans. These are

major sacrifices. These are sacrifices that deal with their ability to lead quality lives within the province. They are being called upon by this government and they will be called upon in the future to tighten their belts.

Albertans know that this government has brought Alberta to the brink of economic disaster. From the financial status report that was recently commissioned by this government and recently revealed to the public, they know what dire straits the finances of this province are in. They are extremely concerned about the state of the finances of the province, but they don't see themselves as being the architects of the financial problems in the province of Alberta and quite rightly so. They view politicians, the members of this Legislature as being the architects of the financial difficulties that Albertans face at the present time, and they see these same politicians standing up and saying that they must suffer more pain, more economic trauma in the very near future.

Albertans are not punitive by nature, and Albertans are not demanding, surprisingly perhaps, that MLA pensions be scrapped. That is not the message that I've been receiving. I suspect that is not the message that is being received by other members on all sides of the House, because Albertans are not adverse to fair and reasonable pensions. They are angry at what they see as being the injustice of these pensions.

If I might digress just for a moment, they see things in the private sector. For example, they see the situation, the obscenity that occurred recently with respect to Woodward's, where nine senior officers with less than two years' service received \$4.5 million in payouts while workers with 30 to 35 years' service get 37 cents on the dollar. They relate that issue to the issue that is presently before this Legislative Assembly, and they are appalled by developments like that in the private sector. They are appalled by the situation that they see with respect to MLA pensions in the province of Alberta.

I submit, Mr. Speaker, that here is an opportunity for this Legislature to act in a positive manner, to go some way to restoring the trust of Albertans in politics and in their politicians. Albertans see a wrong here. They are demanding a remedy. They are looking to their legislators to provide that remedy for them in good faith, and they expect and demand that this Legislature act in a positive fashion to provide a fair and reasonable and positive remedy.

[Mr. Deputy Speaker in the Chair]

Now, Bill 62 also fails to adequately address the need to reduce the MLA pensions. As I said before, Albertans know that these benefits are excessive, and indeed the Peat Marwick report referred to by the Deputy Premier certainly confirmed their understanding of the situation, as does the action of the government in bringing before this Assembly Bill 62. It's no secret that the benefits are excessive, and it's also no secret that the reason the benefits stand at the present level is as a result, as a consequence of the changes that were made in 1989 with respect to increasing the MLA basic indemnity and the expense allowance for MLAs.

Albertans understand how this has come about. They understand that this approximately 40 percent increase in the benefit level of pensions is a consequence of those changes. They were angry about those changes, but at this point in time their anger is focused – and I submit properly so – on the fact that not only were there increases in the basic indemnity and the expense allowance but that the consequence of those changes in 1989 was to increase by approximately 40 percent the benefit levels of the pensions that will be payable as a result of those changes.

Albertans know that MLAs who ran in the 1989 election could not possibly have had in mind that they would receive at the end of that period, if they successfully sought re-election, were re-elected, and served for another term in the Legislative Assembly, an additional 40 percent in terms of pension benefits, because, of course, at the time of the last election, the benefit level would have been 40 percent less. It may be fair and Albertans can understand that at the time of the 1989 election those MLAs who participated in that election might have had legitimate expectations that they would receive pension benefits at the level that was then defined. In terms of the feedback and input that I've had, Mr. Speaker, Albertans find that not to be perhaps an unfair expectation and not one that they would necessarily disagree with. What they disagree with is the fact that subsequent to the election the 40 percent increase occurred, and they are of the view that that 40 percent increase is not justified, particularly in the present economic circumstances and particularly in light of the fact that Albertans are on the brink of an economic disaster.

Mr. Speaker, Albertans know that there is a need to reduce these pension benefits. They know that they are grossly excessive by any standard. They know that they're 40 percent more than the level that was in existence at the time of the last election. They know that these are tough times. They know that there must be sacrifice, but they are of the view that these sacrifices not only should come from Albertans at large but should also be sacrifices that they are legitimately entitled to expect of their legislators.

The third element of the amendment, Mr. Speaker, is that Bill 62 does not apply to all members of the 22nd Legislature of the province of Alberta. This again is a matter that Albertans are thoroughly knowledgeable about and thoroughly familiar with. They know full well that the legislation that has been presented in this Assembly does not apply to retiring MLAs, that it does not apply to MLAs running again and being defeated. They know that the 40 percent benefit at the time of the election could not have been a consideration in decisions as to whether or not to seek re-election in 1989. They say that the revisions to the pension plan Act should take effect immediately and that they should apply to all present and former members of this 22nd Legislature of the province of Alberta.

They have spoken. They have conveyed this message to this Legislature in a number of ways. I'm sure there are few, if any, members in this Legislative Assembly who have not had representations made to them by constituents to this effect. There is also petition after petition going about the province with respect to this very issue. These are submissions that are made in letters to the editor. These are submissions that are made in letters to MLAs. These are submissions that are made at public meetings. The view of Albertans is not one that we in this Legislature as Members of the Legislative Assembly can claim not to be fully and entirely and completely aware of.

Most Albertans know that if they're fortunate enough to have a pension, what they will have to do in order to achieve that pension is have a working life of 30 to 35 years with an employer. They will have to make equal contributions to their employer. Their pension plan will be based on defined contributions and not defined benefits, and the amount will depend upon the earnings of their contribution, the earnings of the employer's contributions, and the earnings of the investments in the pension fund. They know that if they are fortunate enough to have an indexed pension plan – and most of them are not fortunate enough to have an indexed pension plan – it will not be anywhere close to being a fully indexed pension plan. They know that they will not be able to draw any kind of a pension from their employer while they're still serving as an employee with that employer. They know that



they can't double-dip. The Speaker previously said that it would be all right to use that term.

**9:10**

Mr. Speaker, they know that they will not be entitled to a pension when age and service equal 55 as will retiring and defeated MLAs pursuant to Bill 62, and they know that they will not have a benefit accrual rate of 4 percent as will retiring MLAs and MLAs who are unsuccessful in seeking re-election.

Mr. Speaker, with respect to another aspect that Albertans are well aware of with respect to pensions is the relationship of this pension plan to the public-sector pensions. They know very well that the MLA pension fund has been a cost to the public-sector pension fund and that a great deal of unfunded liability has been accrued by the MLA pension plan to date and that those are drawings from that public-sector pension plan. They know most importantly with respect to the public-sector pension plans that this government had no difficulty whatsoever in making changes with respect to the contribution rates of the public-sector pension plans. Indeed, it's interesting to note that those changes to the public-sector pension plan contribution levels in effect transferred at least 75 percent of the unfunded liability from the province of Alberta to current and future employees and to the employers of those employees.

Now, that amounts, Mr. Speaker, to something else that I'll be coming to in a minute. That amounts to retroactivity. That is a retroactive change in the public-sector pension plan. It is a retroactive change in the public-sector pension plan because what it represents is a change in the guarantor. Whereas previously in the public-sector pension plan the guarantor was the province of Alberta and the province of Alberta exclusively, solely, and alone, as a result of these changes in the contribution levels, as a result of legislation enacted by this Legislature, the consequence is that the provincial government is now one of three guarantors of the unfunded liability in the public-sector pension plan. That is a retroactive change, and I'll be interested in seeing what happens with respect to the province's position with respect to that change should there be any legal challenge to whether or not that is a retroactive change which applies to and affects vested pension rights.

Certainly the argument there is clearly a different argument than the one that attaches here, because the MLA pension plan is solely a statutory pension plan. The MLA pension plan terms are contained solely and exclusively and entirely within the context of the MLA Pension Plan Act. There are no collateral agreements. There is nothing that doesn't flow from the statute. Nor are MLAs employees. Try as some members opposite might like to characterize their relationship with pensions to be an employment relationship, it is not legally the case. MLAs are not employees, nor can they be characterized in that fashion. The law is clear. MLAs are holders of offices, and as a result there is a substantially different legal principle that comes into play with respect to the issue of vested rights. It cannot apply, even though it may apply to employees who have collateral contracts and whose rights and obligations flow not only from a statute but also from the employment relationship. That is not the case with respect to MLAs, and I have no doubt and no hesitation in predicting that if the Legislature in its wisdom chose to make the changes called for by this amendment, indeed there would be no successful legal challenges, although it has been mooted both inside and outside of this Assembly that legal challenges may be a possibility.

Now, Mr. Speaker, these issues are not lost on the public: the relationship to the public-sector plan and the fact that this government had no difficulty whatsoever in making changes to the

pension rights and benefits of public-sector employees but is not prepared to apply the same standard to itself. I think if there's any single factor that grates upon and irritates a great many Albertans, it is the double standard that appears to be practised by the government of Alberta with respect to the MLA pensions. You bet that they're angry about the double standard.

I pointed out in question period another aspect of the double standard this afternoon. This government had no difficulty in changing the law with respect to the Lubicons. When the Land Titles Act needed to be amended in order to extinguish the rights of the Lubicons to their land claim, there was no hesitation on the part of the government. There was no argument made by the government that they could not do that because it would affect vested rights, as indeed it did affect vested rights. I submit that the public of Alberta are going to see the double standard that is being practised with respect to MLA pension rights and was practised with respect to Lubicon land rights.

Mr. Speaker, I want to very briefly deal with the opinion that was presented, which was filed with the Legislature by the hon. Premier, to the effect that it was not possible to make retroactive changes to the MLA Pension Plan Act. I mean no disrespect to the Parliamentary Counsel who authored this document, but I find it incomprehensible that he could come to the conclusion that he did. Although there are a number of issues on which I would differ with him strenuously – in fact, I think I've enumerated some 14 differences that I take with his opinion – I think the difference that I feel is perhaps most conceptualized in the entire opinion is his conclusion in the second last paragraph where he states:

What we are more concerned with here than retroactivity then, is the presumption that the courts will not uphold any legislation, be it retroactive or prospective, which deprives individuals of their vested rights without fair compensation, unless of course there is an overwhelming public policy issue which would be greater than the individual rights of the individuals whose interests were affected.

As I said to the Premier a couple of days ago, Mr. Speaker, it seems to me that Albertans are entitled to consider that their rights to be fairly taxed and to have their tax dollars expended in a fair and proper manner should certainly override any public policy rights that MLAs have to their vested rights with respect to pensions. Most importantly, the point is that this opinion does not deal with, does not contemplate, and in no way attempts to answer the basic question which is that MLAs are not employees. MLAs are officeholders. This opinion cannot and does not apply because it does not deal with the basic distinction between employees and officeholders. It has, in my opinion, no validity for that reason. That reason in my opinion is sufficient to dispose of that opinion in its entirety.

**9:20**

I'd like to also contrast with that opinion an opinion that I think, Mr. Speaker, is a very fair, a very complete, a very careful, and a very well-thought-out legal opinion. It's one, I'm pleased to report to the Legislature, that was composed by public servants of the province of Alberta, public servants that work in the civil law section of the Justice department, public servants who examined the issues and have comprehensively, in my opinion, dealt with the legal issues, because the same legal principles are attached to the MLA pension plan as are attached to the LAPP, the local authorities pension plan. There is no difference between the pension plans in this regard: the guarantee in both of the pension plans, the Local Authorities Pension Plan Act and the MLA Pension Plan Act, is the same, or at least it was until the changes in terms of contributions that I spoke of earlier. The guarantor under the LAPP Act was the province of Alberta. The guarantor under the

MLA Pension Plan Act is the province of Alberta at the present time. What this opinion does is deal with and, I submit, dispose of each of the arguments that have been made with respect to a legal impediment to changes being made by this Legislature.

For one thing, the principle of legislative sovereignty is very clearly and fully articulated. It seems to me that it is beyond dispute that this opinion specifically states that the Legislature has the unimpugned right to make any changes to legislation that it has enacted that it chooses to make. It can modify the legislation; it can repeal it. It can do so, in my submission, with impunity. I'm not advocating that that's what should happen, that it should be repealed or that it should be modified to an excessive extent, but the point is that the ability is there for this Legislature to do it legally.

It's been argued that there is an administrative law principle that prohibits the Legislature from dealing with the pension plan Act and making the sort of changes that are contemplated by the amendment under consideration here. The opinion refers to the Supreme Court of Canada decision in the Canada assistance plan funding case. It makes it very clear that the natural justice issue does not apply to the actions of a legislative body, and that of course is one of the bases for the opinion of Parliamentary Counsel that I referred to previously. The Supreme Court of Canada has clearly and unambiguously spoken and has simply said that those principles, whatever validity they may have in a contractual relationship, do not apply in a statutory sense to a body that's dealing with legislative changes. So clearly that issue is disposed of.

It also goes on to deal with the issue that there is not a counterpart in the Interpretation Act of Alberta to the provision that enshrines parliamentary sovereignty at the federal level in the federal Interpretation Act. The opinion states very clearly that the Interpretation Act of Alberta – although it doesn't contain a similar provision, the authors state:

However, [we are] of the view that that difference does not affect the principle that Parliament could not be restricted from exercising its power to legislate.

So the fact that it isn't in our Interpretation Act is no impediment. There is no legal impediment to the principle of parliamentary sovereignty.

The opinion goes on to state, quoting again from Justice Sapinka in the CAP funding case,

There is no support in Canadian or English cases for the position that the doctrine of legitimate expectations can create substantive rights.

Well, I've already dealt with the issue of legitimate expectations. The most that could be said in favour of an argument of legitimate expectations is that those legitimate expectations would have been based upon the circumstances as they existed at the time of the last election in terms of what pension benefits MLAs could expect to receive. Consequently, even if the doctrine did apply, it would only apply to that extent, but this case in the Supreme Court of Canada makes it clear that that law, that doctrine, does not apply.

With respect to the issue of procedural fairness, the court goes on to say that "the rules [regarding and] governing procedural fairness do not apply to a body exercising purely legislative functions." So the point, Mr. Speaker, is that this Legislature is unimpeded in its ability to deal from a legal point of view with the issues that arise here.

I see that my time is fast approaching. I wanted to say, Mr. Speaker, that there are many other issues that need to be addressed in this debate, and I urge all members of the House to deal with them because I consider this to be an issue that impacts not only the present and departing Members of this Legislative Assembly, but it is an issue that will continue to impact Albertans and the

legislators, whoever they may be, in the future in Alberta with respect to the remuneration of MLAs. I submit that it is high time that we dealt with this issue by placing it in the hands of an independent remuneration panel and depoliticizing it to the extent that it is possible to depoliticize it. I realize that it's extremely difficult.

I see my time has expired. Thank you, Mr. Speaker.

MR. ELZINGA: Mr. Speaker, let me say at the outset that I deeply appreciate the input that we have received. I speak as one who is leaving politics. I recognize, too, that my comments are going to be somewhat disjointed as I go through what I wish to share with the Legislative Assembly, and I say with the greatest sincerity of the years that I've been involved in public life that I don't do so with any partisan nature, because I recognize that this issue is probably one of the most difficult issues that any of us here in this Legislative Assembly will have to deal with.

I look back somewhat to when I first entered political life in 1974. We had an issue before Parliament that related to our own wages. I had made a commitment at that time during the electoral process prior to that election that I would vote as my constituents indicated I should vote. I sent out a questionnaire shortly after my election, and I imagine all of you can recognize what the response was. I voted accordingly because I had made that commitment.

We not only have an obligation – and I believe it's our first obligation – to be representative of our constituents, but we've also got an obligation to show leadership. I must say that I am somewhat hurt as to the leadership that has been exhibited on this issue, because it is such an easy issue to make political points on. In the event that one simply wishes to make a political point on this issue, I quite frankly think the electorate will see through it. Whether it be an issue to deal with capital punishment or abortion, these are also other issues that relate directly to individual members.

I am somewhat puzzled – and I'm going to get into that as I speak to this amendment – as to what this amendment actually means, but I'm more puzzled when I hear comments from the hon. Member for Edmonton-Strathcona and the hon. leader of the Liberal Party. They're asking for an independent analysis, and they will abide by that analysis, yet when we get that analysis, they're not willing to abide by it. [interjections] If I'm incorrect, please correct me, sir, because I say this in all sincerity.

MR. DECORE: I said it wasn't complete. That analysis was mainly double-dipping.

MR. ELZINGA: Then I'm open to the hon. member's suggestions as to what we should do in a more comprehensive way to get that independent analysis, because quite frankly I recognize the difficulty we all face. It's not a pleasant issue for any of us. In fact, it's a distasteful issue that we have to deal with as it relates to our own salaries. We've done our level best, we thought, in producing this legislation whereby we were making a number of significant changes as outlined in this independent report.

Now, if hon. members think we should go further or if they think we should have an additional independent report, we're open to that suggestion. I recognize that I didn't hear all the comments. I heard the comments from the hon. Leader of the Official Opposition. I appreciated them, and I sent him a note indicating so. I didn't hear exactly what changes the hon. leader of the Liberal Party would like.

MR. DECORE: Retroactivity. Retroactivity is a big issue.

MR. ELZINGA: Retroactivity. I haven't seen that in an independent report yet, sir. In the event that an independent report came forward and said that we should not have retroactivity, would the hon. member live with that? [interjection] No, you wouldn't. In other words you're saying just the opposite of what you said to me a moment ago: if you advocated an independent report, you'd live by it. Yet if it didn't advocate what you believe in, you wouldn't live with it. Now, there is a fine example as to the consistency of the Liberal leader again. I didn't want to get partisan, but doggone it, it just shows you the hypocrisy from that party.

Mr. Speaker, I do want to endorse, though, something from the Liberal Party, as to what our leader said today. It's not a political issue. Doggone it, when I look around this Legislative Assembly and I see the commitment that members have made to the welfare of our province, quite frankly I don't question for one minute the commitment that every Member of this Legislative Assembly makes to his constituents and to this great province, even though I will question the differences that we do take on policy issues. We might differ in the views that we take on various issues, but quite frankly I salute all of you. I consider it a deep honour to have had the opportunity to serve with outstanding individuals like yourself, and I say that with sincerity.

9:30

MR. DECORE: I'm with you.

MR. ELZINGA: Absolutely. It's nice that you agree with me for a change. You're right on, sir. I say that with sincerity.

I want to also indicate, though . . . [interjections]

MR. MARTIN: Do you like me too?

MR. ELZINGA: Absolutely. I'm curious, though, because what I would like to do is have somewhat of an explanation as to the amendment proposed by the hon. Leader of the Official Opposition, whereby he states

that benefits payable under the Members of the Legislative Assembly Pension Plan Act be substantially reduced and that the said reductions in pension benefits be applicable to all members and former members of the 22nd Legislature of the province of Alberta.

Maybe because I come from a modest background, I don't understand it. I would appreciate some clarification as to whether this includes the salary levels; whether this includes a provision in the legislation that has been introduced by the hon. colleague, the reduction of the benefits from 4 to 3 percent; whether it also includes the eligibility, whereby we are raising the age eligibility from 55 to 65; whether it relates also to double-dipping. As was said earlier, sir, by the hon. Member for Edmonton-Strathcona, the Speaker had indicated that we could use that word "double-dipping." If it does, I'm puzzled. If I have an individual working for me on a yearly salary and I give him the commitment that he is going to make that salary for a yearly basis, if at the end of the year after I paid him that salary . . .

AN HON. MEMBER: Or she.

MR. ELZINGA: Whether he or she. If I ask him to return a portion of that salary to me on a retroactive basis, is there fairness in that? Quite frankly I don't think there is. If the hon. member is suggesting that those individuals who did receive their benefits, who serve presently as Members of this Legislative Assembly, and who were former ministers have to pay those benefits back now, I don't see the fairness in that either, Mr. Speaker.

MR. MARTIN: Just don't collect it.

MR. ELZINGA: No, no. That's what we're suggesting in this legislation whereby they will not be able to collect it, and we're addressing that.

In the event that you are suggesting in this amendment that they have to pay it back, we're saying exactly the same thing, and that's where I'm confused with your amendment. If you're suggesting that it be retroactive to 1989, that they have to pay those benefits back, then I can't support this amendment, because what you're doing is, you're saying to the salary earner who's going out . . .

MR. MARTIN: Amend it, and let's see if we can agree.

MR. ELZINGA: Who knows?

I want to come back for a moment to the report that we had commissioned by Peat Marwick. Again I stand to be corrected here, and I would appreciate the advice of hon. members. It was an all-party agreement whereby they went out and asked for input as it related to the remuneration that Members of the Legislative Assembly do receive. Now, if I'm incorrect in that, please correct me. I'm going to go on the basis that it was an all-party committee, and recognizing that, for hon. members to suggest that we only take the reductions and not the increases, again shows some lack of faith in the individuals we've asked to put this report together. Now, quite frankly – I come back to what I said earlier – we've got an obligation firstly to those who elected us, and I think we have to have an opportunity for broad public input into something like this. Now, if the hon. leader of the Liberal Party has a recommendation, I would appreciate his recommendation as to who that independent group should be.

MR. DECORE: We have a Bill.

MR. ELZINGA: But you haven't put names to the positions within that Bill as to who you would call upon. I've seen the Bill, and I notice you've outlined a number of individuals within various professions that should serve on a committee. [interjection] But you said earlier, sir, that if you didn't like the recommendations, you wouldn't have them applicable to it. [interjection] I'm sorry?

[Mr. Speaker in the Chair]

MR. DECORE: Mr. Speaker, if I'm being asked a question, I'm prepared to answer it.

MR. ELZINGA: Well, I would appreciate that.

MR. DECORE: Mr. Speaker, we suggested a year ago through a private member's Bill that all issues be determined by a commission of five individuals, five Albertans. That's a year ago. The government took no action for months and months and months and months. We suggested in the Legislature, I suggested in the Legislature that that commission of five deal with severance, pay, allowances, benefits, receipts, pensions, everything: all of those issues be dealt with by this commission and that all parties be bound by that determination. That's what I suggested. Don't mix up apples and oranges here, Mr. Minister.

MR. ELZINGA: I thank you very much for helping me on this very important issue, and again I say it with sincerity to the hon. member.

Still I'm somewhat confused because your member voted to have Peat Marwick come forward with this recommendation. If

you don't mind to have a little dialogue – and again I'm in the Speaker's hands – who would you suggest these five Albertans be?

MR. DECORE: Mr. Speaker, our Bill outlined the individuals: somebody from the AUMA, somebody from the Municipal Districts and Counties, somebody from the chamber of commerce, and I can't remember the other two, Mr. Minister.

MRS. HEWES: And someone from labour.

MR. DECORE: And labour institutions.

MR. KLEIN: That's two out of five.

MR. DECORE: A judge and labour representation.

MR. SPEAKER: Thank you, hon. members. Now we'll come back here from this miniversion of question period. Through the Chair, please.

MR. ELZINGA: I'm sure the hon. member can empathize with my position. If I couldn't remember, he couldn't remember also, yet I didn't propose the Bill.

Mr. Speaker, I recall the previous election whereby the Liberals in this House called for an election. Once we called it, they were yelling foul. Now, we've got the hon. leader of the Liberal Party calling for an election, and he's got a chap who used to have his position taking us to court because he doesn't think the electoral boundaries are done fairly. Now, how do you like that? In the event that they don't use the funds to go to court, they're going to use it for the Liberal Party.

MR. DECORE: Call an election.

MR. ELZINGA: Well, doggone it, you have your friends . . .

MR. DECORE: Get it ready. Let's go. I'm ready to go on this one, Mr. Minister.

MR. ELZINGA: Well, whenever the Premier sees fit, we look forward to the electoral battle, because again one thing that the hon. leader of the Liberal Party has done is just shown us that he's well versed in taking both sides of the issue.

I want to refer specifically to the independent report which the hon. leader of the Liberal Party said he would endorse in the event that we have an independent. I go to this study because quite frankly there's nothing I would like more than to have somebody else set this issue aside and clarify it for me, too, as I'm not running again. I'm willing to abide by whatever is brought forward, but when we look to what has been presented to us, they have suggested that we introduce the alterations as presented in this Legislative Assembly by my colleague the hon. Deputy Premier and Member for Barrhead, but there's a number of recommendations in here that we as a government did not introduce in this legislation because we did recognize that the Alberta population did not feel that we should have an increase in salary. In fact, Mr. Speaker, we did exactly the opposite. Under the leadership of our Premier we reduced by 5 percent ministerial salaries. It's interesting to note too – and again I stand to be corrected, because my history is not as long as other hon. members' in this Legislative Assembly. I'm sure if I'm incorrect hon. members opposite will point it out to me, but if I recall correctly, when the wage increase took place in 1989, there hadn't been a

wage increase for quite a considerable time period, plus it was only applicable to Members of the Legislative Assembly and not to ministers.

**9:40**

MR. MITCHELL: No, no. They got a big raise too. The ministers got a raise.

MR. ELZINGA: Is the hon. member who's responsible for Principal indicating that I'm wrong? Just so I have you on the record.

MR. DECORE: Call an election on this principle, this Bill.

MR. KLEIN: We want it on increasing your salary by 70 percent, Laurence. That's right.

MR. DECORE: Let's go right now.

MR. MITCHELL: You're pathetic.

### **Speaker's Ruling Interrupting a Member**

MR. SPEAKER: Thank you, hon. members. Earlier this evening, I think from each caucus, there was the complaint that members were interrupting them. Now I hear some of the same people doing the interrupting of others. Perhaps we could sort of just cool it a bit, and let's allow the Deputy Premier to continue.

### **Debate Continued**

MR. ELZINGA: Thank you very much, Mr. Speaker. I'm going to come back for a moment to the questions I asked, and I hope the hon. leader of the New Democratic Party would give me an answer at the conclusion of my remarks as to what all will be applicable in his resolution.

I think it's important, too, to reinforce what my colleague the hon. Member for Barrhead indicated when he went through the list of Members of the Legislative Assembly that were interviewed as it relates to the recommendations that came forward by this independent committee. We had a number of Progressive Conservative members that were interviewed, a number of Liberal members, and a number of New Democratic Party members. I don't think they've got the verbatim text in here as to what they all suggested we should do, but I'm assuming that what this group did was develop a consensus from the inputs that they received from the Members of the Legislative Assembly. I notice that we had the Member for Calgary-North West interviewed, the hon. Member for West Yellowhead, the hon. Member for Vegreville, the hon. Member for Calgary-McKnight, the hon. Member for Calgary-Mountain View, the hon. Member for Edmonton-Avonmore, and the hon. Member for Edmonton-Jasper Place, along with the gentleman who just indicated to me that ministerial salaries were increased in 1989 along with Members of the Legislative Assembly's salaries. I hope the information he shared with this committee was a little more factual than the information that he just shared with this Legislative Assembly, because again he was wrong. I see that he had an interview also. We honestly wanted to do our level best to come forward with that independent analysis that the leader of the Liberal Party has consistently advocated, but again recognizing that it's not quite to his liking, maybe he should have had the hon. Member for Edmonton-Whitemud serve on that committee so that he could have advocated increases rather than decreases. We had, Mr. Speaker, a very difficult issue to deal with. I recognize that there is less

sensitivity to those of us who are not running again. Quite frankly I can say with all honesty, as I'm sure all Members of the Legislative Assembly can say, that we didn't run for the pension. I would not have a pension. I collect a federal pension after serving as a Member of Parliament for 12 years. I admit it's a modest pension, but I collect it. My background is agriculture. I never expected I would ever collect a pension in my life. One assumes that you will put enough aside. There are individuals and I recognize again that they are a minority within this province that do receive benefits through a pension plan. I didn't count on a pension prior to entering public life, but it was part of the contract.

Now, in the event that this Legislative Assembly determines that we should alter that contract, I'm willing to live with whatever is suggested by this Legislative Assembly. But I would also ask you as to the fairness of it, whereby there are individuals here who have signed a contract with the electorate within this province. There are members here who are suggesting that we should change that contract, whereby much similar to an individual who works within this building, who works for any individual corporation or individual within this province, at the end of term they're saying to him: rather than the \$40,000 we've committed to you over the period of one or two years, we wish to have a portion of that returned to ourselves either because we're not happy with the work that you've done or because we think that we deserve some of it back. I would ask the hon. members within this Legislative Assembly as to whether that is right or whether that's not.

I would also suggest to hon. members that we do a thorough examination, and if the Liberals are going to suggest it, I will endorse it. I recognize that I might be a minority here, but if you are going to suggest that we have a further independent analysis that you're willing to abide by, I'm willing to abide by it. I haven't heard you suggest that on the floor of this Legislative Assembly during this debate even though I acknowledge and I appreciate your input as it relates to the legislation.

MR. DECORE: I'd like to ask the minister a question, Mr. Speaker.

MR. SPEAKER: Minister, do you . . .

MR. DECORE: Mr. Minister . . .

MR. SPEAKER: Order please. First I have to get the answer from the minister.

MR. DECORE: Well, he nodded yes.

MR. SPEAKER: Well, I'm sorry. I'm glad he nodded at you.

MR. ELZINGA: Unlike the hon. member I'm happy to take the question now rather than at the end of my speech.

MR. SPEAKER: Thank you.  
Edmonton-Glengarry.

MR. DECORE: I wonder if the minister could stand and defend the pension benefits that are being paid to a few individuals in this Assembly now. I named the names earlier of the constituency members that are receiving those payments. I wonder if he would defend the continuation of those benefits or if he would agree with me that those benefits are wrong and should cease immediately.

MR. ELZINGA: Let me say to the hon. member that I'm more than happy to respond to him, but let me ask him whether he had

advocated his member on Members' Services to raise this issue when he was suggesting that the leader of the Liberal Party should receive an increase in his own salary.

9:50

MR. DECORE: Mr. Speaker, we can look back at a number of issues including the matter of freedom of information, that a Premier stood in this Assembly and said we don't need such an Act because you can stand in this Assembly and get any answer you want. I mean, we can turn this, minister, all kinds of ways; the screw can be turned all kinds of ways. I asked a question, minister: will you continue to defend double-dipping by these few individuals, or will you agree that it should stop immediately, that a resolution or a law of this House should be passed immediately to deal with it?

MR. ELZINGA: Mr. Speaker, I'm going to answer the hon. member in a very direct way, but I in turn expect a direct answer from him rather than evasion as it relates to what I just asked him. Can I get that assurance from the hon. leader of the Liberal Party?

MR. DECORE: I'll answer questions any time you wish.

MR. ELZINGA: You haven't yet.

Mr. Speaker, the proof of the pudding is before us, whereby within this legislation we are suggesting, in the event this Legislative Assembly of which the hon. member is part approves it, that we are not going to allow an individual to receive a ministerial salary in the event that he sits as a Member of the Legislative Assembly. We've taken the corrective action.

MR. DECORE: After the election.

MR. ELZINGA: Well, let me word it this way then. After the election is the hon. member going to take a 70 percent decrease when he serves as the leader of the opposition party? Are you going to? Yes or no?

MR. DECORE: After the election everything goes retroactively to 1989, Mr. Minister, everything, everybody in this House.

MR. KLEIN: Are you going to pay it back, Laurence, a 70 percent increase, the largest salary of any MLA in history?

MR. SPEAKER: Deputy Premier. [interjections] Deputy Premier.

MR. ELZINGA: Mr. Speaker, I hope I lived up to what I indicated at the outset, that I wasn't going to get overly partisan. Occasionally we're spurred on to greater lengths than what we had hoped to when we do have some interruptions by the members opposite.

Again, I want to close with what I started with. It's not an easy issue. It's not an easy issue, and I respect the recommendation by the leader of the Liberal Party even though he didn't answer my question whereby if we struck that five-member committee, if he's going to propose this amendment. He hasn't answered any questions, you know, and he accuses us. If we strike that five-member committee as he suggests, is he going to live by those recommendations? I don't think he is.

MR. PASZKOWSKI: He won't answer.

MR. ELZINGA: No, he won't answer. [interjections] If I could, if the hon. leader of the New Democratic Party would also respond to my questions as it related to his amendment that he's proposed.

MR. MARTIN: I'd be glad to, Mr. Speaker. I can hardly wait. I said we could negotiate here if we're on the verge of making a deal. I think it's fairly clear. I know what he's driving at, if I may use the term "double-dipping," because those people were collecting that money in the meantime and should they retroactively have to pay it.

Well, I would say that in 1990 my colleague for West Yellowhead brought in a private member's Bill telling people that we thought this was wrong. We did it again a couple of other times, so we might go back there. At the very minimum, Mr. Speaker, I would remind the Deputy Premier, too, that in the throne speech over a year ago it was promised then – and the Speech from the Throne is supposed to be a sacrosanct promise – that we would be getting rid of double-dipping. Those are the government's own words. So if you want, then, let's go back there. If they're prepared to look at retroactivity for the rest of the package, then I'd be prepared to say okay, let's go back to 1989 with everybody and nobody has to pay the benefits, but that's an amendment we can look at if we're making a deal here.

MR. ELZINGA: I'll let you lay it on the table. I'm not here to make any deals. I'm not in a position to make any deals, but I think it's important that we as individuals lay our positions on the table so that the public knows. I think hon. members do agree with that. I apologize for picking on the leader of the Liberal Party again, but he indicated that he supported an independent review. *Hansard* of August 28, 1989, page 54: look it up, please. Again we have this great Liberal Party, who imposed upon us the national energy program, who raped this province of some \$60 billion. Again we've got the hypocrisy coming forward whereby the MLA for Edmonton-Whitemud says: I do not believe in an external review, and our caucus doesn't believe in an external review. Yet the leader of his party says: give us an external review, and we're going to endorse it holus-bolus. I think it's important that we put these items on the record. [interjections] Mr. Speaker, I'm not running again. In my history in politics, over 20 years, I have not seen a consistent thought come out of the Liberal Party except one, and that is: say anything, do anything as long as we meet with electoral success. They'll do anything. They'll say anything. They care not. They've got no morality whatsoever. I went through it in the 1974 election campaign with Mr. Trudeau, who the hon. member received, I think, a beautiful appointment from, certainly on the multiculturalism committee. In fact, I recall traveling back and forth with him when the hon. member could sit up nicely in first

class at the expense of taxpayers. I'm getting sidetracked, and I shouldn't get sidetracked.

Mr. Speaker, I think it's important that we discuss this on a very rational basis, and I would hope that all members do so, because remember that our first obligation is to this great province. Hon. members can suggest that maybe we should take a reduction, and in the event that that's the desire, we'll live by it. But remember this: we all have a heavy burden to bear. I say this again because I recognize the hours you put in, sir. I know the hard work. The hon. Leader of the New Democratic Party was in Sherwood Park whereby they had a petition on this pension issue, and I gather some 500 people signed it. I think that's great. We had a booth also, as did a number of other political parties, making sure that we had broad public input, and we're going to have to make sure that we do the same thing with this legislative item on our agenda.

Recognizing the lateness of time and the lack of answers that we've received from the Liberal Party, I would suggest that we adjourn the debate.

MR. SPEAKER: Having heard the motion to adjourn debate, those in favour, please signify.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please signify. The motion carries.

#### **Speaker's Ruling Filing Documents**

MR. SPEAKER: The Chair has a question to the Member for Edmonton-Glengarry. Earlier this evening I think there was an undertaking to supply copies of certain figures to the House. Has that been done? Because I've heard from some members that they did not receive it. Thank you.

Deputy Premier.

MR. DECORE: A point of order, Mr. Speaker. I gave it to one of the pages. I don't know what happened to it, sir.

MR. SPEAKER: Thank you.  
Deputy Premier.

MR. KOWALSKI: Mr. Speaker, just by way of advising all members of the House of the order of business for tomorrow night, when the House meets again tomorrow night at 8 o'clock, it will be our intent to be in committee on Bill 57. Then we would be moving to second reading of Bills 59, 60, 58, and then if there's some additional time, we'll continue discussion on Bill 62.

[At 9:59 p.m. the Assembly adjourned to Tuesday at 2:30 p.m.]