

## Legislative Assembly of Alberta

Title: Thursday, May 6, 1993  
 Date: 93/05/06

8:00 p.m.

[Mr. Speaker in the Chair]

MR. SPEAKER: Please be seated.  
 The hon. Provincial Treasurer.

MR. DINNING: Mr. Speaker, I have received certain messages from His Honour the Honourable the Lieutenant Governor, which I now transmit to you.

SERGEANT-AT-ARMS: Order!

MR. SPEAKER: The Lieutenant Governor recommends for the consideration of the hon. Members of the Legislative Assembly the attached financial plan for Alberta for the 12 months ending March 31, 1994.

Please be seated.

head: **Government Motions**  
 head: **Budget Address**

42. Moved by Mr. Dinning:  
 Be it resolved that the Legislative Assembly approve in principle the fiscal policy of the government for the fiscal year 1993-94.

MR. DINNING: Mr. Speaker, Premier Ralph Klein's government has spent the past five months listening to Albertans. We've heard their message loud and clear. The budget plan I am announcing tonight reflects the principles our people cherish, the priorities they value, and the policies they expect. Albertans have told us to get our financial house in order, to pay utmost attention to the economy and jobs, to strengthen education, to maintain the excellence of our health care system, and to provide affordable public services. That is precisely what this government will do.

Our job is to foster a competitive and prosperous Alberta. We will do that by setting a responsible fiscal course with open and accountable government by providing value in government services and above all else by living within the taxpayers' means. Mr. Speaker, the budget I am presenting tonight is not an isolated exercise. Rather, it is an integral part of Premier Klein's government's financial plan.

The plan sets out four strategies: first, to legislate and enforce a four-year program which will result in a balanced budget by 1996-97; second, to set clear priorities and stick to them; third, to act boldly on Alberta's economic development strategy; and finally, to change the way government does business.

Mr. Speaker, the plan spells out an ambitious yet realistic and enforceable course to balance the provincial budget by 1996-97. As a first step, this year's budget will reduce the consolidated deficit by some 22 percent, or nearly \$700 million. This will be accomplished through cuts on the expenditure side of the budget. There are no tax increases, no new taxes, and no sales tax.

The document I have tabled describes in detail the reductions in government spending. Much of the savings will come from our first line of attack: eliminating waste and duplication, reorganizing and downsizing government. But the expenditure cuts will have to go deeper. This year's budget contains tough but fair measures that will curtail some government services. Our work has just begun.

We all know that new times demand new approaches and new ways of doing things. That means change, Mr. Speaker. We

cannot meet today's challenges with yesterday's ideas. Successful businesses and successful governments know that staying the same means getting left behind. In the financial arena this means doing the right things and doing them better.

Premier Klein's government has demonstrated what change is all about, and we've begun our share of cost cutting. The size of government has been reduced. There are fewer ministers sitting at a much smaller cabinet table. Government departments and many senior jobs have been eliminated. Salaries of ministers and senior staff members have been cut, and now the outright elimination of MLA pensions. In 152 days, Mr. Premier, that's a lot of change. Cost cutting is only the beginning. Just as important is our government's commitment to fiscal responsibility and accountability.

Mr. Speaker, there is no need for me to describe how economic conditions have changed and how they have transformed Alberta's financial affairs. We, this government, opened the books on the province's finances, and the stark reality is described in the recently published report of the Financial Review Commission. Their conclusion is straightforward. What individual Albertans have told us over and over, the independent financial experts have confirmed on the basis of careful analysis. We must re-examine the role of government, redefine what we in government should do, and how we should do it.

Our long-term financial plan, and within it this year's budget, sets a responsible fiscal course for the province and provides a workable blueprint for change: reducing government spending, changing the way we do business, eliminating waste and duplication, getting out of the way of business so they can get on with the job, balancing the budget. Those are the key elements, Mr. Speaker, of a new fiscal course for Alberta.

Tomorrow I will take action on the first strategic component by introducing a new piece of legislation, the Deficit Elimination Act. This will impose strong discipline on all of us. The legislation will require government to follow a prescribed course of annual deficit reductions. There will be no loopholes, Mr. Speaker. If in any one year government fails to meet its deficit reduction target, the budget for the subsequent year will be reduced to make up the shortfall and keep the balanced budget plan on track.

The plan sets clear year-to-year targets for deficit reduction. Tonight, Mr. Speaker, we have announced a deficit reduction of nearly \$700 million for this year alone. That takes the deficit down from \$3.17 billion to \$2.48 billion. Next year the deficit will be reduced another \$700 million to \$1.8 billion. In '95-96 the deficit will be \$800 million, and in 1996-97 Alberta will balance the budget. Overspending and borrowing will come to an end. At that point we'll start attacking the debt. Albertans and their government backed up by a legislated deficit elimination requirement will ensure that these targets are met.

**8:10**

The discipline will go beyond mere numbers, however. It will require government to significantly improve the way we prepare and report on our budget. For one thing, all future budgets will be prepared using conservative revenue forecasts. Mr. Speaker, we learned our lesson. Optimistic oil and gas revenue forecasts have no place in the budgetary exercise. In the future we will err on the other side. We will stick to the assumption that oil and gas revenues will stay at the same level as the average of the previous five years. Should we be wrong and should revenues exceed our forecast, the additional funds will not be used for program spending. They will be earmarked for deficit and debt reduction. The same prudent principles will apply to other additional revenues over and above our revenue estimates. Let me repeat:

we will not use windfall revenues to increase government spending; revenue gains will go to reduce the deficit and the debt.

With fiscal discipline in place the priorities of government spending will accurately reflect the priorities of the people of Alberta. Of the many tasks facing us, revitalizing the economy is clearly at the top of the list, yet this budget contains no dramatic spending gestures, no major infusions of cash. Here, too, we have learned a lesson, Mr. Speaker: government cannot stimulate the economy through quick fixes.

The Klein government's approach is to build the Alberta economy in full partnership with others, not by ourselves but with Albertans. To strengthen investor confidence and enhance the rewards for success, we will begin by getting rid of unnecessary rules and regulations which hamper business efforts to invest and create more jobs. As part of our talks with businesspeople we've heard them complain about the paper burden they carry. They say to us: let us get out of the form-filling business so we can focus on our own business. We agree, Mr. Speaker.

The two-stage regulation review announced by Premier Klein is already under way. Every government department will have a deregulation action plan completed by September 1, and these plans will come up with recommendations for revision, for reduction, or outright elimination of unnecessary rules and regulations. The second phase, a public review of those deregulation action plans will follow immediately. I expect a final report for cabinet's approval by December 31.

One further step in removing the paper burden for Alberta businesses, Mr. Speaker: I am announcing tonight that Alberta will begin negotiations with Ottawa to have the federal government collect our provincial corporate income taxes. There is simply no justification for both federal and provincial governments to be in the corporate tax collection business.

Over and above administrative efficiencies in tax collection this government is concerned – is concerned – with the overall impact of taxation on the entire provincial economy, Mr. Speaker. We are establishing a tax reform commission to review all aspects of Alberta's taxation system. The commission will be asked to focus on one single question: what can we do to improve our competitive position? My objective is to appoint members of the commission by July 1 and have their report in hand by the end of this year.

Mr. Speaker, the Premier has already made it clear that we are getting out of the business of direct business subsidies. Existing and prospective business companies in this province can look forward to their government maintaining an healthy investment climate and creating a competitive tax environment.

Our economic strategy is not designed to be a quick fix for the Alberta economy. It establishes priorities. It defines directions. Our job in government is to set the stage for action by individuals, by entrepreneurs, by business and industry, and by an army of Alberta volunteers wanting to go to work.

To accomplish what we have set out to do, we must change the way government does business. Mr. Speaker, we told Albertans that we would take action on the recommendations of the Auditor General and the Alberta Financial Review Commission. Tonight we are delivering on that commitment. The result is timely and clear reporting to Albertans, new accounting and budgeting approaches, and a focus on performance and outcomes.

Commencing this year all departments, agencies, and organizations receiving significant government funding will be required each year to prepare three-year business plans outlining long-term goals and program objectives, spending requirements that match our financial plan, and specific measures to measure results and performance. The business plans must answer the basic question:

is this the business that we should be in? If the answer is yes, then how can we streamline and do the job better over the next three years? That's how successful businesses operate, Mr. Speaker, and that's how efficient organizations in the public sector must operate. Annual performance reports on the business plans will be prepared, and they will be made public.

This fall we will set out multiyear funding targets for all government departments and for schools, hospitals, and postsecondary institutions. The task of meeting those targets will be left to those who can do the job best: the people working on the front lines, Mr. Speaker. This government will get out of the way and let them do their job.

This budget, including the Deficit Elimination Act, takes the first key steps towards a consolidated budget that will give Albertans the complete picture of the province's financial activities. The day-to-day operating budget, much like a family's monthly budget, has been separated from the province's capital investment budget, and consistent with the recommendations of the Auditor General, Mr. Speaker, I wish to advise the Assembly tonight that spending of lottery funds will require the approval of the Legislative Assembly.

A new management board structure will be established to regularly monitor and adjust the province's financial affairs and planning activities. The audit committee's role will be expanded to serve as an ongoing Financial Review Commission to report directly to the public on government's progress towards the goal of a balanced budget.

There has been a lot of discussion about the Alberta heritage savings trust fund. Premier Klein is committed to carrying out a public review of the purpose and the future of this fund. It's a fund that belongs to all Albertans, Mr. Speaker, and we will not make changes to it without listening first to Albertans.

Moving to government operations, actions will be taken to redefine the role of government along the lines of a successful business. This means reducing the overall size and complexity of government by eliminating and amalgamating and in some cases privatizing a number of agencies, boards, commissions, and committees. It also means focusing on positive results, improving productivity through creativity and innovation, getting out of the direct business of providing programs wherever we can, and disposing of assets that are no longer required.

Mr. Speaker, those are the highlights. I encourage Albertans to look carefully at the details in this four-year plan. Taken together, the full range of actions will achieve the objective of getting Alberta back on track and balancing the budget by 1996-97.

#### **8:20**

Proof, Mr. Speaker: Albertans are looking for proof, and the proof of our commitment lies not in promises but in action, delivering on those promises. The first action comes in this year's budget. Priority has been placed on streamlining government to eliminate duplication and waste and reduce overall government spending. We're also putting in place the essential processes and reviews to set the stage for further spending reductions in 1994-95 and the two years following, and those reviews will begin immediately. We cannot and we will not take action on specific savings over the next three years without consulting Albertans first.

Mr. Speaker, these are the key facts about this year's budget. Budget '93 contains no tax increases, no new taxes, and no sales tax. Alberta's operating deficit will decline by \$400 million to \$1.92 billion. That's a 17 percent reduction from the \$2.32 billion operating deficit for the past year. A 17 percent reduction in our operating deficit, Mr. Speaker. Our consolidated deficit for '93-94

will decline by \$690 million to a total of \$2.48 billion. That's a 22 percent reduction from last year's consolidated deficit. Overall revenue is expected to decline this year by \$79 million to just under \$11.5 billion. Total operating expenditures will be \$13.4 billion. That includes more than \$1.4 billion to service the cost of our debt. Our investment in capital projects and equipment will be \$817 million.

More than \$130 million will be saved in '93-94 from our first line of attack: eliminating waste and duplication, reorganizing and downsizing government. The operating budgets of 14 government departments will be cut, and overall the civil service will be reduced by 2,575 positions. Eighteen hundred of these positions are the result of the early voluntary options program, and the remaining reductions will take place almost entirely by attrition. That's the bottom line: a reduction in the deficit of almost \$700 million and no increase in revenue.

Mr. Speaker, to achieve the bottom line, specific actions have been taken to cut spending in addition to those I've already mentioned. Four hundred and forty million dollars will be saved by reforming programs, eliminating some programs, and not renewing others. The \$440 million includes savings from the significant welfare reforms introduced by my colleague the Minister of Family and Social Services, first-time real reductions in the Health department's budget, and \$165 million in specific program cuts across the entire government operation.

The new Alberta registries agency will serve as a model for future government operations. It will provide timely and accessible one-window services to Albertans in their own home communities using private-sector agencies to deliver the services in partnership with government.

Tonight I am announcing the amalgamation of nine government agencies and the elimination of 13 advisory committees and councils. As examples, the Agricultural Development Corporation, the Alberta Opportunity Company, and the Motion Picture Development Corporation will be amalgamated into one efficient organization. The Land Compensation Board and the Surface Rights Board will be merged. The Labour Relations Board will be amalgamated with the Public Service Employee Relations Board. The Alberta Sport Council will be combined with the Recreation, Parks and Wildlife Foundation. Those are actions, Mr. Speaker, action on reducing the size of government.

Action has also been taken in Budget '93 on the priority areas of education and health. Albertans have said, "Education is fundamentally important to our children and to our future," but Albertans have also begun to question whether there are ways of getting better results for our investment in education. The key question is whether the structure we have in place now is the best way of ensuring that Alberta students get what they need, and that's the best possible education at a reasonable cost. To meet this objective we will turn to the basic education and postsecondary communities to engage them and to authorize them to carry out a review process with known spending targets and a clear objective, practical strategies for doing the job better. Actions from that round table will be part of the '94 budget.

For '93-94 spending in education will increase, Mr. Speaker. This is in response to the enrollment growth that our schools will experience this fall and addresses a number of important issues. Thirty million dollars in lottery funding has been added to the education system as an interim measure to address the problem of financial inequities among school boards. This will directly help the education of children in communities particularly a little less wealthy than others, cities, towns, and rural communities, including places like Edmonton, Red Deer, Vermilion, and Raymond. But the equity problem is growing, and a long-term solution is

absolutely essential. That solution will be achieved as part of the tax review announced by Premier Klein in the economic strategy, and the report is to be prepared by December 31 of this year.

An additional \$17 million will be provided to the Students Finance Board. Students qualifying for student loans will receive an additional \$350 to cover increases in tuition fees as well as an increase in their cost of living.

Albertans, Mr. Speaker, have said that health is a top priority. The challenge is to provide quality, affordable health care for all Albertans. Spending in '93-94 will be reduced by \$127 million, but Health's share of total government spending will actually increase to over 33 percent. The costs are growing at a rate we can no longer afford. People working in the health care system understand that reality, and they also have the vision and the will to change the system and find a better way. My colleague the Minister of Health will work with people directly involved in the health care sector to determine how those spending reduction targets will be met. In addition, a health review round table process will begin this summer. Health planning groups will be formed throughout the province, and their recommendations will be made this fall and further actions will be included in the 1994 budget.

To keep pace with rising costs, monthly health care insurance premiums will increase October 1 from \$54 per family to \$60 and from \$27 to \$30 for individuals. At the same time, more low-income Albertans will be protected from having to pay full health care insurance premiums. We've increased the threshold by 10 percent for those who qualify for reduced health care insurance premiums.

Finally, this budget provides increased support for those Albertans with the greatest need. An additional \$3.4 million will be spent to increase benefits under the assured income for the severely handicapped program and the widows' pension. Nine million dollars will be added to assist persons with disabilities to live in their own home communities. The rates paid to foster care parents will be increased by 9 percent to recognize the invaluable services they provide, and a further \$1 million will be spent to develop foster care treatment spaces throughout the province.

Mr. Speaker, those are the highlights of Budget '93. Further details for all government departments are included in the information that I have tabled with you today, sir.

I have said very little about our commitment to protecting Alberta's environment, about the future of agriculture, and about our commitment to Alberta's senior citizens. Our commitment to these Albertans and to the essential services for them remains. To secure the future of social programs and the way of life Albertans value, we have to take action now to get spending in line with our revenues because, Mr. Speaker, if we fail, what we will do is put our social programs, our programs for people at risk. A strong economy is the essential foundation for good social programs, quality services, and a clean environment.

**8:30**

Mr. Speaker, this is the first time in my years of public service that I have the honour of delivering a Budget Address. Being new to the job, I had one major advantage. I simply didn't know what can't be done. Over the past five months I've ignored what can't be done and focused instead on what can be done. The proof is in the budget you see tonight. Today we've taken the first step in getting Alberta's fiscal course back on track, and in many ways the first step is the toughest. It means facing the problem head-on, realizing there is no easy way out, no simple solutions. Then it's a matter of getting on with the job of making decisions in a fair and deliberate way.

That great baseball player cum philosopher Yogi Berra once said: when you come to a fork in the road, take it. Well, we've come to that fork in the road, Mr. Speaker. We can't continue on the same path as in the past. We've got to choose a new route to the destination of a better future for Alberta.

In both the economic strategy and this financial plan our message is one of confidence and commitment: confidence that we can turn Alberta's economy around and position us for success as we approach the 21st century, commitment that this government will deliver a balanced budget. With these two plans in place, we can rekindle Albertans' hope and confidence in the future. We've come to the fork in the road, we've turned the corner, and we're on a new path for a better Alberta.

Mr. Speaker, when Premier Klein took office, he promised that this would be a government of change and he promised to listen to Albertans. Tonight a promise made is a promise kept. We have a plan that contains no tax increases, no new taxes, and no sales tax: a reasonable, achievable, and enforceable plan for balancing the budget. We have a tough but fair budget that cuts nearly \$700 million off last year's deficit, a budget that comes before an election, a budget with no giveaways.

We are confident, Mr. Speaker, about Alberta's future, about working with Albertans to build a better Alberta. We will work, and we will work together until our work is done.

Thank you, Mr. Speaker.

MR. SPEAKER: The Member for Vegreville.

MR. FOX: Thank you, Mr. Speaker. In order to allow the Leader of Her Majesty's Official Opposition sufficient time to prepare a hard-hitting but fair response to this budget document, I beg leave to adjourn debate on his behalf.

MR. SPEAKER: You adjourn debate on your own behalf, Member for Vegreville.

All those in favour of the motion to adjourn debate, please say aye.

HON. MEMBERS: Aye.

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

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

**Bill 66**  
**Members of the Legislative Assembly**  
**Pension Plan Amendment Act, 1993 (No. 2)**

Moved by Mr. Martin that the motion for second reading be amended to read that Bill 66, Members of the Legislative Assembly Pension Plan Amendment Act, 1993 (No. 2), be not now read a second time because the Legislative Assembly finds the Bill fails to extend the principle of retroactivity on the matter of pensions collected by sitting members of the 22nd Legislature and undermines the principle of retroactivity on the matter of proposed cuts to the members' pension entitlements insofar as those cuts are minuscule compared to the enormity of the pensions to which several members will be entitled.

[Adjourned debate May 5: Mr. Anderson]

MR. SPEAKER: Calgary-Currie.

MR. ANDERSON: Thank you, Mr. Speaker. On resuming debate on this amendment, I begin with some awe in dealing with the fact

that I am now speaking after the Provincial Treasurer and that the topic which we're discussing, the pensions of Alberta members of the Legislature, is such an appropriate topic following a dynamic, a successful, and a very new hard-hitting Budget Address, for which I'd like to congratulate the Provincial Treasurer.

Mr. Speaker, in the 14 years that I've been in this Assembly, I have seen the topic of pensions go from where we looked at proper remuneration and the proper acceptance of a package that would allow all Albertans to participate in the Legislative Assembly, as we've watched the economy of the province go from one that was growing to one that was skyrocketing – the possibilities and the growth for Alberta to never end, in many people's minds – now to one reflected in today's budget, which is one of restraint, which is one of cutting back, which is one of realizing the economic realities of today.

In terms of this issue of pensions . . . [interjections]

MR. SPEAKER: Order please in the galleries as well as on the floor. Perhaps you could keep the noise level down. Thank you.

MR. ANDERSON: Mr. Speaker, as with the budget it is now, too, appropriate that in the times of economic reality we take another look at those particular items which relate to our own operating in the province.

Having said that, while I believe it's appropriate and while this motion and this Bill allow for that discussion, I think it is also appropriate, also fair, and only just that all of the facts be on the table. I'll repeat for hon. members the case that I made at the original speaking time for this debate, and that was that there has been concern expressed publicly about the level of pensions, and that's appropriate. There's been concern about the age and the time and all the rest of it, and that, too, is appropriate for discussion. There have not been appropriate facts given to the public of Alberta so that it might know properly both sides of the story and also have the correct data available.

I mentioned last day that the Alberta Taxpayers Association, which has been quoted constantly in the media as the standard, as the authority for the pension amounts and projections that have been there, has projected last year that I, for example, would be eligible over my lifetime for a \$4.5 million pension. I might say jokingly that I had a number of offers of marriage just following that particular announcement. However, a year later I was down by a million three; we're down to \$3.2 million. Anybody who calculates the pension plan itself, who can take the 4 percent per year that members are eligible for and calculate them over the years of service and even take 30 years of my life that I may yet have a chance to live, if that's what's meant to be, will find there's nothing like \$4.5 million or like \$3.2 million. It may be more like \$1.4 million, and that is unquestionably a lot of dollars. My accountant tells me it's worth about 700 and some-odd thousand. That's a lot of dollars. Those are the appropriate figures to be discussed in public because they are the right ones and not the inflated figures which have been used by the opposition, by the Taxpayers Association, and by authorities quoting them, where they have arbitrarily added on to pensions last year a 10 percent per year inflation factor compounded over 30 years and this year reduced that to 5 percent per year, another fictitious amount that is not likely, in fact not possible in our current line of thinking.

**8:40**

Mr. Speaker, once again I say that doesn't mean we shouldn't redebate what the pension plan should hold for our members in this Assembly and appropriately adjust according to the economic

realities of today. I do believe, as with all items in the Assembly, that we have to be careful with this one, as close as it is to each of us, as we do in other issues, to be fair, to bring out all points of view and to give perspective, a perspective that I think has been sorely limited in this debate to date.

Mr. Speaker, I think it's appropriate since I'm one of the younger members who are leaving office to also talk about the age qualification, which has been at question in many of the recent discussions. Once again, I'm not arguing that that isn't an appropriate topic for rediscussion. I believe it's essential to put on the record the rationale and the reasoning that was originally given for the age plus years of service equaling 55 factor, and that was to encourage younger members to enter the Legislature, where they would have to sever their ties with their occupations. That was, indeed, the case with myself. I had a small business operation that I was required to cancel contracts for because of the contracts being related in some way to Crown agencies. I was required to end the occupation and enter a new at age 29, when I was first elected to this Assembly.

The argument that was made in those early days was that for an individual to stay in office for the period of time of the highest earning years, where the individual would normally be building up some basis for operating further in life, that this age plus years of service argument should be accepted. It was, and I would say, frankly, to this Assembly that in '79 when I ran, I didn't even know there was a pension plan and did not run with one in mind. In 1982 it was not a primary concern of mine. In 1986 I ran for election once more, and it still wasn't one of my major considerations. I will say to this Assembly that in 1989, when the last decision was made, my wife and I took a look at our age, 39 at the time, and said that if there is going to be something established for the long term in terms of a career pattern, this is probably the time to go do it and decided that there were still things that I wanted to accomplish in this Assembly for the people of Alberta and that the pension plan that was indicated before that date was enough to allow for me to run for the one more term.

The Member for Edmonton-Strathcona suggested and then withdrew, which I appreciate very much, that I had run for election because of the lucrative pension plan. Well, that couldn't be further from the truth. I ran for election to help as best I can in this Assembly the people of Calgary-Currie and the people of Alberta, but that pension plan did allow us to make that decision one more time.

Maybe that's not a good thing. Perhaps we want to encourage quicker turnover in this Assembly. Many of the American states have only two terms allotted. We have to remember, though, that our system is far different from the American in that we combine the legislative and executive functions in this Assembly. Therefore, members have to learn not just how to represent their constituents and talk about policy but to operate government and to move through its ranks in this House in a way that is not possible or required in any American state.

Personally, I would consider advocating a limit to terms if we did break apart, sever those two responsibilities: policy or legislation on one side and administration on the other. That is not a fact in the Canadian form of government, the traditional British parliamentary form of government, which we live under.

In terms of the pension plan itself I really only want to say a couple more things. One of those is that I don't have a problem with the reduction for members that's proposed in the Bill. I do have a problem with the principle of retroactivity. I would make one request of the sponsor of this Bill, and that is that the sponsor in closing remarks on second reading or during Committee of the Whole make it abundantly clear, as I know was the intention of

the Premier, that this principle of retroactivity is not a principle that the government will consider using on pension plans of teachers, police, or other Albertans, nor will it consider it as a principle that is to be used on any but the most exceptional basis with legislation.

For me the principle of retroactivity is one that does move against the fundamentals of basic rights. While I would have preferred that in this pension legislation they allowed for a voluntary return of dollars, which I would have done and signed a form to do to the amount we talked about, that isn't to be the case. But I do think it is essential for possible court cases in the future on the part of teachers or other bodies, possible actions in this Assembly, a possible historical look at this particular move, that we affirm that the principle of retroactivity, of taking away what is committed to and promised in the past is not one we agree with. That's not to be confused with a needed change in public policy from one day forth or a needed re-evaluation of what's possible in budgets from one day forth. That's what this Assembly must always do. But there is a difference in that principle of retroactivity, so I would ask that that be confirmed.

The other point that I would make once again – and I make it sincerely to all members on all sides of the House – is that we must be very careful as the custodians of the public good to not overreact or be under particular pressure, particularly as an election faces us, to take advantage of a move that's publicly popular. Yes, today it is only about our own pensions, and that is easy to say something about. But if tomorrow the public tide is to move against one small segment of society or one individual or one group of individuals, then this Assembly's responsibility is to calmly, factually, accurately reflect what's happening and in doing that safeguard the rights of our citizens for the future. In this particular argument I don't think that it's happened. I don't believe that the opposition demands have been motivated by the need to bring out the full facts in balance, and I don't know that even our response on the government side has been there as a result of long considered policy. It has been, rather, a response to a very dominant, very emotional focus that has underlined a frustration and a cynicism in our public, which we have to do everything we can to allay in years to come if our system of government and our Assembly are to continue operating in the best interests of moving forward in our society.

**8:50**

Mr. Speaker, in closing, I would oppose the amendment proposed. I have some reluctance in the Bill, particularly the aspect of retroactivity, but I'll await the sponsor's comments on that particular question and, once again, hope that a dutiful consideration will continue on this issue as well as on all others in the Assembly.

Thank you.

**MR. SPEAKER:** The Member for West Yellowhead, speaking to the amendment.

**MR. DOYLE:** Thank you, Mr. Speaker. I would like to speak to the amendment proposed by the Member for Edmonton-Norwood, the hon. Mr. Martin, that the motion "that Bill 66 be now read a second time" be amended by striking all the words after "that" and adding:

Bill 66 . . . be not now read a second time because the Legislative Assembly finds the Bill fails to extend the principle of retroactivity on the matter of pensions collected by sitting members of the 22nd Legislature and undermines the principle of retroactivity on the matter of proposed cuts to the members' pension entitlements insofar as those cuts are minuscule compared to the enormity of the pensions to which several [MLAs] will be entitled.

Mr. Speaker, I wanted to read it into the record because I know some members easily forget what the amendment was or fail to take their place in the Legislature and debate such positive amendments as those brought forward by the Leader of the Official Opposition.

MR. SPEAKER: Order.

MR. DOYLE: I'm speaking to the amendment, Mr. Speaker.

MR. SPEAKER: There's plenty of time for members to rise. Your comments are out of order.

MR. DOYLE: With closure, Mr. Speaker, I understand.

MR. SPEAKER: Order. That's beside the point.

MR. DOYLE: Like the Member for Calgary-Currie, who represented the riding of Calgary-Currie very well over the years, I, too, will take my place here in the Legislature and say with all truth that neither did I run for the position as an MLA for the riding of West Yellowhead, the most beautiful riding in all of Alberta, for pensions or for salary, Mr. Speaker, for I had a job and I had a pension. I could have continued, and I could have retired in a couple of years. The way this government is going, unfortunately, I'll have to stay on for a few years to straighten it out.

Shortly after being elected to the Legislature in 1989 I had the opportunity to learn more about pensions, because I had a pension plan with TransAlta utilities, the company I had been employed with for several years. There was no retroactivity, as the Member for Edmonton-Norwood mentions, but I did have the opportunity to look into my pension plan. Of course, in a private or public company that particular pension plan is locked in. If you have worked 10 years for that company and you have reached 45 years of age, your pension is locked in until age 55. I was in that bracket, Mr. Speaker, so my pension was locked in. However, I did have the opportunity to have that pension turned over to me, and I was allowed to self-administer it and make the investments that I wished.

When I read the public accounts of the government, one of the things that I noticed, the most serious of all, the most gross thing that could happen with taxpayers' money, is that MLAs are sitting in this Legislature drawing a pension while they're gainfully employed as MLAs for ridings throughout this province.

[Mr. Deputy Speaker in the Chair]

It took me back quite a little bit when I saw that the Member for Whitecourt in 1986-87 through double-dipping had drawn \$11,734, and in 1987-88, Mr. Speaker, that same member through double-dipping drew \$14,093 above and beyond his salary on boards and commissions. In 1989-90 he drew \$14,297, and in '89-90, when he was returned to cabinet, he drew a mere \$550 in his term. So, Mr. Speaker, that Member for Whitecourt, who's now the minister of transportation, drew prior to 1989 over \$40,000 out of a pension plan that other people were contributing to.

In speaking to the amendment, Mr. Speaker, I see the Member for Calgary-Fish Creek waiting for my turn at him. Actually I just wanted to put it on the record so that the Alberta public knows how much money some of these members have drawn out of their pension fund while they were gainfully employed as MLAs. The Member for Calgary-Fish Creek, of course, has been on the pension plan for quite some time. He has drawn some \$33,170 from the ministers' portion of the MLAs' pension plan. I don't recall when the member was a minister, but perhaps it was before

my time. I'm not sure whether it would be on this earth or in this province. That member has paid into the pension plan some \$83,511, and his first year's pension, as he's leaving the Legislature at the drop of the writ, will be a yearly pension of \$44,293. So the Member for Calgary-Fish Creek will have basically drawn within about \$10,000 the total amount of money that he has put into his pension plan.

Other members – I won't raise too many here, Mr. Speaker. Of course we're all aware of the Member for Taber-Warner, who earned some \$114,000 two years ago and at the same time drew out \$14,900-some, almost \$15,000. But the Member for Taber-Warner, since he was kicked out of cabinet for doing a lousy job . . .

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

#### **Reflections on a Member**

MR. DEPUTY SPEAKER: Order please. Order please. Please have some respect for what has actually happened, the facts, hon. member, and the place where you're speaking.

MR. DOYLE: Thank you, Mr. Speaker, for correcting me.

#### **Debate Continued**

MR. DOYLE: The Member for Taber-Warner has no retroactive paybacks to the pension plan. He has drawn some \$96,600 since he was in cabinet some years ago. His yearly pension when he leaves this Legislature when the writ is dropped will be \$71,277, and that Member for Taber-Warner has paid in \$137,850. Mr. Speaker, I would say that within the next seven months, that member will be on the dole of the taxpayers of Alberta. The money he put in is gone.

One other member, the Member for Pincher Creek-Crowsnest, who sits beside him quite often, Mr. Speaker, has drawn \$28,840. His annual pension will be some \$48,128. [interjections]

Mr. Speaker, I'd like to see the Member for Smoky River stand up and defend the way that these people have ripped off the taxpayers. He sits there nattering all the time while we're speaking, but he doesn't take his place in the Legislature and say anything.

I want to bring your attention to the most recent Member for Stettler, the former Premier, Mr. Speaker. The Member for Stettler, who used to be from Edmonton-Whitemud, retired in 1980. He drew \$14,761.12 in 1980, \$15,199.65 in 1981, and in 1982 he drew \$16,852.23. In 1983 he drew out of the pension plan \$17,985.42. In 1984 he drew \$18,791; 1985, \$19,331; 1986, \$12,631. That was the year, of course, Mr. Speaker, that he was elected as leader of the Conservative Party and Premier of the province.

#### **9:00**

In 1989, when that member was defeated as Premier in the riding of Edmonton-Whitemud, for the month that he was challenging the re-election in Stettler, he drew \$1,625 in that month that he was campaigning. Now, isn't that something to do to the taxpayers of Alberta? Most people can't believe this. This year, Mr. Speaker, the Member for Stettler had the opportunity to double-dip and draw \$6,233, but I don't know for sure.

#### **Point of Order**

#### **Relevance**

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

MR. DEPUTY SPEAKER: The hon. Member for Lethbridge-West.

MR. GOGO: Mr. Speaker, I hate to interrupt the hon. member. I'm having great difficulty trying to relate the hon. member's comments, which I think relate substantially in many cases to 23(h) and (i) of Standing Orders, to the amendment that's before the House. I would appreciate, sir, if you could rule that the hon. member might give some consideration to debating the amendment that's before us.

MR. FOX: Mr. Speaker, on the point of order, if I might. The amendment before the House is that Bill 66 not now be read a second time because it does not deal sufficiently with the principle of retroactivity, and at the very core of that principle, as far as this side of the House is concerned, is that there's been an incredible amount of money collected by MLAs over the past through the provision widely known as double-dipping.

Now, the Member for West Yellowhead's not implying that that was not allowed according to the rules. What we're talking about is the rules that were wrong and that need to be changed retroactively. I know it's uncomfortable for members to hear the facts put on the record, but the figures provided by the Member for West Yellowhead are a matter of public record, published widely in the province through public accounts. I suggest it's not only entirely in order for him to raise them in this House here, but it's part of a compelling argument to the people of the province of Alberta that Bill 66, the vaunted pension reform Act as proposed by the hon. Deputy Premier, is nothing more than a sham.

MR. DEPUTY SPEAKER: On the point of order, there is a rule of practice in this House. Examples are fine, but when you go beyond a reasonable number of examples, then they become out of order.

AN HON. MEMBER: What is that reasonable number?

MR. DEPUTY SPEAKER: Well, it's going to be for the Chair to decide what's reasonable, and the Chair feels that the hon. member has detailed enough examples for the purposes of this debate to make his compelling argument about what he wants to put forward.

MR. FOX: There are lots more, Mr. Speaker.

MR. DEPUTY SPEAKER: There may be lots more. There are lots in newspaper articles, and you do not read newspaper articles or read full chapters of books, either, in debate in this House.

MR. DOYLE: Mr. Speaker, I have in my hand the public accounts put out by the province of Alberta, by this Legislature.

MR. DEPUTY SPEAKER: The hon. member is not going to read the public accounts into the record of this House. If the hon. member wishes to supplement what he's already said in relation to what's happened, then the hon. member can file it with the Clerk, but we are not going to sit here and listen to the hon. member read from the public accounts of this province.

MR. DOYLE: Thank you, Mr. Speaker. That gives me a much clearer understanding of the rules.

#### **Point of Order** **Parliamentary Language**

MR. KOWALSKI: Mr. Speaker, on a point of order. I want to raise a point of order under section 23. Just a minute or two ago the hon. Member for Vegreville referred to Bill 66 as a sham. I

really think that's kind of regrettable, and the hon. Member for Vegreville really has more integrity than that. I'd ask him to withdraw it. The rules clearly indicate that you can't use words like that in referring to a well-thought-out, well-organized, well-developed Bill, and I would just ask the hon. member to withdraw that phrase from the record. Standing Order 23 is very, very clear in dealing with this matter.

MR. FOX: Standing Order 23(i) refers to comments made about a member, and I certainly would not question the integrity or sincerity of the hon. Member for Barhead, the hon. Deputy Premier, but the Bill he introduced to this Assembly is indeed a sham.

MR. DEPUTY SPEAKER: The hon. Member for West Yellowhead.

MR. DOYLE: Thank you, Mr. Speaker. You have your ruling, I understand, on that. The Deputy Premier made a good try there. He's normally right but not this time.

#### **Debate Continued**

MR. DOYLE: Mr. Speaker, I'd like to refer to the last budget that was tabled, not the one this evening but the budget that was tabled on April 13, 1992. It read on page 24:

Changes are also being made to the MLA pension plan. Pension contributions by MLAs will be increased by 33%. Former Cabinet Ministers and other elected officials will not be allowed, in the future, to receive Alberta pensions while still sitting in the Legislative Assembly or holding a government appointment.

Mr. Speaker, that hasn't happened to this date. In fact, yesterday one of the New Democrats released figures showing that the taxpayers have to foot the bill for about 93 percent of more than \$33 million in pension benefits that will be paid to retiring MLAs. I just want to remind the Legislature, as I did before, that the Member for Taber-Warner had drawn some \$96,000. Those contributions should probably be returned if other people's contributions are being returned, like the members that retired. The former members for Three Hills and Little Bow I understand have to return portions of their pension plan, so I don't know why these double-dippers do not have to return their pension plan. If it were retroactive, as the Member for Edmonton-Norwood put in his amendment, then these members should pay back that money that they took out. If all members that are no longer in cabinet were drawing – and I appreciate that some were not drawing – they would have drawn over \$100,000 this year to date.

I want to say, Mr. Speaker, that I sympathize with the Member for Camrose, who was wrongfully accused of double-dipping. He's a very honourable member of the Legislature, and I appreciate that he's gotten through it with great dignity. I apologize that the people from the Liberal Party would come down on a man who has represented his people so well. [interjection] Now I'm going to get you.

Mr. Speaker, after Premier Klein took office – I believe it was December 5, 1992 – I wrote a letter to the Premier the very next day and I asked him if he would stop this double-dipping. Finally he says it's going to stop after the next election. But he wrote me a letter, and I'll read that letter, if I may. It's very short. It's addressed to me, and it says:

Thank you for your recent letter of congratulations . . .

I note your concern regarding "double dipping" in terms of pensions to former Cabinet Ministers. As you know, I am personally not comfortable with this practice and I will be taking a hard look at it. It's a tough issue to address and until the rules change, after the next election, we are . . . bound by the current rules.

[Signed] Ralph.

Mr. Speaker, that letter is from the Premier. Things have changed quite a little bit since the day he wrote that letter, January 28, 1993, but he still hasn't done anything about the double-dipping, not a thing. Wait till after the next election. Let these guys run off with hundreds of thousands of taxpayers' money, be on the dole for the rest of their lives at the same rate for many years. I don't wish any of them a short life, only longevity. But may I quote from the Medicine Hat newspaper in regards to the Member for Medicine Hat. "Fourteen Alberta MLAs, including Medicine Hat's Jim Horsman, double dip," it says. Saskatchewan Members of the Legislative Assembly can't. The reason they can't is because when the New Democrats were in power the last time, they stopped double-dipping. It's also forbidden in B.C.

**AN HON. MEMBER:** They've pretty well stopped everything in Saskatchewan.

**MR. DOYLE:** Mr. Speaker, it only took the Conservatives of Saskatchewan 10 years to run that province into a \$15 billion deficit. Ten years is all it took them. It's taken this Conservative government almost 20 to give us a \$21 billion deficit. Is that something you guys are proud of?

Mr. Speaker, these people seem to think beyond the province. It's about time they came back home and started thinking about the deficit we have in the province of Alberta, not only the financial deficit but the human deficit that we have because of the overspending, tax grabs, and indecent way that they use taxpayers' money.

**9:10**

All these members, Mr. Speaker, could take their place in the Legislature and defend it: the Member for Taber-Warner, the Member for Calgary-Fish Creek, the Member for Smoky River, who sits babbling all the time but can't seem to find his way to his feet.

#### Point of Order

##### Relevance

**MR. MAIN:** On a point of order, Mr. Speaker.

**MR. DEPUTY SPEAKER:** The hon. Member for Edmonton-Parkallen.

**MR. MAIN:** I would just for your information cite all the various references on relevance to this debate, as the Member for West Yellowhead is using the taxpayer to transcribe his next campaign speech. He's going to use that in the election and send it around. If he wants to do the taxpayers a favour, why doesn't he adjourn the debate?

**MR. FOX:** On the point of order, Mr. Speaker.

**MR. DEPUTY SPEAKER:** Order please. The Chair doesn't recognize the point of order.

**MR. DOYLE:** Thank you, Mr. Speaker. I hope that member's not offended that he's getting away without a pension. I wish him luck in the future.

**MR. DEPUTY SPEAKER:** The Chair would ask the member to try to pay some attention to the amendment that is before the House.

#### Debate Continued

**MR. DOYLE:** The amendment from the Member for Edmonton-Norwood on May 5 addresses the question of cuts to members' pensions and entitlements and retroactivity. It's our concern, Mr. Speaker, that these pensions haven't been cut enough.

I know the hon. Member for Peace River was trying to negotiate with me today. When I said that he should get something less, he was starting to hit numbers, maybe \$75,000, maybe \$70,000, but he'll get away with whatever the Conservative Party allows him to have.

I took some exception, Mr. Speaker, as I speak to the amendment from the Member for Edmonton-Norwood, when the Member for Calgary-Currie and other hon. members said recently that they were going to sue if their pensions were cut. Who do you think they're suing? They're suing the taxpayers of Alberta. They'd better not sue the taxpayers of West Yellowhead or any other place because we'll turf them out so quickly they won't know what happened to them. What right do they have to sue the taxpayers of Alberta if the laws change in this Legislature? None.

I was going to talk about – I'd better not mention that. You can't use that word p-i-g in here, can you? At the pork marketing board today, Mr. Speaker, I think hogs were selling for about \$1.50 a kilogram. I don't know what it costs in the Legislature, Mr. Speaker, to pay some of these retiring MLAs, but probably something more than that.

The Member for Calgary-Currie asks for the Member for Edmonton-Norwood to stand and talk about retroactivity in other pension plans. It's very clear, Mr. Speaker, that the Official Opposition New Democrats will never, ever suggest that the teachers, nurses, or the public service will ever have to be cut retroactively. Their pension plans are fair. They're hardworking, honest people who have put their fair share into their pension plans without the government backing the shortfall of some \$5.6 billion, I believe the figure is now. So we clearly stand behind the pension plans of the teachers, nurses, public service, and those who have paid their fair share into pension plans.

In 1990 I introduced a Bill on double-dipping. In 1991 I introduced a Bill on double-dipping. In 1992 I introduced a Bill on double-dipping. It's taken all these years, Mr. Speaker, all these years coming into an election before finally the Premier and some of the old Getty gang decided they'd better change the pension plan.

Mr. Speaker, I was wondering if the Member for Smoky River wanted to take his place in the Legislature and say something. [interjections]

**MR. DEPUTY SPEAKER:** Order please. Order.

Has the hon. Member for West Yellowhead relinquished the floor?

**MR. DOYLE:** No, I haven't. He's been warming up all night, Mr. Speaker, but when I'm finished, he'll have his opportunity, if he feels he can get on his feet.

Mr. Speaker, as I look through the pension plan, some of these expenditures have been grossly misused. Judges have been on the pension plan. We have political appointees, Conservatives that were defeated by New Democrats in the city of Edmonton and got appointments around the world, high-paying jobs, full expenses. They sat in other countries drawing their full pension. These are the types of changes the New Democrats want to see, and these are the types of changes the people of Alberta want to see. The people of Alberta are sick and tired of being misused by MLAs drawing from a pension plan while they are still elected to the

Alberta Legislature. I wanted to put that on the record. The amendment from the Member for Edmonton-Norwood, the hon. Mr. Martin, Leader of the Official Opposition, the New Democrats . . .

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

MR. DEPUTY SPEAKER: He's also known in this Chamber, hon. member, for your information and many other hon. members', by a constituency name. Would hon. members try to pay attention to the rules of the House? All of you – except for the two by-elections – have been here at least four years. How long does it take hon. members to realize that they refer to other hon. members by their constituency or by their office?

The Member for West Yellowhead.

MR. DOYLE: Thank you, Mr. Speaker. Did I not say the hon. Member for Edmonton-Norwood?

MR. FOX: Yes, you did, twice.

MR. DOYLE: Thank you, hon. Member for Vegreville.

**Debate Continued**

MR. DOYLE: Mr. Speaker, when I looked further at the public accounts of the Alberta Legislature put out by the Conservative government and members of this Legislature, I couldn't help but go to the former Member for Little Bow . . .

**Speaker's Ruling  
Repetition**

MR. DEPUTY SPEAKER: Hon. member, we are not going to list everything that's in the public accounts.

MR. DOYLE: No, Mr. Speaker, I wouldn't think of doing that. I was in the library this afternoon, and it's awesome.

MR. DEPUTY SPEAKER: The Chair would say that if there's something particularly different about the former Member for Little Bow than what you've already given examples of, fine. But if it's just going to be a repeat of the same principle, please don't waste the Assembly's time with it.

**Debate Continued**

MR. DOYLE: Mr. Speaker, it's very important that this goes on the record. This is the great Reformer from the south that drew some \$73,000 out of the Treasury of this province while he sat as a backbencher in this Legislature.

I would hope all members of the Legislature will take their place, especially those who sit and make remarks when others are trying to do the best they can with the figures we can get out of this government. I ask all members of the Legislature to stand in their place and support the amendment from the Member for Edmonton-Norwood.

MR. DEPUTY SPEAKER: Is the Assembly ready for the question?

SOME HON. MEMBERS: Question.

MR. DEPUTY SPEAKER: The hon. Member for Edmonton-Jasper Place. Oh, sorry. The hon. Member for Three Hills.

MR. MACDONALD: Thank you, Mr. Speaker. I rise to express my concerns with this Bill and to support this amendment. The issue before us obviously is pensions, and I have three points pertaining to the issue. First of all, what is really at issue concerning the MLA pension plan? Secondly, are we going to face the issues concerning the pension plan? Thirdly, who must join the discussion of pensions?

First of all, what is really at issue, Mr. Speaker? While Bill 66 applies to the amending of the MLA pension plan, the issue in fact becomes much broader. The government is proposing changes that will predominantly affect those who are elected next time around. It is not these people that Albertans are angry with. It is this current Legislature that they are perturbed with. Albertans want this group to reform the pension plan. Albertans want this Legislature to act responsibly. Albertans want us to acknowledge that in difficult times we, too, must share in some of the cutting.

So the issue really is leadership. Albertans sense a void in leadership when those in office are perceived as self-serving, and at this point in time that is how we are perceived. Albertans sense a void in leadership when those in office have a double standard. Albertans have a right to be angry. Our economy is suffering, people are unemployed, and we sit tonight discussing pensions. We should really be discussing the basic philosophical tenets of what drives an economy. Instead, we are still dealing with pensions.

**9:20**

Leadership would have called upon retiring MLAs to show a more co-operative spirit and willingness to restructure the current pension plan so as to reflect accountability and the times we live in. That, Mr. Speaker, would have reassured Albertans that we as elected people are more concerned about the good of the province than about ourselves. The issue around Bill 66 is not reducing the benefit formula from 4 percent to 3 percent for retiring MLAs, and the issue is not eliminating double-dipping the next time around. The real issue is showing leadership in this province now. People question if there is leadership when they see this government bounce from one end of the spectrum to the other.

My second point concerns the willingness of the House to face the people of this province with openness and fairness. To introduce a Bill at this time which really only skirts the issue of pension benefits I think betrays the trust of an electorate that wants to believe this government is different from the previous one. Mr. Speaker, it is not different. By implementing very questionable changes in this one area, this government brings into disrepute every member of this House. By not really addressing retroactivity, we fail to show leadership.

Albertans know that this House voted itself a pay raise and that this House has set its own wages and benefits. Albertans know that all that is required to reverse this is a co-operative spirit and political will. It's not too late. This government can still save face and amend the MLA pension plans to reflect what is the common practice in the private and public sectors.

My third point is re who must join the discussion of pensions. I think it's only proper, Mr. Speaker, that each retiring MLA who is going to be drawing a tax-funded pension stand in this House and share with the people of Alberta how it is that they really deserve an annual pension ranging from \$11,000 for a one-term MLA to nearly \$80,000 for someone who's been here for five terms. A discussion of pensions must be joined by those who will be benefiting. The record should bear their justifications for why they're getting the kinds of pensions they are. The record should bear that they feel fully justified in that.

Albertans want to hear defended how a minister in charge of an Alberta company that lost over 600 million taxpayers' dollars should be rewarded with a cumulative pension of nearly \$3 million if he lives to be 75 years old. Their silence in defending such atrocities is deafening. I believe Albertans as a whole are a generous group and would not deny people who have given their lives to public service a pension, but they're also a group that will not tolerate a cooked deal their children ultimately will be stuck with. The opportunity is before us for those retiring to defend themselves, and I trust they will use the opportunity.

Mr. Speaker, Alberta has a rich heritage of men and women who have served faithfully and willingly in this Legislature. For many, many years MLAs served even sacrificially. Today we are well paid for our service. We who sit in this Chamber are well able to provide for our families. We who sit in this Chamber not only have the responsibility to govern well but also have the privilege of modeling for the province attributes and attitudes that reflect carefulness and frugality.

Mr. Speaker, this Bill fails to address the concern people of this province are very angry about. It fails to turn the clock back on a pension scheme that is rich beyond what any retiring MLA ever dreamed of when he or she was elected. This Bill fails miserably, and I would ask members of the House to amend it so it truly reflects what they know in their hearts is right. This Bill does not deal with retroactivity. Retroactivity is still an issue, and it should be addressed.

Thank you, Mr. Speaker.

**MR. DEPUTY SPEAKER:** The hon. Member for Smoky River.

**MR. PASZKOWSKI:** Thank you, Mr. Speaker. I feel it's important that I share my views and the views of some of my caucus members regarding the issue of the pension plan. I think today we've had a real tragedy here in the House in that we've had people take aim, take shots at people that have spent up to 22 years of dedicated service to this province and to our constituents, people who have dedicated their entire lives through a period of 22 years.

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

**MR. DOYLE:** A point of order, Mr. Speaker. You're not speaking to the amendment.

**MR. DEPUTY SPEAKER:** Hon. member, the Assembly has always given members a chance to open their remarks with some general comments, and the Chair has always given them the opportunity to lay the background for their comments with respect to the amendments.

**MR. PASZKOWSKI:** Thank you, Mr. Speaker. It's unfortunate that the Member for West Yellowhead is a little touchy and doesn't want to hear the facts. Indeed, it is my intention to present some of the facts that were addressed earlier, and it's my intention to bring forward some of the reality of the issue that he is wanting delayed. So I feel that I am dealing with the issue at hand; I am indeed going to be dealing with the amendment.

#### **Debate Continued**

**MR. PASZKOWSKI:** The Member for West Yellowhead alluded to the fact that there were certain members, and he identified them one by one – the amount of money they are going to be receiving from a pension plan that they validly paid into, a pension plan that

was designed, Mr. Speaker, by members of this very political party. They were members of the process that developed the process; they were party, and they approved and agreed. But today, because of political expediency, there's something different. Today, because they are fearing an election, because their political party really has no justifiable platform, because their political party has nothing to offer, they are trying to come forward with a political issue, a hypocroc . . . a hypocritical political issue.

**MS CALAHASEN:** 'Hypocrocile.'

**MR. PASZKOWSKI:** Yeah, 'hypocrocile.'

We've dealt with numbers, Mr. Speaker. The hon. Member for West Yellowhead went through member by member, identified numbers, talked about numbers. What is fair? What is the fair number? What should the numbers be? What are we going to cut? Right down to zero? The fact that these people contributed for 22 years monetarily as well as their lives, their full days, the opportunities they lost, the fact that they were away from their families for 22 years, and we have a Member for West Yellowhead who stands today and says that they are not entitled to what they justifiably paid into, to a process that was designed fairly in this House, to a process that was legitimately voted on, legitimately approved. Now, Mr. Speaker, we have a process that we're trying to redetermine and redetermine unfortunately at the expense of people who have devoted their lives. I think it's a very, very sad day when we are listening to speakers such as this.

[Mr. Speaker in the Chair]

The Member for West Yellowhead suggested: what have I contributed to this? Indeed, Mr. Speaker, I have contributed my entire pension plan. I get zero out of this, absolutely zero. I came from a background where I didn't have a pension plan, and I'm fast coming to the age where indeed I'm not going to be able to earn my own keep. But I think this is fair. I was one of the people that supported this and I continue to support this, because it is a fair rationalization of a very difficult process that people are using simply for political gain. And it's unfortunate. I really think that on behalf of the House we owe an apology to those people who were so slandered today because of their efforts for up to 22 years.

Mr. Speaker, I think we have some very important issues to deal with here today. On Monday morning I had the opportunity to meet with a group of worried employees of the Alberta public service, members of AUPE concerned that indeed their pension plans not be attacked the same way. Yet we have the representatives of the unions here saying, cut some more off these people; take it all away. Where would they stop? I have to ask that question. They've participated the same way as we have. They've participated the same way as these honourable gentlemen have through the years: in a pretty determined way. I think we really have to stop and consider what we're talking about here today. We have to stop and consider the whole issue of fairness, and I'm not totally sure that is the consideration that's being given.

**9:30**

Today we've developed a budget that is a fair budget. It's a budget that was put together through a long and lengthy process, that's basically going to be downsizing, and that also meets the process that we have delivered with the pension plan. The two basically come together. The unusual part about this whole process that no one has alluded to, not one, is the fact that an

independent study was done to develop a process that was to come forward. Mr. Speaker, the Peat Marwick report has never been alluded to by the hon. members, not once in this process. Yet there was an independent study that was put together, which has been tabled in this House, that has indicated what the wages should be, how the pensions should be handled. Indeed, as a result of this, Bill 66 is coming forward, put together and tabled by our hon. Deputy Premier. Today we don't want to deal with Bill 66. The amendments coming forward shouldn't be dealt with. Well, why should we not deal with this? It's an important issue, apparently. That's what we hear. We hear on a continuing basis what an important issue this is, but now we have an amendment saying that really we shouldn't be dealing with it. I don't understand. Again, I think we have to treat our people just as fairly as we would want to be treated ourselves.

I still challenge the hon. members of the New Democratic Party. If indeed they have some new process, some new numbers that they can develop, let's hear some of those numbers. Let's put some numbers to what we're saying instead of talking generalities and saying that it's too much. That's a simple thing to say. I challenge them to come forward with that information.

We have dealt with the issue of double-dipping in the upcoming Bill. The Premier indicated in the letter, apparently, that indeed he will be dealing with it by the next election. I think that's fair. The Premier has been very open and very fair about the whole process. He hasn't said something that he's not delivering on. He's been delivering on all his promises, and I really think he should have the opportunity to deliver on this promise. Consequently, Mr. Speaker, I cannot support the amendment, and I hope that the House does not support that amendment as well.

**MR. SPEAKER:** Edmonton-Jasper Place.

**MR. McINNIS:** Thank you, Mr. Speaker. I would like to take up the Member for Calgary-Currie in his challenge that we have a rational debate about the whole subject of pensions, because the subject of pensions is a very important one in our society. No less a personality than Mr. David Dodge, who's a retiring Deputy Minister of Finance for Canada, made comments reported widely in the news media today to the effect that if we don't do something as a society about the financing of all of our pension plans, there is a generation of younger people today who will not be able to collect from the plan. That's really the situation that all of us as legislators have been successfully ignoring for a very long period of time.

In a sense, I guess you would have to say that the Bill before us is an effort to address that issue. It deals with that issue in a particular way, in a way that I think is misguided and wrongheaded, and I hope to explain the reasons for that and perhaps suggest some remedies. I do agree with the member who just spoke, the Member for Smoky River, that there is some element of tragedy in the debate tonight, but I think he missed what was the most tragic thing that happened. It was the guffaws and laughter when the subject of the province of Saskatchewan came up. An hon. member suggested that they're about to shut everything down in Saskatchewan, and there were a number of members who laughed, laughed because I think they fail to understand that this province is heading to a financial catastrophe which is much worse than the province of Saskatchewan. I don't believe that anything said this evening indicates that we have a government today that understands the dimensions of that or how it's going to be headed.

The hon. Premier, it was reported this morning, is shortly heading away to visit with an Indian nation, where he hopes to

engage and to benefit from Indian medicine. I respect and honour the tradition of Indian medicine. I think it's strong and powerful stuff, Mr. Speaker, and I hope that experience does the Premier well because he is the only Premier that we have in this province. I'm sure the Premier does understand that Indian medicine is strong stuff. It's based on traditional knowledge, and it's something that should be used with caution.

In this Bill before us today and in the amendment – the amendment speaks to the fact that there are some parts of government power which are used rather badly in Bill 66; that is, the use of retroactivity and the use of closure. Those are two of the strongest elements of governmental power, and they are both contained within the government proposal. I think any government would have to be very, very cautious in its approach to the use of retroactivity and in particular to the use of closure to force through legislation with a retroactive element.

The Member for West Yellowhead referred to figures which have recently entered the public domain to the effect that under the existing MLA pension plan some people retire with total compensation which is roughly 13 to 14 times their investment. It's no secret to anyone that the public has reacted very strongly against that and has said that they think that pension plan is too generous. Whether we're out by a small margin in those numbers or not, you know, name me an investment that pays you 13 to 1. You'd probably have to go somewhere, Mr. Speaker, where there's a great deal of risk before you could expect a payoff in the order of 13 to 1. You'd have to go with the former Premier down to the racetrack or some of the other members who like to go to Las Vegas from time to time or if you got really lucky or really wise in investing in stocks and bonds, you might obtain that kind of a payoff, but there is no risk in this particular pension plan. It's absolutely no secret that the public looked at what they saw and they thought it was outrageous.

What did the government do? Well, one of the things they did was to set up the Peat Marwick review. Admittedly it was a motion passed by the Members' Services Committee, but the hon. member forgets there was a letter that came from the Premier to that committee before the study was set up. I say that primarily in response to the Member for Smoky River, who suggests that that matter hasn't been discussed in this debate. It was dealt with rather thoroughly by the Member for Edmonton-Strathcona.

Now, if the government wants to use Peat Marwick as justification for its proposals, obviously we would be debating Bill 62, but we're not. We're debating Bill 66, which is a proposal in which those who served prior to 1989 pretty well keep their pensions pretty much as I've described, and those who were elected after that date get no pensions. There is an element of deception in the way that's presented to the public. If it's being suggested that in fact we're doing away with the plan, that would mean it would be done away for everyone, but of course it's not. It's being kept for a group of people who are going to enjoy luxurious retirement, and it's going to be destroyed for others. That is one approach to dealing with the pension problem. It's, I suppose, the keep-it-going-until-it-crashes approach, and it's the approach that's embodied in Bill 66.

**9:40**

I quoted the other day from an article in the current week's edition of *Alberta Report* which suggests that the essence of pay-as-you-go schemes, which is the kind of scheme that we've had, is to enable the first generation of pensioners

to enjoy relatively luxurious retirements only because legislators have in effect reached into the future and stolen the pension benefits of the

generations that will be forced to inherit the plan in its mature, bankrupt phase.

In reality, my children and the children of every member of this Assembly will inherit the cost of the MLA plan up to the date of passage of this Bill, whereas they and anybody associated with that generation will have no possibility of ever collecting from it. I think it will be very difficult for this government to say to anybody or guarantee to anybody that they're not going to do the same thing with another pension plan, because in fact that's what they've done. Morally, Mr. Speaker, when you cross that line, you can't go back.

I think every member in this Assembly who votes for this Bill is going to have to answer questions from participants in every other public sector plan to explain why it should be believed that they would not take this approach – you know, run, run, run until you crash and then zero – for all of the other plans. Morally there's absolutely no difference in it. When you vote for it, you should understand that what you're doing is voting for that particular approach to the pension problem. *Alberta Report* used the term "intergenerational war" to describe what is happening with these pension plans. Well, if there is an intergenerational war, this government just fired the first shot. When you fire the first shot in a war, you never know who will fire the last shot.

I think it's really kind of tragic, because what we have is really a little bit of political flimflam. The public was concerned about one issue, which was overgenerous pensions for certain MLAs who were retiring, chiefly Getty ministers, who are getting the blame for the problems we have. What the government really did was try to change the subject to an entirely different issue, which is whether or not there should be an MLA plan. They want everybody to go around debating, "Well, should there be an MLA plan or shouldn't there be an MLA plan?" Brand-new issue; let's forget about the old issue. Well, in reality it's not working. I do a lot of door knocking. You know, anybody running in an election does. I think the message that the Getty ministers kept their pensions has gotten through; people understand that. If you thought you were getting away from that issue, you didn't, because it's still there.

On the other issue, a lot of people are saying, "You went too far." You know, maybe there is room for a reasonable retirement income for people who invest of their lives. The Member for Smoky River wants us to feel strong empathy for the people who served 22 years. Well, yeah, okay; but what about the next generation that serves in this Assembly? I don't think you've got any answer for that because I don't think there is any answer for that in terms of this particular legislation. I don't think there's any answer when people in their 20s say, "How do I know I'm going to have a pension?" There is no answer that anybody who supports this Bill can give to them that will give them any reasonable assurance that somebody won't come along and say: "Well, that's it. We've had our golden retirement. You guys can suck wind." In effect, that is what's being said.

The Member for Smoky River had the audacity to say that this party has no platform. My heavens, we have more platform than people can read in their lifetimes. That's how much platform we have. Some of it has been put forward as draft legislation in this Assembly. I would refer the member to the Bill introduced by my colleague, the Member for Edmonton-Strathcona, which does outline exactly how our party and our caucus would like this matter dealt with. It's Bill 364, the Members of the Legislative Assembly Independent Remuneration Panel Act. It says primarily that since politicians can't be trusted to handle this issue, even to keep a consistent line on the issue from one week to the next, we do need to have an independent group who will determine what

the pension plan should be. It goes further, and it says that the plan should be reasonable and moderate and modest. It should be self-financing. It should be funded from the dollars that go into it. Now, anybody who would try to pretend that this MLA plan as perpetuated in this Bill 66 is self-financing would obviously benefit from Jim Fulton's Bill in the House of Commons, because you must be smoking something that's not legal at the present time. It is very, very clear from the data that was compiled by the Member for West Yellowhead that the people who retire on this plan are in effect superlottery winners, and that's not right.

With this amendment, we're saying to the government that you've got to go back to the drawing board, and you've got to produce something which is fair and reasonable to the retirees, the people who are leaving this Legislature voluntarily or as a result of the election. We're not hard in our hearts in that respect. We want to make sure that those people do have their service recognized and that they have a reasonable retirement income, and we're saying that the same should be said for people in the future. If you want to attack us for that politically, you go right ahead, because every human being ought to have that right. Our political party has a tradition that in reality goes back to the 1920s of pushing that point of view, and we will continue to do so. I think most of us would defend that principle not just in our own private lives but publicly as well.

Well, if that's the correct principle, why don't we put that principle in this legislation instead of the bait and switch? It was very clear that the Premier, when he made his announcement, was hoping that everybody would debate seriously around the kitchen table, well, should they have a plan or shouldn't they? I'm sure he felt that there was so much hatred for politicians that no plan would be the clear winner, and they would sail with that through the election. I'm not sure that no pension is the clear winner, but I have to tell you that this Bill is not the winner because this Bill creates two quite arbitrary categories of people and it says to future generations, "Suck wind." I think it's wrong, and that's why the hon. Leader of the Opposition has produced the amendment that he has and why I think it should be passed. I really think it's time this went back to the drawing board.

MR. SPEAKER: The Member for Lethbridge-West.

MR. GOGO: Thank you, Mr. Speaker. I rise to speak against the proposed amendment by the hon. Member for Edmonton-Norwood but perhaps for different reasons. First off, I would agree, which I have not done often, with the hon. Member for Edmonton-Jasper Place that financially this country, this province is on a collision course with disaster. I don't think there's any question about that. Future generations undoubtedly will have to pick up the pieces. I don't think there's much disagreement from anybody about that.

However, in speaking to the amendment, I'd like to simply point out a very, very important consideration found on page 14 of the Treasurer's address tonight: "A promise made is a promise kept." I oppose very strongly, Mr. Speaker, the whole question of retroactivity stated in the hon. Member for Edmonton-Norwood's amendment. I feel very strongly about that, and I would hope in my comments to point out some alternatives that perhaps the government should consider. Unless there are amendments at committee stage to the Bill, then certainly I'll oppose Bill 66, because I think that fundamentally it's wrong.

I felt that when Bill 62, which is on the Order Paper, came before the House, it was a reasonable way of dealing with the whole question of pensions. Obviously other members didn't, and certainly the government doesn't.

I think it would be quite in order for those who have spent much time looking at this to recognize that almost 30 years ago, in 1965, the government of the day brought in a pension plan. That pension plan applied to members duly elected to the Assembly, and it provided after eight years of service, not five but eight years, a pension benefit of some 2 percent up until the age of 60, when members could retire. Since then, Mr. Speaker, there have been some eight or nine amendments, as hon. members know, which have altered the pension plan considerably, and hence we've ended up with the term "MLA pension plan."

Then for some reason people seemed to think the plan was too rich. Maybe it is too rich. As a result, the government in its wisdom came forward with a Bill, Bill 62, which is still on the Order Paper, to attempt to deal with that. However, many members felt, hey, a taste of blood is a taste of blood, and let's let things bleed. Since then, of course, they have been right on it. They wouldn't accept the principle that if it ain't broke, you don't fix it. In this case perhaps it is broke, and we'd better fix it. I haven't heard any meaningful suggestions that would meaningfully fix it up. Instead they have, I think, in many ways been tempted to say, "Let's abolish pension plans altogether." They don't recognize for one moment that this Assembly has a proud history of people who served and served well. I certainly think that in many ways they were entitled to receive pensions at the end of their terms regardless of how many terms it was as long as it was more than eight years.

**9:50**

I'm concerned, Mr. Speaker, very concerned, in addition on the whole question of retroactivity, because I don't know just what that implies for the future. I'll hear people say that, well, we established the precedent; then let's do this, and let's do this, and let's do this. That's clearly unacceptable to me as a member of this Assembly. To break your word is something that I think should never be forgiven, and I think members of this House in supporting this Bill and retroactivity are doing just that.

Mr. Speaker, I think we should recognize that one in every two and a half Albertans is under the age of 25. Marriage is still a meaningful and honourable way. We have many people who are married and have children and have mortgages, and I think that for the most part many of those should be sitting in this Assembly making laws for future Albertans. One of the ways you attract those people is to enable them to come to the Assembly and serve the people, be adequately paid and recognized, and at the end of their service perhaps there's a pension. But what do I hear? Let's abolish it for all time. Almost at the stroke of the pen it's

decided that a pension that's been in place for almost 30 years shall never again exist. How politically expedient it is for some people who, in my view, don't wish to deal in principle.

I think, Mr. Speaker, that there could be alternatives, and I would offer alternatives to the hon. members, and I would certainly be willing to participate. One would be a voluntary role, the signing of a waiver, even a legal affidavit in terms of deferral of pensions. I can live with that. If the wisdom of hon. members says that we should do this or do that, I can live with that as an alternative. I simply cannot accept under any circumstances the principle of breaking a promise. A promise once made should be a promise that's kept, and if a benefit has been promised and committed through legislation to hon. members, I think it's totally unacceptable for this House in its wisdom to retroactively take back that benefit.

Mr. Speaker, I would simply say that I for one member, and perhaps there are others in this House, would be quite willing to voluntarily sign a waiver to forgo benefits, but I feel very strongly, very strongly indeed, that a government or an Assembly – and this is the highest court in the province – that once makes a law and promises to do something cannot simply arbitrarily, with the passage of a Bill, take away that right. I think it's wrong, and therefore I not only oppose the amendment, but I fully intend to oppose the Bill.

Mr. Speaker, I would honourably beg leave to adjourn this debate.

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

**SOME HON. MEMBERS:** Aye.

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

**SOME HON. MEMBERS:** No.

**MR. SPEAKER:** The matter carries.  
Deputy Government House Leader.

**MR. EVANS:** Thank you, Mr. Speaker. For the information of members of the Assembly, when we reconvene tomorrow, government business, to begin in any event, will be continued debate on Government Motion 42.

[At 9:55 p.m. the Assembly adjourned to Friday at 10 a.m.]

