

Legislative Assembly of Alberta

Title: **Thursday, May 13, 1993**

8:00 p.m.

Date: 93/05/13

[Mr. Speaker in the Chair]

MR. SPEAKER: Please be seated.

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

MR. SPEAKER: Edmonton-Kingsway.

Bill Pr. 17

Cory Brad Irwin and Shawn Lee Irwin Adoption Act

MR. McEACHERN: Yes; thank you, Mr. Speaker. I beg leave to move second reading of Bill Pr. 17, Cory Brad Irwin and Shawn Lee Irwin Adoption Act. Would it be appropriate to make a few comments at this stage?

Mr. Speaker, this seems to be a very straightforward adoption Bill, a case of a stepfather who has been very much a father to these two boys. They're not so young anymore. They're in the 23, 25 range and are getting married, one of them this coming summer and the other one the following summer. They felt this was something they really wanted to do, so they've petitioned the Assembly, as there is no other way for people that are over 18 to be adopted other than a private Bill petitioned to the Assembly. There is no good reason why this adoption shouldn't proceed. In fact, I think the family will all feel very good about this adoption, and we in the committee I think felt good about listening to them give their reasons.

MR. SPEAKER: Call for the question?

HON. MEMBERS: Question.

[Motion carried; Bill Pr. 17 read a second time]

Bill Pr. 27

Calgary Chinese Cultural Centre Association Tax Exemption Act

MRS. B. LAING: Mr. Speaker, I beg leave to move second reading of Bill Pr. 27, the Calgary Chinese Cultural Centre Association Tax Exemption Act.

HON. MEMBERS: Question.

MR. SPEAKER: A call for the question.

[Motion carried; Bill Pr. 27 read a second time]

head: **Private Bills**
head: **Committee of the Whole**

[Mr. Schumacher in the Chair]

MR. CHAIRMAN: Order in the committee, please. The Chair is happy to welcome to the committee this evening students from all over the province of Alberta who are attending the Forum for Young Albertans.

I should take this opportunity to explain that when the House resolves itself into Committee of the Whole, the Speaker is required to leave the Chamber. The committee is then under the chairmanship of the Deputy Speaker, or Chairman of Committees,

of the whole House and the Deputy Chairman of Committees, who is the hon. Member for Edmonton-Parkallen. When we are in Committee of the Whole, you will notice that it's a little more relaxed. Members can take off their jackets and move around the Chamber while the committee is in progress.

This evening we'll be dealing with two Bills that just received second reading. Committee consideration is not considered a stage of the Bill like second reading or third reading or first reading, and therefore committee study and the second reading stage can be accomplished in the same day. So we're going to be dealing with these two private Bills that have just received second reading plus Bill 216, which was introduced by a private member and received second reading under the auspices of a private member but now has been taken up by the government as a government Bill, which is something that doesn't happen every session. Following that, we'll be having Bill 67, sponsored by the Provincial Treasurer, in committee before returning to third reading of Bill 66 later this evening.

Bill Pr. 17

Cory Brad Irwin and Shawn Lee Irwin Adoption Act

MR. CHAIRMAN: So with that explanation of what we're doing this evening, we'll ask whether there are any questions, comments, or amendments to be made to Bill Pr. 17.

The hon. Member for Edmonton-Kingsway.

MR. McEACHERN: I believe I need to move the Bill, do I not, Mr. Chairman?

MR. CHAIRMAN: If there are no questions, comments, or amendments, then we'll go through the script, and you'll have your opportunity, hon. member. There are none of those things that the Chair has invited.

[The sections of Bill Pr. 17 agreed to]

[Title and preamble agreed to]

MR. McEACHERN: Mr. Chairman, I move the committee reading of Bill Pr. 17, Cory Brad Irwin and Shawn Lee Irwin Adoption Act.

[Motion carried]

Bill Pr. 27

Calgary Chinese Cultural Centre Association Tax Exemption Act

MR. CHAIRMAN: There is an amendment to be proposed.

The hon. Member for Calgary-Bow.

MRS. B. LAING: Thank you, Mr. Chairman. I'd like to move that Bill Pr. 27 be amended as follows: the preamble to the Bill is amended by adding "Centre" after "Cultural," and section 1 is amended by adding "Centre" after "Cultural."

Mr. Chairman, under Standing Order 90 petitioners are required to submit their draft Bills to the Clerk. The draft of this Bill contained the word "Centre" in the title but not in the body of the Bill. The petitioners themselves discovered this today and advised Parliamentary Counsel. The correct name of the organization is the Calgary Chinese Cultural Centre Association. This is a very minor omission which could be corrected by the amendment. I believe the members have a copy of the amendment at their desks.

I'd like to move the amendment.

HON. MEMBERS: Question.

[Motion on amendment carried]

[The sections of Bill Pr. 27 as amended agreed to]

[Title and preamble agreed to]

MRS. B. LAING: Mr. Chairman, I move that Bill Pr. 27, the Calgary Chinese Cultural Centre Association Tax Exemption Act, be reported.

Thank you.

[Motion carried]

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

MR. CHAIRMAN: The hon. Member for Lethbridge-West.

Bill 216
Children's Access Rights Enforcement Act

MR. GOGO: Thank you very much, Mr. Chairman. I'm extremely grateful to hon. members of both the House and committee. It's not often a private member's public Bill is made into a government Bill.

There is a proposed amendment, sir, which has been circulated for the Children's Access Rights Enforcement Act. Section 56.1(1) has been redrafted by the legislative draftsman to clarify. In addition, we've made an amendment under section 1(3) by striking out the word "substantial," and as this applies to both the Domestic Relations Act and the Provincial Court Act, the amendment is simply repeated under C for both the drafting correction and the word "substantial."

I would certainly hope all members of the committee would support the amendments to the Bill.

8:10

MR. CHAIRMAN: Are there any other questions, comments, or other amendments?

The hon. Member for Edmonton-Avonmore.

MS M. LAING: Yes, Mr. Chairman. I would like to rise in support of the amendment that the member has moved. I think it is necessary to make the Bill more fair and acceptable.

MR. CHAIRMAN: Thank you.

Are there any other comments or questions?

The hon. Member for Calgary-Buffalo.

MR. DICKSON: I also support the amendment. I spoke to this matter on February 4, page 2109 of *Hansard*. There are some other shortcomings in the Bill, but this is a very positive correction, and I appreciate that.

MR. CHAIRMAN: Thank you.

As to title and preamble are you agreed?

The hon. Member for Edmonton-Avonmore.

MS M. LAING: I have a number of amendments to move to this Bill. We're voting on his amendment, are we not?

MR. CHAIRMAN: Sorry, the Chair apologizes for jumping the gun.

[Motion on amendment carried]

MR. CHAIRMAN: Are there any further amendments?

The hon. Member for Edmonton-Avonmore.

MS M. LAING: Yes, Mr. Chairman. Now, let me get myself organized.

Mr. Chairman, I would like to amend section 56.1(1)(d) of the Bill, and I have copies of the amendment here. This deals with the issue of mediation. There are a couple of problems in this area of mediation in that the way this order sets out mediation, what it really establishes is that the mediation process will be a courtroom outside of the courtroom where both parties to the dispute will be trying to put forward their position and knowing that how well they argue their position will determine the outcome of the hearing. I think this is a wrong message or wrong objective for mediation.

Mediation has to occur in a context of trust in which people can openly and honestly work through their differences. As I see this section in Bill 216, it does not allow for that. It requires that the mediator must in fact report to the court what has gone on in the mediation process, and that is a constraint on people carefully and honestly and openly working through a dispute in the terms of the best interests of the child, which I understand this Bill was written to do.

A second concern I have with the issue of mediation in this context is that we know that in a number of cases where there is separation – and particularly when I think of this Bill, which has an impact for the Domestic Relations Act rather than the Divorce Act – we have to recognize the issue of violence that occurs in relationships. When one partner is violent toward another partner or is violent towards the children, this skews the mediation process. Violence is an action of intimidation and of power. I have heard from mediators who have been afraid to mediate with a violent person, where one of the people in the relationship or one of the parents is a violent person, that the threat of violence is so great that the mediator is unable to function as a mediator. I would suggest also that in such a context the person who has been the subject of violence may easily be intimidated and silenced in the presence of the threat of violence in that room or outside that room.

I have therefore put forward amendments to address this issue. One is that we deal with the issue of mediation prior to the dispute and not as an afterthought to the remedies that would be given if wrongful denial has occurred. Mediation should be the first step in the process. The court would be empowered to recommend or appoint a mediator acceptable to both parties, because again the success of mediation is dependent on equal power. If one person has more power, mediation cannot work because the other person will be intimidated. Similarly, the mediator must not be seen to be in league with one or the other parties to the dispute. Therefore, I would hold that the mediator must be acceptable to both of the parties.

The second position I would put forward is that the court shall not appoint a mediator if in fact the court finds that there is a risk or history of violence between the applicant and the respondent or any risk or history of abuse of the child by the applicant.

I believe, Mr. Chairman, that in looking at these amendments, what we must understand is that the law is set out to find and protect the innocent as well as to find and punish the guilty. This particular Bill fails to recognize the reality of many relationships, the reality that there may be violence against spouses or common-law spouses or partners and that there is violence against children. That violence seriously jeopardizes mediation, and people who

have been victims of violence should not be forced into a mediation setting with a person who has been violent against them.

So I would ask for support of this amendment. I believe a person who has no history of violence has nothing to fear from this amendment. In fact, people that are innocent of wrongdoing have nothing to fear from this. This amendment is there to protect those who have suffered at the hands of the applicant and to protect children, because this Bill, put forward euphemistically as the CARE Bill, is to protect and work in the best interests of children. If we force mediation in a setting and in a way that does not protect the interests of both parents and children, then we have failed children. So I would urge support for this amendment.

MR. DICKSON: Mr. Chairman, firstly, I appreciate the A amendment. As I had indicated when I spoke to this matter in February in second reading, clearly there's a misapprehension in the existing Bill. A mediator cannot serve two different roles. In the way it's set out in the Bill, the mediator would on the one hand be attempting to facilitate an accommodation between two parents. On the other, there's a second obligation imposed on the mediator, and that is – at least it's implicit – that the mediator would in some fashion be an assessor of which party was unco-operative and which party was co-operative. So clearly section 56.1(1)(d) has to be changed. What would happen now, at least in my experience – and I say this as a family mediator and a member of the Alberta mediation society – is that a mediator would simply decline to get involved unless the mother and father signed a mediator's agreement and would undertake not to put the mediator in a position of having to give evidence in court as to what was said during the course of mediation. So there's that confusion which exists in the current Bill, and that's why I support amendment A and the first paragraph in terms of amendment B.

Now, the difficulty I have below that is where it says, "A Court shall not appoint a mediator under subsection (1.1) if the Court finds . . ." I think what happens there is that you take away from the court an absolutely essential kind of discretion which the court ought to have. I do not accept – and I say this as a mediator as well – that in absolutely every case where there is some history of violence between the parents, that automatically means that mediation is an unacceptable or an impractical or an unfair means of attempting to resolve the problem. It may well be in many cases that mediation would be inappropriate if there has been some violence in the past, but surely we can leave that determination to the judge. I'm uncomfortable with simply saying that once that threshold test, which is a very loose and low threshold test, has been passed, then automatically that matter is taken out of the jurisdiction of the court or of a mediator.

So I have no difficulty with A. I have no difficulty with the first half, if you will, of amendment B, but I can't support amendment commencing with (1.2).

Thank you.

8:20

MS M. LAING: Mr. Chairman, I don't know if this is appropriate, but I would be willing to have (1.2) amended, if we can do that, so that there would be: "at the discretion of the Court" – if that would be acceptable – a mediator would or would not be appointed. I don't know if we can do that. Do we have to write it out and do all those interesting things?

MR. DICKSON: I've got a suggestion.

MR. CHAIRMAN: The hon. Member for Calgary-Buffalo may take over while you're doing that.

MR. DICKSON: I think my concern could neatly be addressed if we were to amend it to simply say that "upon an application" – with the other words that follow – "the Court shall consider . . ." Then we can insert: "a risk of or history of violence between the applicant and respondent." So you instruct the court to consider the factor, but you don't necessarily tie the court's hands and allow them to move further.

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

MR. McEACHERN: Yes. While they're trying to address the details of how they might change that point, I wonder if I could address a couple of points to the basic amendment. I listened carefully to the argument of my colleague for her amendments, and I want to back her up and agree that one of the things you have to be very careful of in legislating access – and I know it's a major problem. As an MLA I know that in my riding I've had a number of people come to me at different times and say that they have been denied access, and usually they feel it's for wrong reasons and just personal bitterness left over from, say, a divorce, that sort of thing. They feel they've been badly treated, and in many cases I'm sure that's true. Divorces do tend to arouse bitter feelings between spouses when they decide it's time to part, and sometimes whole families get in on the feud and there can be a lot of difficulty. Obviously one of the ways of dealing with that is to appoint a mediator and to try to see that the court's decisions on access should be enforced.

The Member for Lethbridge-West, then, in trying to address that problem – and I think it's a fair one to address to try to make sure that the people are not unfairly denied access to their children or grandchildren, as I guess the case might be. At the same time you don't enforce access for somebody who has already shown a degree of violence toward the spouse or the offspring, the children.

I guess the point that the Member for Edmonton-Avonmore is trying to make is that in the case where there has been a history of violence, society – the courts, the mediator if one is appointed – has to find a way to make sure that there is protection for the children and the spouse. In most cases one knows that means the former wife, and the violence has usually been perpetrated by a male.

So it's important then, Mr. Chairman, that we find a way to get this fine-tuned so that it actually accomplishes that purpose. It is not right that this Bill be passed in its present form and allow a mediator who is not in a strong enough position to stop access in a case where the spouse or the children may be put in danger.

I would be interested in any comments from the Member for Lethbridge-West, who introduced this Bill, and I look forward to the fine-tuning of an amendment that would perhaps meet the needs or the wishes of this Assembly in its entirety.

MR. CHAIRMAN: The hon. Member for Calgary-Forest Lawn wants to make a contribution.

MR. PASHAK: Well, I'm not sure that my comments are going to be strictly on the amendment, Mr. Chairman, but having had some personal experience with the first joint-custody agreement in the province of Alberta, I think I could relate to all members that there's a growing body of evidence that if you're dealing with children of divorced parents, separated parents, this can be a very unhealthy situation for the child if the parents continue in a situation of conflict with each other after the separation occurs. If the two parents can set aside the issues or difficulties that caused them to come apart, those personal reasons, and work in the best interests of the child, the children of divorced parents can develop

in an emotionally secure way, and it's not necessarily that disruptive.

The key to it, I'm trying to suggest – and I've just been asked to speak on this, by the way, so that we can get the amendment fixed. Tell me when the amendment's ready.

The point is that if two parents who separate for whatever reason can set aside their emotional problems with each other and put the interests of the children first, then there is a real possibility those children may not suffer any undue emotional damage. That's the key to it: to put the children first, to work co-operatively.

MR. CHAIRMAN: Hon. member, I believe there is something we could do in the interim with the unanimous consent of the committee. The hon. Member for Lethbridge-West may wish to move an amendment if the committee will agree to defer consideration of the amendment that's presently before us to allow him to do that. Agreed?

HON. MEMBERS: Agreed.

MR. GOGO: Well, Mr. Chairman, I simply wanted to address the amendment by the hon. Member for Edmonton-Avonmore that's under consideration. I think it's very important for hon. members to recall the basis on which this Bill came forward. It's not for me to judge the courts of this province. The courts have sat and made a judgment, and in that judgment, which included several things, one of which was access, they've ordered access, and it's a lack of that that has prompted me to bring that Bill forward. Here's the case where the applicant, who invariably is the noncustodial parent, or the parent to whom access has been denied, has motivated this Bill.

I draw members' attention to the applicant making application to the court for an order for the following, and here's where the hon. Member for Edmonton-Avonmore is presenting the amendment. That request to the court because of denial of access under section 56.1(1)(d) is to

appoint a mediator . . . to attempt . . .

The operative word is "attempt."

. . . to negotiate a settlement between the applicant and respondent as to access

and then report back to the court.

I'm not confident that the amendment proposed by the hon. Member for Edmonton-Avonmore does that if it means that the mediator must be acceptable to both parties, because it seems to me, Mr. Chairman, that if one of the parties refuses mediation, then the issue seems to die. I think the operative word is for the applicant to ask the court if they would appoint a mediator "to attempt to negotiate." I think within that Bill it provides sufficient. As to the other item that's been raised, about the comment of physical harm and serious harm and so on, that is a very valid reason, whereby the respondent – that's the person that's not seeing that access is carried out or denying access – has substantial reasons under (6), it seems to me, to refuse access.

Therefore, Mr. Chairman, as in the Divorce Act – and this doesn't cover the Divorce Act – that cannot include the conduct of the parties involved, or the parents involved, and I don't think, frankly, that we should get involved in that. But if the respondent feels there are grounds, that there's serious physical or emotional harm to the child, then perhaps access can be denied, and that's already in the Bill.

8:30

MS M. LAING: Mr. Chairman, I think we can go around this forever. I would simply say that my experience is that in many cases the courts, in determining access and custody, do not take

into account the issue of violence to the extent of the federal government's Standing Committee on Health and Welfare, Social Affairs, Seniors and the Status of Women report, *The War Against Women*. In their response to that report, the federal government task force, I quote:

The Committee recommends that the Divorce Act be amended to ensure that violence against women or children, including wife assault, sexual abuse and sexual assault, are factors to be considered in the determination of the custody of and access to children.

Mr. Chairman, the problem as I see it is that at the present time those factors are not always taken into consideration, or in fact if they are, if there has not been a criminal court finding of guilt of physical or sexual abuse, that has been taken to mean that there is no problem. Rix Rogers, who did a study of child sexual abuse in 1990, has stated that this is a wrong way to deal with this issue, that issues of custody and access must be determined prior to criminal court findings because the criminal court has a higher test. It has a test of beyond reasonable doubt in determining guilt in actions around custody in cases of violence. The standard test is a balance of probabilities, and that is the test that is presently used in family court.

My concern is that in fact our courts and our judges have not taken sufficient care in many cases to address the issues of violence, particularly violence that has occurred between the spouses, and when they have addressed the issue of violence against children, they have required the more rigorous test of proof beyond reasonable doubt. When children are of a young age, under the age of 10, a criminal court case rarely succeeds because the child is not able to give evidence. However, there may be little doubt in anybody's mind that there has been any wrongdoing.

I think that this Bill, in demanding mediation in the way that it does, puts the cart before the horse. We need to get mediation in, and there are studies now that indicate that mediation is a benefit to people going through separation, in resolving the issues and working it through instead of waiting until you face the problem, before the sides have become polarized and then become intransigent. Nevertheless, Mr. Chairman, I have taken the concerns of the Member for Calgary-Buffalo seriously, and I would suggest that when we look at the amendment now before the House, we delete the proposed subsection (1.2) and substitute the following:

Upon such an application, the Court shall consider

- a) any risk of or history of violence between the applicant and the respondent; and
- b) any risk of or history of abuse of a child by the applicant.

This then leaves the discretion with the court, but it draws attention to the serious nature of violence against spouses and violence against children and that these are factors that must be considered when the court is dealing with the issue of wrongful denial of access. My experience with wrongful denial of access, when one talks to people who have denied access or talks to people who have worked at shelters, is that in fact it is the fear of violence and harm to their children that causes custodial parents to deny access.

MR. CHAIRMAN: The subamendment proposed by the hon. Member for Edmonton-Avonmore is now in the process of being distributed. Would the committee like to wait until that can be accomplished?

Now that the subamendment has been distributed, are there any further questions or comments with relation to it?

The hon. Member for Vegreville.

MR. FOX: Thank you, Mr. Chairman. I would just like to speak in favour of the amendment as proposed by the hon. Member for

Edmonton-Avonmore and make it clear to members that the amendment first circulated by the hon. Member for Edmonton-Avonmore is amended by the second amendment you see before you, making it clear that in Section B, (1.2) is replaced with the (1.2) that has been circulated. I'll just read it into the record to explain to members why I think this is a good amendment. In Bill 216, under section 1(3), where it's amending the Domestic Relations Act, "A person in whose favour an order has been made for access to a child at specific times," et cetera, et cetera, it says very clearly that before the court hears an application for an order under subsection . . . [interjection]

MR. CHAIRMAN: Order please.

**Point of Order
Subamendments**

MR. NELSON: Point of order. Shouldn't there be a name and a signature on these things. What's the deal here?

MR. CHAIRMAN: Well, at this stage, hon. member, we don't require that, but it's the hon. Member for Edmonton-Avonmore's subamendment to her amendment.

MR. FOX: I appreciate the question from the hon. Member for Calgary-McCall.

Debate Continued

MR. FOX: The Member for Edmonton-Avonmore has proposed an amendment, and she's proposing to amend that amendment on the floor before it's considered for a vote by members of the Assembly. It makes it clear. What the hon. member is saying by way of this amendment is that before the court hears an application for an order under subsection (1), the court may appoint a mediator acceptable to both parties "to attempt to negotiate a settlement between the applicant and respondent as to access." It further clarifies by saying:

- Upon such an application, the Court shall consider
 - (a) any risk of or history of violence between the applicant and the respondent; and
 - (b) any risk of or history of abuse of a child by the applicant.

I think it's very clear that it leaves it in the hands of the court to decide under what terms and conditions a mediator should be appointed or whether a mediator should be appointed in a particular case.

The parameters are quite reasonable and fair, I submit, Mr. Chairman, and I hope that the amendment enjoys the support of members of the Assembly.

8:40

MR. CHAIRMAN: Any further comments?
The hon. Member for Calgary-Buffalo.

MR. DICKSON: Mr. Chairman, just one other observation. I don't have any difficulty with what the Member for Edmonton-Avonmore is attempting to do. When I look at it, on reflection it creates a bit of a procedural problem in terms of saying: before the court hears an application. I ask: how on earth can the court know what the history is in terms of violence? Really, what it ought to say is, "Upon the hearing of an application." That's really the only way; the judge then has the information in front of him or her and is able to make that kind of assessment. This sets up almost a prehearing before you get to the assessment in the main.

MR. GOGO: Well, Mr. Chairman, I don't know how anyone would define the words "any risk." I find that extremely difficult.

I have great difficulty with that, so I couldn't accept that subamendment.

MR. FOX: I'd make an observation with respect to the Member for Lethbridge-West. He feels that the court would not be able to determine whether there's any risk, but in the Bill that he proposes, he expects the court to be able to interpret the word "serious." I would submit that both are subjective. The Bill, in fact, is full of instances where the good judgment of the court is relied upon to determine what's meritorious in relation to this Bill.

MR. GOGO: Mr. Chairman, the word "serious" is clearly defined in the Child Welfare Act.

MS M. LAING: I will be dealing with that in a subsequent amendment.

I think only a person that perhaps has not been at risk of violence in a domestic relationship could take exception to raising the issue of "any risk" as being too broad. I would suggest that we must not be putting people at risk of violence. That's what we as a society have said, that violence against spouses and children is intolerable. So how can we say that it's okay to have any level of risk? I would suggest that there must be no risk and that to remove that is to permit risk, however small. It is to permit risk. I would suggest that is unacceptable.

MR. CHAIRMAN: Is the committee ready for the question on the subamendment? All those in favour of the subamendment as proposed by the hon. Member for Edmonton-Avonmore, please say aye.

SOME HON. MEMBERS: Aye.

MR. CHAIRMAN: Those opposed, please say no.

SOME HON. MEMBERS: No.

MR. CHAIRMAN: The subamendment fails.
Call in the members.

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

8:50

[Eight minutes having elapsed, the Assembly divided]

For the motion:

Dickson	Laing, M.	Mitchell
Fox	McEachern	Pashak
Gibeault	McInnis	Sigurdson

Against the motion:

Ady	Gogo	Oldring
Anderson	Horsman	Orman
Bogle	Jonson	Paszkowski
Bradley	Kowalski	Payne
Brassard	Laing, B.	Rostad
Bruseker	Lund	Severtson
Clegg	MacDonald	Shrake
Dinning	Main	Tannas
Drobot	McClellan	Thurber
Elliott	McFarland	Trynchy
Elzinga	Moore	Weiss
Evans	Musgrove	Woloshyn

Fischer Fjordbotten	Nelson	Zarusky
Totals:	For – 9	Against – 40

[Motion on subamendment lost]

MR. CHAIRMAN: The hon. Deputy Government House Leader.

MR. EVANS: Thank you, Mr. Chairman. Although I find this debate quite fascinating, I would move that we adjourn committee study of Bill 216.

MR. CHAIRMAN: The hon. Deputy Government House Leader has moved that we adjourn committee study of Bill 216. All those in favour, please say aye.

SOME HON. MEMBERS: Aye.

MR. CHAIRMAN: Those opposed, please say no.

SOME HON. MEMBERS: No.

MR. CHAIRMAN: Carried.
Call in the members.

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

9:00

[Eight minutes having elapsed, the Assembly divided]

For the motion:

Ady	Fjordbotten	Orman
Anderson	Horsman	Paszkowski
Bogle	Jonson	Payne
Bradley	Kowalski	Rostad
Brassard	Laing, B.	Severtson
Calahasen	Lund	Shrake
Clegg	Main	Tannas
Dinning	McFarland	Thurber
Drobot	Moore	Trynchy
Elliott	Musgrove	Weiss
Elzinga	Nelson	Woloshyn
Evans	Oldring	Zarusky
Fischer		

Against the motion:

Bruseker	Laing, M.	Mitchell
Dickson	MacDonald	Pashak
Fox	McEachern	Sigurdson
Gibeault	McInnis	

Totals:	For – 37	Against – 11
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[Motion carried]

Bill 67 Deficit Elimination Act

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

The hon. Member for Edmonton-Meadowlark.

MR. MITCHELL: Mr. Chairman, thank you for recognizing me. It's really a thrill to get to speak first in committee.

I would like to move my amendment as distributed to the Legislature earlier, Mr. Chairman. My amendment is in two parts. Part A amends the Deficit Elimination Act, and part B amends the Legislative Assembly Act so that the Members' Services Committee can enact the amendment which I am proposing to the Deficit Elimination Act.

[Mr. Main in the Chair]

One of the major weaknesses in this Bill, the Deficit Elimination Act, Bill 67, is that it is without teeth. I know there are members of the Treasurer's own caucus who have felt that particular weakness in this Bill, if I can believe some of the press that I have read. I can't put words in the Treasurer's mouth, but I would like to think that he was concerned about the lack of teeth in his Bill.

The problem is, Mr. Chairman, it comes down to this question: what happens if nothing happens? What happens if the objectives outlined in the Deficit Elimination Act aren't met? Well, absolutely nothing happens under the terms of Bill 67 as it is now written. If ever there was evidence that the government wanted to avoid consequences, it is the manner in which they so summarily dispensed with the Spending Control Act. The Spending Control Act's one overwhelming weakness, among others, was that it, too, was toothless, and nothing happened if nothing happened. So the Treasurer and the Premier under this new management could simply break their own Act and have absolutely no consequence. Well, the fact is that this Bill would be greatly improved if it had some teeth. What we have to say is that if the government isn't prepared to accept these amendments, then they're not prepared to put any commitment into this Bill. The Bill is exactly, worth the paper that it is written on, absolutely worth as much as the paper.

Well, Mr. Chairman, what this amendment does is say to every member of this Legislature that balancing the budget, getting the deficit under control, is of overwhelming importance. It puts some relevance, some substance, and some significance to the objectives laid out in this Bill. Specifically, it says that if the 1993-94 deficit projection outlined in this Bill is not met, then every member of this Legislature will receive, in total, a cut in their pay of 5 percent in the subsequent fiscal year. If the next year's objective is not met, then what we will find is that the pay of every single member of this Legislature will be cut 10 percent. In each subsequent year of this four-year horizon in which the deficit reduction projections are not met, members of this Legislature will suffer a 10 percent pay cut. What this will allow for, we would think – and it will allow for teeth – is commitment from all corners of this Legislature to reducing the deficit and to balancing the budget over a four-year plan.

9:10

My feeling, Mr. Chairman, is that as weak as it is – and I spent some time pointing out its weaknesses, as the Treasurer is inclined to be pointing out now – this Bill would be tremendously strengthened with this particular amendment being passed. I would argue that if the government's commitment to this Bill is significant, real, and is goes beyond its public relations' commitment to the Spending Control Act right up until the Spending Control Act became inconvenient, then the Treasurer will jump to his feet and embrace this amendment, turn to each member of his caucus, as committed as they are to balancing the budget, and say, "We're going to put our money where the deficit is, and we're going to balance this budget or we're going to take a specific pay cut."

You know, the Conservatives are so often heard to say, "Let's run government like a business." Do you know what happens in

business if you don't meet your objectives? Do you know what happens in business if you don't make a profit? Do you know what happens in business? You lose your pay, Mr. Chairman. I would like to see these MLAs take an initiative and stop being superficial about a Bill that is nothing more than the Spending Control Act and say to the people of Alberta, "We mean business, and we are going to accept this amendment to put some teeth into the Deficit Elimination Act, Bill 67."

Thank you, Mr. Chairman.

MR. DINNING: Mr. Chairman, I'm simply delighted to be able to engage in this debate with my true friend, colleague, and fellow alumnus on this amendment, because what I find so absolutely fascinating is that my hon. colleague – let's get right to the point – doesn't support the Bill. Full stop. He doesn't support the Bill, so he decides to throw in a little candy floss to make it kind of interesting and make it exciting. But the bottom line is that he doesn't support the Bill, so his – I suppose it's perhaps unparliamentary to say that his amendment is frivolous, perhaps exceedingly frivolous. I am disappointed that the hon. member would want to sort of play with the Assembly on really such an important piece of legislation as Bill 67. What I find interesting is that here is a Liberal member of the Alberta Legislature bringing forward this kind of frivolous amendment to a Bill that he doesn't support. He doesn't support the elimination of the deficit, and he spoke to that earlier in the main motion of the debate.

When I look across the country and see what other governments have done in trying to eliminate their deficits, some, like British Columbia . . . Well, they say they want to eliminate their deficits. They raise taxes \$2 and they raise spending \$1. It's a most bizarre kind of approach to eliminating deficit, but again they raise taxes. Typical, consistent with my NDP colleagues across the way. They didn't do legislation. They didn't have legislation with penalties.

Then I look at the Liberals in New Brunswick, and I would say, Mr. Chairman, that in some ways it's somewhat of a forward-thinking and forward-planning kind of government. They introduced legislation, a Bill Respecting the Balancing of the Ordinary Expenditures and Ordinary Revenues of the Province. I won't belabour this, but their Bill does a number of things. It doesn't do a number of things as well. It doesn't balance the consolidated budget. Our Bill does. It doesn't have targets in it. It doesn't have ceilings or annual allowables. Our Bill does. Our plan does.

Some people say our Bill has loopholes. Well, Mr. Chairman, I would put to you that our Bill is the precedent setter in this country in that it is enforceable, backstopped by required annual allowable deficits, and has no escape clauses. When I look at this New Brunswick Bill that might reflect what a Liberal government would do – hopefully not – the bottom line is that in the event that the federal government reduces its expenditures in federal/provincial transfers, then the Liberal government in New Brunswick is no longer required to meet their deficit elimination. So there's an escape clause. There are none of those kinds of escape clauses in our Bill. I think that's an awfully important part of bringing the discipline on this legislative Chamber, on the government, indeed on all Albertans to ensure that we live within taxpayers' means.

Mr. Chairman, the bottom line is that the hon. member in speaking against the Bill and offering a frivolous amendment is speaking against what Albertans have called for. Albertans have said: "We want to see that kind of discipline imposed on the legislative Chamber. We want to see that discipline imposed on the government so that it can no longer live beyond the taxpayers'

means." The bottom line is that the hon. members across the way, the NDP and the Liberals, have offered Albertans a clear, distinct choice between their plan and our plan. It's a distinction between nothing and something meaningful and substantial. The choice is that the Conservative government has offered a four-year plan with action now backstopped by legislation. In the case of the NDP, what they have offered is heavy taxation across the board, and they're trying to emulate . . .

MR. McEACHERN: Point of order, Mr. Chairman.

MR. DEPUTY CHAIRMAN: The Member for Edmonton-Kingsway rising on a purported point of order.

Point of Order Factual Accuracy

MR. McEACHERN: He knows very well we've not said across the board raises. Upper income tax only, upper income levels only.

MR. DEPUTY CHAIRMAN: Order please. [interjections] Order please. [interjection] Order please, hon. member. I didn't hear a point of order. I didn't hear a citation. I heard arguments about debating points. In the absence of a citation and a real point of order, Provincial Treasurer.

Debate Continued

MR. DINNING: Mr. Chairman, as well, I've heard through my ears through the radio waves their hon. leader saying that their policy, their plan . . . It's not yet written. We're not quite sure what it is, but they say it's coming. Their plan is that it would emulate the policies and the practices of other NDP governments in this country. Well, you know, I look at Ontario. There's their model. They're going to tax across the board. The people in Ontario are facing within five days, I would put to you, at least a one point increase in their sales tax across the board. They're talking about emulating the NDP policies of the likes of Ontario. What might they do in British Columbia? What they tried to do was tax the so-called rich, and they had to roll back. They had to fly the white flag and say: no, we're retreating; we made a mistake, and we're retreating. That's what the NDP government in B.C. had to do.

9:20

In the case of the Liberals, they haven't got a plan. They haven't got a plan because they haven't thought through the difficulty, the challenge of balancing this budget. On the tax side we've said no tax increases, no new tax, and certainly no sales tax. The NDP have said tax. The Liberals simply won't come clean, Mr. Chairman. They have introduced a tax on cars, and it's a sales tax on cars because those revenues will flow to the general revenue fund. It's not for any other purpose than to feed the general revenue fund. They've not presented a plan other than taxation. They've not presented a Bill that has any penalties in it. They've not presented any plan of any kind whatsoever.

Mr. Chairman, we've talked about balancing it in four years. It's spelled out in the legislation. It's spelled out in the legislation the hon. member is trying to amend but does not yet support, and it's got specific, legislated allowable ceilings. The NDP won't tell us when they're going to balance the budget. They have no plan except that they're going to tax.

Funnily enough the Liberals have said that they don't know when they want to balance the budget. They don't even know if they want to balance the budget. In Spruce Grove their leader

said: maybe it's five or six years. In Smoky Lake, a few miles away, a few nights later he said: maybe four or five years from now. The Member for Edmonton-Meadowlark said: well, it's four years. I'm trying to figure it out. Is it four? Is it five? Is it six? Does it change between Edmonton, Smoky Lake, and Spruce Grove? They don't know because they haven't got a plan. They don't have a plan. They don't have a Bill requiring it. They certainly don't have any penalties for doing so because they don't have a plan.

Mr. Chairman, our plan calls for a four-year elimination of the deficit. It's based on conservative revenue estimates. The Conference Board of Canada has reinforced that. There are spending limits and deficit limits spelled out in the Bill. It requires – the hon. member recognized this – that the government simply change the way it does its business, and I spelled that out in the Legislature last Thursday night when we presented the budget.

As for where the NDP stand on that element of a plan? They say they'll tax and spend like British Columbia and like Ontario. In the case of the Liberals, in their nonplan they have no revenue assumptions. They have no spending limits. They have no penalties. They have no economic forecasts. They have no time line for a balanced budget. In fact, they've avoided, Mr. Chairman – and that's the disappointing part as we I think head into the people's choice – saying how or if or whether they're going to balance the budget until after they've gone to the polls.

Mr. Chairman, I know from talking to Albertans that Albertans demand and expect more, and they have every right to expect better than that. That's why in our plan, in our Bill there are annual allowable deficits. There is a four-year plan in place. It's legislated. We begin action now, and I think that action is going to speak volumes. Frivolous amendments like the hon. member's across the way are just that. He doesn't support the Bill. His party doesn't support the Bill because they don't have a plan.

MR. DEPUTY CHAIRMAN: The Member for Edmonton-Jasper Place.

MR. McINNIS: Thank you, Mr. Chairman. I believe that a cat fight has broken out in the Legislative Assembly. Two political parties both want to claim credit for this Bill. One says it's not tough enough; the other one says that the other doesn't really support it. They remind me of salespeople sitting in the anteroom to the economic elite of this province. They each want to be the ones to do their bidding.

The Liberals say that, yes, this Bill does solve the deficit problem only if it has teeth in it, and the teeth they want to put in it is they want to fine each and every Member of the Legislative Assembly if the prediction in the Bill does not come to pass. That's an interesting approach to solving problems. You fine the guilty along with the innocent. You grab everybody, and you throw them in the same boat and take their money away. The government says: we have this firm target. In fact, I believe that the Treasurer actually said that this Bill balances the budget. This Bill does nothing of the sort. It promises to balance the budget down the road. It's nothing more nor less than a political promise to do that down the road.

I think the Member for Edmonton-Meadowlark asked the wrong question. He asked: what if nothing happens? Of course, several people answer the obvious: nothing happens. I think the question he should be asking is: what if the predictions in this Bill came true? What if you trimmed the deficit entirely by cutting spending across the board? What if there was mayhem in the province of Alberta? Who would pay the fines then? You wouldn't be talking

about a couple of thousand dollars penalty for Members of the Legislative Assembly. You talk about people paying with their jobs, with their livelihood. You talk about children not being able to get a proper education because they're crammed into classrooms that aren't engineered to the size to meet the number that would have to be in there. Today people have waiting lists for surgery. You talk about what they would be in the future.

Yes, Mr. Chairman, the New Democrats do have a plan. It's been published a heck of a lot longer than this one and this silly amendment by the Member for Edmonton-Meadowlark. What it says is simply this: when you deal with budget problems, there has to be a balance between revenue measures and savings. It says that across-the-board cuts will hurt people, and it'll hurt them seriously.

I don't think it really matters a great deal whether this amendment passes. What the amendment has shown is that both these parties are scrambling for the same ground. They both want to say, "We're the ones that will cause the deficit to be balanced, and we'll do it entirely by cutting spending," and they both want to do it in this cold, antiseptic fashion of debate in which the real victims are never heard from. In fact, the body count comes much later on.

I think it's good, you know. In the final analysis we can have a blood test and determine who really thought of this idea in the first place, who the real fathers of this legislation are. But they're both wrong, and I'm glad they're both in the same boat, and they can sink together with it.

MR. DEPUTY CHAIRMAN: Edmonton-Belmont.

MR. SIGURDSON: Thank you, Mr. Chairman. The amendment as I understand it proposes to put in some kind of a penalty in the event that the government doesn't meet its four-year projection and eliminate the deficit this government has created. Well, given the history of this government, it wouldn't matter if there was a penalty there or not.

It's only been recently in this Legislative Assembly that my colleague for Edmonton-Strathcona has stood up in this House and pointed out on any number of occasions that the MLA Pension Plan Act had certain requirements, that a board should be put in place so as to protect the pension plan, and what happened? The government disobeyed a statute of the province, disobeyed an Act of this Assembly. Their own Act, the Act they passed. The Deputy Premier tries to pass it off by saying that Members' Services is responsible for that one. Clearly Members' Services couldn't be responsible for it for the membership of Members' Services is far too great given that the board was supposed to be five and the number on the Members' Services Committee is nine.

Mr. Chairman, it doesn't matter if this Act that's before us, Bill 67, Deficit Elimination Act, had penalties contained in the Act that said that members who voted in favour of a budget that failed to meet the requirements of the Act – if the penalty were 100 percent of the wages, given the record of the government, it wouldn't matter a tinker's you know what.

MR. DEPUTY CHAIRMAN: Damn.

MR. SIGURDSON: Thank you.

The reason that it wouldn't matter is that this government has become so arrogant, so removed from the people of the province of Alberta that they're prepared to break the laws that have been passed in this Legislative Assembly. So it doesn't matter. If this Treasurer had any guts at all, he wouldn't be worried about this Act. He says this is going to be the ultimate test before the people

of Alberta in four years. Well, Mr. Chairman, let's not worry about what happens four years from now. Let's go. Let's go tonight. We don't have to worry about passing Bill 67. If you're concerned about that court of public opinion, let's go now, and let's tell the people of Alberta how you've already violated statutes that have been passed in this Legislative Assembly and how this is just some simple window dressing and nothing more.

9:30

MR. GIBEAULT: Mr. Chairman, there are a number of ways of looking at this amendment. Although I don't intend to support Bill 67 for a variety of reasons – we have different views within our own caucus – I want to say that frankly I like the idea of consequences in legislation. I think if we had more consequences to some of the decisions that were made here, maybe the decisions might be a little better and more in the interests of the people of Alberta.

As I said, while I don't intend to support the Bill as such, I think this is a refreshing innovation on the part of the Member for Edmonton-Meadowlark, and I intend to vote for it.

MR. DEPUTY CHAIRMAN: Any other comments with regard to this amendment?

The matter before the House, then, is the amendment to Bill 67 as proposed by the hon. Member for Edmonton-Meadowlark. All those in favour of the amendment, please signify by saying aye.

SOME HON. MEMBERS: Aye.

MR. DEPUTY CHAIRMAN: Opposed?

SOME HON. MEMBERS: No.

MR. DEPUTY CHAIRMAN: The amendment's defeated.

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

9:40

[Eight minutes having elapsed, the Assembly divided]

For the motion:

Bruseker	Gibeault	Mitchell
Dickson	MacDonald	Sigurdson
Fox		

Against the motion:

Ady	Horsman	Pashak
Anderson	Johnston	Paszkowski
Bogle	Jonson	Payne
Bradley	Kowalski	Rostad
Brassard	Laing, B.	Schumacher
Calahasen	Laing, M.	Severtson
Clegg	Lund	Shrake
Dinning	McEachern	Stewart
Drobot	Moore	Tannas
Elliott	Musgrove	Thurber
Elzinga	Nelson	Weiss
Evans	Oldring	Woloshyn
Fjordbotten	Orman	

Totals:	For – 7	Against – 38
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[Motion on amendment lost]

MR. DEPUTY CHAIRMAN: Any other comments with regard to Bill 67? The Member for Calgary-Forest Lawn.

MR. PASHAK: Thank you, Mr. Chairman. I just have some questions that I'd like to ask the Treasurer about sections 8 and 9 of the proposed Bill. He made a lot of rather general remarks in his response to the amendment proposed by the Member for Edmonton-Meadowlark, but we'll save our rebuttal to that for third reading, where it may be somewhat more appropriate.

Sections 8 and 9 I find rather interesting. It's not that I disagree with those clauses; I'd just like a fuller explanation of what's intended there. It also ties in with another issue that I think could be viewed as a suggestion for the Treasurer in terms of trying to reduce government expenditure, and that's to give a little more weight, perhaps, to the whole issue of using value-for-money audits. It ties in because sections 8 and 9 of the proposed Bill have to do with the Auditor General Act, and there could have been an inclusion in this Bill, this Deficit Reduction Act, I think, to make greater use of value-for-money audits.

Perhaps it's a bit of an aside, but I just noted that in the *Calgary Herald* this morning there was a discussion of how the city of Calgary Police Service did a value-for-money audit, and it has the potential to save the Calgary Police Service literally millions of dollars in terms of structuring the times at which police officers are called to go into court and this sort of thing, so that they're called into court on days when they're actually working and don't have to come in off duty, so they're not paid overtime. There are lots of ways in which the audit function of the government could be improved.

Anyway, back to sections 8 and 9, which I think might tie in with this. The Bill provides that under section 21 of the Auditor General Act this audit committee that's established under that section

shall report publicly to the Lieutenant Governor in Council on the progress made by the Government towards achieving a balanced budget.

Well, what is meant by "publicly," and how does the Treasurer see that reporting taking place? By "publicly" I guess he means that there will be a statement that will be issued, that will be made available to the media, certainly.

There's a further reference to a public report being made, where it says that the Provincial Treasurer himself "shall report publicly to the Lieutenant Governor in Council." What does he envisage? Making orderly reports on the state of the economy and the progress being made towards reducing the budget deficit?

Also, as part of my comments here, the Auditor General Act I think really does give the audit committee the powers that are expressly spelled out in this proposed Bill. The powers are fairly wide ranging, as I read them. I take it that this is meant to maybe reinforce a specific direction that the audit committee might go in. In addition, this will probably take some extra funding. I don't know what other resources are going to be made available. Oh, it says: to be contained in the Budget Address. Right.

Anyway, I'd just like to hear a fuller explanation, Mr. Chairman, from the Treasurer on these two sections of his proposed Bill.

MR. DEPUTY CHAIRMAN: Edmonton-Kingsway.

MR. McEACHERN: Yes, Mr. Chairman, thank you. The reason I voted against the amendment is that I think this Bill is so bad that it doesn't matter what amendments you put on it; it still would not be worth voting for.

The Bill can be looked at as nothing more than election posturing, in one way. I suppose if that's the case, then that's

probably quite harmless because then it will never come into effect because this government isn't going to get re-elected anyway, in spite of their posturing. The fact is that they lay out a rather vicious schedule of numbers here. They say that in the 1993-94 fiscal year the maximum deficit can be \$2,500,000,000. Now, Mr. Chairman, that's an interesting number that they should choose, because it just so happens that if you divide by seven the approximately 17 and a half billion dollars in deficit that they've stacked up over the last seven years, you get 2 and a half billion dollars a year, so back to average in the present fiscal year.

Now, that of course is back to average from last year, when they decided to have an election and ran an extraordinarily large deficit, \$3.2 billion as a matter of fact. The cuts this year really only roll back \$700 million of the \$900 million in extra expenditures last year from the \$2.3 billion that they tried to claim was going to be the deficit. So really they've done nothing this year except to cut back the excesses from last year. Since they aren't going to get re-elected, they'll never have to implement the other cuts that they've suggested here.

I want to look at it as if they were to be taken seriously, as well. If they are, if these targets – and let's face it; all they are is targets. There's absolutely no plan to achieve the targets. In some ways you could look at it just like the previous Treasurer did in 1987-88, when he set a four-year plan, as he called it, but of course it was just a series of targets, just like this is, to get to a balanced budget in four years. Now, of course, twice along the way he got kind of behind and said, "Well, gosh, it wasn't my fault; you know, it's been kind of a tough year," and moved the target a year ahead, and then a little later he moved it another year ahead. So it ended up being sort of a six-year program. He was so determined to get there eventually – it was really quite laughable, Mr. Chairman – that in the '91-92 budget he actually tried to claim that he got there and said, "Eureka; I have found the balanced budget." Then he comes in and says that we're going to have in fact a \$33 million surplus. Now, when that turned into a \$2.1 billion deficit – and that was not the consolidated figure; that's just the general revenue figure; the consolidated figure is \$2.6 billion – the Treasurer decided to retire from the scene.

I suggest that this Treasurer is on exactly the same course, only I think his career is going to be a lot shorter. He set out some targets, just like the other Treasurer did, but with absolutely no plans of how to get there. Oh, he's going to talk to some Albertans. What it really means is that he's going to download the responsibility on other people to try to achieve his targets. Then if they fail, his sympathy is not exactly what you'd call great. He says, "Well, if you guys don't make it this year, we're going to load those targets on you the next year as well." He uses this to show how tough he is and say, "Boy, we're going to really make sure this happens." There are no escape clauses, he says, no escape hatches.

Well, Mr. Chairman, I've got to disagree with him. If you look at section 6, the subject is special warrants, passed by the Lieutenant Governor in Council. Guess what? Section 6(2)(b) says:

At any time, if, in the opinion of the Provincial Treasurer, the money is urgently required because of an emergency or a disaster.

Therefore, the Treasurer has total control to spend extra money if he wants to, if he thinks there's an emergency or disaster. He doesn't have any tests laid out here, or he doesn't have to consult anybody as to whether there is or not. Just as long as the Treasurer in his mind decides that, yeah, there's an emergency, then he can go ahead and ask the Lieutenant Governor in Council to pass special warrants and spend all the money he likes. So certainly there's not an escape hatch.

9:50

Now, the really serious thing about this budget is that it downloads onto the local government level. It's going to be school boards and municipalities and hospital boards that are going to have to try to live with these silly targets. The fact of the matter is that the Treasurer can't achieve them, and he hasn't got the nerve or the integrity to put a plan in place and specify how these targets will be achieved. He merely says: "It's your problem, school boards. It's your problem municipalities. It's your problem, hospital boards. You meet my targets, and if you don't meet it this year, I'm going to load that target on top of your next year's target for cutbacks." That's why this Bill is so vicious and unfair, and that's why we on this side of the House are going to vote against it. This Bill does not make any sense. It's merely this Treasurer trying to cater to a right-wing attitude that's floating around out there that the way to solve our deficit problem is only cutbacks.

Now, the Treasurer likes to stand up and say: well, you guys on the other side of the House just want to spend, spend, spend and tax, tax, tax. That's sheer nonsense, Mr. Chairman. We have put together a sensible fiscal plan, great detail in it, explaining how we can save some money by repriorizing some things, by cutting some of this government's bureaucracy. This government, as a matter of fact, is one of the most bureaucratic governments in the country, so there's a lot of room for some cuts at the top end of the scale.

You know, when they recently downsized the number of departments, their cabinet, I thought we were going to get some real serious cuts at the top end of the scale. But guess what? In Economic Development we get two deputy ministers and six assistant deputy ministers. All the possible ones that were in all the other departments had to come in to this department. They were supposedly amalgamated into this one department. So we've got this incredible number of bureaucrats at the top of everything that this government does. The real cuts are going to come at the lower end, the people that are actually doing the work. The actual public employees that are really doing the work are the ones that are going to be cut, and services to people are going to suffer, but the friends of the government, the top bureaucrats, are going to stay around and have their big salaries and secure jobs.

Mr. Chairman, the *Edmonton Journal*, in comparing our fiscal plan, which was very detailed, said this:

The biggest difference between the New Democrats and the Liberals, at the moment, is in attention to detail. Opposition leader Ray Martin released a fiscal plan for Alberta this week with 27 suggestions described with admirable precision.

That was in the *Edmonton Journal* on January 23, 1993. I suggest that the Treasurer take a look at it. He's trying to pass off, of course, a lot of nonsense that we on this side of the House are just going to tax everybody. That's not what we said. We were very specific about our taxes. They were very carefully targeted. We talked about surtaxes for those people earning over \$80,000 a year and another level of surtaxes for those earning over \$120,000 a year, very specific upper-income taxes. That doesn't cover most of my friends and the working people of Alberta that I know, so we will not be making a general tax on all Albertans.

We've also noted that there are a number of profitable corporations in this province over a number of years that have not paid their fair share of taxes. In fact, the tax take from corporations compared to individuals has consistently got worse. If you go back a few years, go back to the '50s, it was 50-50 between corporations' income tax and individual income tax. Then in the '60s it was sort of like 60-40, and it's gradually eroded till now we're around 90-10. So corporations are not paying their fair

share of taxes, and this government knows it perfectly well. Almost every year they have consistently overestimated the corporate tax take to make it look better, but in fact when the numbers come in, they're just not there.

The corporations have not been paying their fair share of taxes, and we have decided to specifically put some more corporate taxes on. One of them is to raise the taxes on financial institutions from 2 percent to 3 percent. Another one is a .3 percent tax on corporations' share capital if they have share capital of a million dollars or more. Also we decided that we should reduce the royalty rebates to a maximum of \$500,000 per company instead of \$2.5 million per company. Now, those series of tax changes and cutbacks in government bureaucracy that we point out could close the deficit by about a billion dollars, and it's well detailed in our statements here.

The *Edmonton Journal* further went on to say in terms of this fiscal plan of ours:

The New Democrats are firmly opposed to a sales tax. They would overhaul the tax system to achieve a better balance between corporate and personal taxes . . . The Liberals would consider a sales tax . . . The rest of their taxation policy, if they have one, is unclear.

Now, I might say that the government itself, the Tories, are bragging that they can close that deficit gap with no new taxes and just cutting expenditures. I say to the Treasurer that he can't do it, and his corporate friends will force this government, if they get re-elected, into a sales tax as the way to close it. I said the other day in the House: within a year. I guess even the Tories might not have the gall to do that within a year, but within the term of their next mandate, probably in about two years, their corporate friends will insist. The hue and cry about the fiscal deficit will be so great and the cuts to education and health care that would be necessary to achieve these targets would hurt so much that there would be social unrest in this province of a level that even the business community would turn on this government and say, "Bring in a sales tax." You know that's what you will do, that's what they will insist on, and that's exactly the direction we will see if this Tory government is re-elected.

On the other hand, our party is prepared to attack that deficit by looking at some savings and efficiencies in government and raising some very specific, targeted taxes. We make no bones about that. We're prepared to do that. We also think if you're going to close that deficit gap, you have to look to putting more people back to work, and at least we have some ideas on how to do that.

This government's plan that they brought in a couple of weeks ago is mush. For example, there is absolutely no mention of any possibility of increasing the amount of money to local municipalities for grants to do local projects, to build local infrastructures. Even the federal Tories are talking about it, and the New Democrats at the federal level have been talking about it for a long time: right across Canada an assault on creating jobs by municipal infrastructure works. Let the municipal governments do the work. Let them hire the local people. Let them get the economy moving because they know the projects they want to do in their local areas, but have a partnership of municipalities, provincial governments, and federal governments paying for it. Mr. Chairman, everybody but this government seems to recognize the value of that. That would be a start on putting some people back to work.

Of course, there are other things you have to do too. You have to assume that the wave of the future in terms of job creation is small businesspeople and local economic initiatives. The federal cousins of this government have sold this country out long enough and far enough down the road to economic disaster, and what we have to do with their free trade deals is start seeing what we can

do for ourselves at the local level. Small businesses will be the key. There's an area where this government makes a mistake and where the Liberals make a mistake. Because of the total disaster of this government's economic policies so far and their total failure to be able to pick winners, both parties have decided no more money from the government for small businesses. Now, this government hasn't had the gall or the guts yet to actually come right out and say that they're going axe Alberta Opportunity Company, for example, but the Liberals have, and it's a mistake, Mr. Chairman. The future jobs in this country, just like over the last 10 or 15 years, are going to be created by small businesses in the local communities hiring local people who will pay local taxes to help to finance the education, health care, and municipal works that are needed.

10:00

The other arm in this job creation strategy, of course, has to be a great emphasis on education. Although this government held the axe back on education this time around because there's an election coming, they will not achieve their target of a \$2.2 billion deficit if they go ahead with those targets, and the only way of attacking the deficit is cutbacks in expenditures. If that's the only weapon in their arsenal, then they will have to cut education because it's one of the major costs.

They will not only have to cut education; they'll have to cut health care and municipal grants because those three are the big ones. Of course, if you cut them fast enough and put enough people on welfare out of those three departments, what you end up with is more people on welfare and the welfare bill goes up. Now, you'll get one year of relief in between because they'll get some UIC and be on the federal tax base. Mr. Chairman, I submit to you that most Albertans don't feel very good about paying federal tax either. So if the federal deficit goes up and they've got to pay more federal tax, then the people of Alberta are going to be no more happy with that than they are seeing more people on welfare and a bigger welfare bill every year. Last year the welfare bill was an \$85 million overrun, nearly a 10 percent overrun.

If you just continue to cut back as the only method by which you're going to close the deficit in this province, you are going to put us further into debt. Even the Conference Board of Canada said – it was reported in the papers yesterday in the *Financial Post*, for example, plus some others – that if all the provinces across this country decide to run tight budgets, deficit-fighting budgets, then we're going to see a prolonging of this present recession that we're in and in fact maybe even a depression.

So, Mr. Chairman, this Bill is all wrong. This Bill does not make any sense. The Treasurer should scrap this Bill. I guess if he doesn't, it'll be up to us after the next election to do it.

MR. DEPUTY CHAIRMAN: Provincial Treasurer, do you have any further comments?

MR. DINNING: Only to respond briefly to my colleague from Calgary-Forest Lawn, who asked I think some very good questions as they relate to sections 8 and 9 of the Bill, Mr. Chairman. The feeling was – especially if you look at page 34 of the Financial Review Commission's report. As their last recommendation, they recommended that

the Audit Committee, established under the . . . Act, should be charged with the responsibility of monitoring and reporting to Albertans on a yearly basis the government's progress in implementing these recommendations. The Auditor General would be requested to assist in this responsibility.

So in keeping with many of the recommendations which the government accepted in the Financial Review Commission report,

which came out 31 days before the budget came down, we've incorporated that final recommendation into the Bill, notwithstanding the broad powers that the hon. member pointed out in the Auditor General Act.

Mr. Chairman, the hon. member also raised the question of reports, reports on progress, and the requirement in section 9 that there be reports on progress. That's again very much in keeping with the Financial Review Commission's report, which called on the government to report regularly, publicly as to how well we were on track and what actions we were going to take to stay on track if we found ourselves, after a quarter or two, off track.

I would encourage the hon. member – I know this is a thick and very comprehensive document that was filed last week. I'm serious when I ask members to go to pages 127 to 132, where I would turn the hon. members' attention to some basic fundamental changes to how we would approach government, especially at the bottom of page 128 where we're calling for a change in the structure, Mr. Chairman, where we would in fact call on agencies and those receiving significant government funding to prepare three-year business plans that focus on program objectives, that focus on financial plans and means of measuring outcomes. At the bottom of page 128 we also call on the Auditor General

to assist, with existing resources, in establishing benchmarks to help all . . . departments and agencies compare their performance against that of the best equivalent organizations in the world from both the public and private sectors. We will ask the Auditor General to conduct sector-based audits covering, among others, health, education, social services and agriculture. These audits will compare performance to costs. Findings will be reported to the Legislative Assembly on an ongoing basis.

So we've taken much of what the hon. member, the chairman of Public Accounts Committee, has recommended, and that is incorporated into a fundamentally different approach to government.

There are only so many things you can legislate and spell out in the Budget Address and in the budget document. The document, in fact, goes beyond the address and makes commitments to those kinds of fundamental changes. In fact, they change the very notion of how you think about what government does and what business it should be in.

I welcome the hon. member's interest, especially in those I think two very important sections of the Act where the whole notion comes back to accountability and accounting to Albertans on a commitment made and a commitment kept, and the Act requires that.

HON. MEMBERS: Question.

[Title and preamble agreed to]

[The sections of Bill 67 agreed to]

MR. DINNING: Mr. Chairman, sir, I move that the Bill be reported.

[Motion carried]

MR. DEPUTY CHAIRMAN: The Deputy Government House Leader.

MR. EVANS: Thank you very much for recognizing me, Mr. Chairman. I would move that the committee do now rise and report.

[Motion carried]

[Mr. Speaker in the Chair]

MR. MAIN: The Committee of the Whole has had under consideration certain Bills. We report Bill Pr. 17 and Bill 67 and Bill Pr. 27, with some amendments. We report progress on Bill 216, Mr. Speaker. I'll table copies of all amendments considered by the Committee of the Whole on this date for the official records of the Assembly.

MR. SPEAKER: Does the House concur in the report?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried.

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

10:10
Bill 66
Members of the Legislative Assembly
Pension Plan Amendment Act, 1993 (No. 2)

[Adjourned debate May 12: Mr. Weiss]

MR. SPEAKER: The Minister of Environmental Protection.

MR. EVANS: Thank you, Mr. Speaker. Notice having been given by my colleague the Government House Leader, I wish to move on his behalf

that debate on third reading of Bill 66, Members of the Legislative Assembly Pension Plan Amendment Act, 1993 (No. 2) shall not be further adjourned.

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

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

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

[Eight minutes having elapsed, the Assembly divided]

For the motion:

Ady	Evans	Paszkowski
Anderson	Jonson	Payne
Bogle	Klein	Rostad
Brassard	Kowalski	Schumacher
Calahasen	Lund	Severtson
Clegg	Main	Tannas
Dinning	Moore	Weiss
Drobot	Musgrove	Woloshyn
Elliott	Orman	Zarusky
Elzinga		

Against the motion:

Bruseker	Laing, M.	Mitchell
Dickson	MacDonald	Pashak
Fox	McEachern	Sigurdson
Gibeault		

Totals: For – 28 Against – 10

[Motion carried]

10:20

MR. SPEAKER: The hon. Premier.

MR. KLEIN: Thank you, Mr. Speaker. I wish to move third reading on Bill 66. I note with a great deal of interest the opposition's vote on this particular matter, that they have voted against having a pension. That's very significant.

Mr. Speaker, we pay attention and we listen. When I go back to December 5 of 1992, I start to think about the way we have listened to Albertans. They said that they wanted a new government, a new tone, a new style, people who would pay attention and listen, and I think we have opened up government like it's never been opened up before. They said they wanted to reduce the size of government, and we said we would do that, but we would start at the top. We did that by reducing the size of our cabinet from 26 to 17, not just reducing bodies from cabinet but consolidating portfolios. We said there would be a trickle down into the public service. With that elimination of cabinet ministers, we eliminated something like nine deputy minister positions off the top, and it continued down through ADMs and managers and line managers to the point where we have eliminated in the public service 2,750 positions – not in a brutal way, as the Liberals suggested, but in a human way, by saying we would offer these employees the opportunity for voluntary severance packages, early retirement, job-sharing opportunities. That occurred. That was something we said we would do, and you know what? We did it. No strikes, no protests in front of the Legislature Building, but a nice, gentle, human way of doing things. We said we would do that and we did it.

We said also that we would demonstrate leadership, and the way we did that was cutting ministers' salaries, including – he's not here – the leader of the opposition's salary by 5 percent . . .

MR. SPEAKER: Order.

MR. KLEIN: Sorry.
. . . and my salary.

**Point of Order
Relevance**

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

MR. SPEAKER: Point of order.

MR. GIBEAULT: *Beauchesne* 459 on relevance. While this is a fascinating repetition of recent government action, what does it have to do with Bill 66, the MLAs pension plan Act?

MR. SPEAKER: Well, thank you, hon. member, for your studious intervention, but as with a number of members from your own caucus and various Bills, Speakers in the Chair allow speakers who are presenting some leeway in terms of getting launched into background material before they come to the relevance of the debate.

MR. McEACHERN: Not third reading. Remember?

MR. SPEAKER: I'm really pleased to know that you in particular, Edmonton-Kingsway, are starting to pay attention to the rules. [interjections] Order.

Now, Premier.

Debate Continued

MR. KLEIN: Sir, it all comes down to a matter of saving public dollars. That point will be reached as I go through my debate, Mr. Speaker.

We have cut the salary of ministers, as I said, by 5 percent, the salaries of senior public service employees, deputy ministers, and their equivalents by 2 percent. We have instituted a policy of examining all the boards, authorities, commissions, public service agencies, Crown corporations to find out if they're needed; if they're needed, how they can be streamlined; if they aren't needed, how they can be eliminated; and yes, which of those can be put off into the private sector. We said we would do that, and we have done that under the auspices of the Deputy Premier, who has been in charge of the reorganization of government.

We said we would start a four-year program of eliminating the deficit by reducing it in the first year, in the second year, and in the third year, and by the fourth year eliminating that deficit. You saw the Provincial Treasurer put forth a program in this House that really took the first step toward that process.

We said we would put in place an economic development program that would accommodate the private sector in terms of the private sector creating new jobs, to create the environment – not government creating new jobs – for the private sector to create new jobs, 110,000 new jobs by fiscal 1996-1997. We have done that, Mr. Speaker.

We also said that relative to the hon. Deputy Minister's Bill we would deal with pensions. Well, we tried through Bill 62. That wasn't enough, although that was in accordance, absolutely in accordance with everything the opposition said they wanted to do. To get an independent committee, they were all part of the scheme. They were all part of the scheme when they increased their salaries. They were all part of it to increase the salaries by 29.8 percent – let's call it 30 percent – to increase the pensions. I can recall the comments of the hon. Member for Edmonton-Whitemud, who is not here. [interjections] Well, sir, can I refer to *Hansard*? I can refer to *Hansard* – I don't know the exact page, but I'm sure the Clerks will find it – where he said no person, no individual who is part of this process should take this as any part of political gain. This should not be for political gain. This is something that we deserve. I'm paraphrasing out of *Hansard*, and we'll get the exact reference, Mr. Speaker. They were all part of it.

Now that this election fever is looming – and that election may be called tomorrow. Tomorrow.

10:30

MR. McEACHERN: Today?

MR. KLEIN: Tomorrow. Mr. Speaker, I'm going to call an election tomorrow or perhaps the next day or perhaps next week. Now that they sense this, they're not all of a sudden part of the scheme. They're not all of a sudden part of the scheme, and the \$1.7 million man is no longer part of this great scheme. They're no longer part of the scheme. He only wants \$1.5 million. Well, there are 29 members of my caucus and I don't know how many members of the ND caucus and the Liberal caucus who will get nothing. Absolutely nothing. Because of the wage increase they put in place for themselves, ourselves, we have said as a caucus and as a government that we're perfectly capable as free enterprisers, as good thinking people understanding the needs and the desires of other Albertans, to look after our own pensions. They don't understand that. They don't understand that.

MR. MITCHELL: Boards and extra pay and extra trips and . . .

MR. SPEAKER: Order. [interjections] Order.

MR. KLEIN: Well, Mr. Speaker, we're getting a lot of hooting from the man across the way. Since we're in an election mode perhaps, maybe, possibly, I'll refer to the man of Principal, the man who excludes from his résumé the fact that he was with Principal corporation, the man who says what is wrong with this government but has all the documents pertaining to a particular fact that pertain to this particular government but has excluded this – absolutely excluded this – from his résumé. This is the man of Principal. But he's also the individual who wants his pension on top of everything else.

You know, this pension thing is an interesting concept, and it's less of an issue in this Legislature than it is in Legislatures throughout the country. I had the opportunity of attending the British Columbia Legislature with my hon. friend the Deputy Premier, and we sat on the floor of the Legislature. It's the first time – and it was a little unnerving to sit, you know, in a whole caucus of NDs. I'll tell you how nervous the NDs are, and this is a true story. I'll give testimony to this, even on the Mormon Bible, but I will give testimony to this. Mr. Speaker, the Provincial Treasurer came by, patted my friend here on the shoulder, and said: for God sakes, will you get off that pension s-h-i-t. I mean, these are the NDs. They're really, really concerned about their pensions. They love it. They love the pensions. Quite true.

There is no other government in the country that has the courage, that has had the foresight to see that this is going to be an ongoing problem and to say, "We're going to scrap it; we're going to get rid of it; it's gone," and the only people who want to save it are the Liberals and the NDs plus their counterparts in every other jurisdiction in this country. All of our caucus, Mr. Speaker, have said that we're willing to look after ourselves. We earn enough money to look after ourselves. It's only that side that wants to keep the pension plan.

If they have any doubts, all they need to do is to check all their colleagues in Ontario, in Saskatchewan, in British Columbia, in Newfoundland. Ask Mr. Wells. I would ask the Liberals to ask Mr. Wells: do they still want their pension plan? Of course they do. They don't want the same pension plan as the hon. Member for Calgary-Buffalo would suggest. No. They want their rich, expensive pension plans, and they're telling me as the Premier of this province: get out of this pension stuff, lay off this pension stuff. I can't believe it, Mr. Speaker.

I can't think of any other jurisdiction, any other government with the courage, the fortitude, and the desire to get out of something that is so contentious, as this government. We have put forward a Bill that says, "Folks, we're out of this thing; no more – no more – pensions." We are capable as legislators and as individuals of this province, as are 70 percent of other individuals in this provinces – farmers and pharmacists and doctors and lawyers and small businesspeople – to look after ourselves.

Sir, I ask that everyone in this Legislature support this Bill, the Bill that says that we are going to look after ourselves.

Thank you.

MR. SPEAKER: Vegreville.

MR. FOX: Thank you, Mr. Speaker. I sincerely wish that I and members on this side of the House could support a Bill that makes important and dramatic changes to the MLA pension plan in the province of Alberta, because that is indeed something that we have been advocating for a long time in the province of Alberta.

The fact is, Mr. Premier and members of the Conservative government, Bill 66 does not make substantial changes to the

MLA pension plan. Bill 66 is a transparent, cynical, and totally deficient piece of legislation that does not remove the MLA pension plan, does not eliminate the MLA pension plan. In fact, it perpetuates a situation where taxpayers of Alberta will have to endure for years the abuse that has come as a result of the generosity of the Alberta MLA pension plan, abuse somewhere in the neighbourhood of \$35 million to \$40 million over the lifetime of the MLAs who will benefit from this pension plan.

10:40

It's wrong of the Premier to stand there in his place and pretend that the Bill does anything of substance with the MLA pension plan. I know he likes to brag that this is eliminating altogether the MLA pension plan, and we've challenged other governments to eliminate the MLA pension plan. Well, in fact, that's the most cynical aspect of this Bill, Mr. Speaker, because that's what they've done in order to deflect attention from the fact that they've failed to deal sufficiently in a dramatic and hard-hitting way with the benefits that outgoing MLAs will enjoy as a result of the pension plan established by Socreds and enriched by Conservatives over a large number of years.

Mr. Speaker, the Bill does not deal effectively with retroactivity in the way taxpayers want us to deal with it. It fails on all counts. I know the Premier would like to pretend that it brings in a 25 percent cut to MLA pensions. We've proved that to be totally wrong with facts and figures. In fact, for the most generous of pensions in the Alberta Legislature it amounts to a 4 or 5 percent cut, not a 25 percent cut.

I think that's a shame, because we had a chance to do something meaningful. We had a chance to do something meaningful here on the floor of the Alberta Legislature on behalf of the people of the province of Alberta, to send a signal to people that because times are tough in the province of Alberta, because we need to reassess our priorities, because we need to set an example for the people of the province of Alberta, we're prepared to make cuts at the top, dramatic cuts at the top, by making responsible retroactive changes to the MLA pension plan. There are several ways that it could have been done in a way that would have been much more dramatic and fair to the taxpayers than what Bill 66 accomplishes, if it indeed passes this evening or tomorrow. Well, this evening, Mr. Speaker, because like so many other Bills in the Legislature, it's under closure. Under this new, open, caring, and listening regime, debate is repressed at almost every stage.

Mr. Speaker, if the government had only done what we wanted them to do – and that is to make the MLA pension plan live up to the terms and conditions that were in place March 20, 1989, when hon. members were elected to this Assembly – then it would be doing what the people of Alberta wanted to do. It would not be denying anybody anything that was in place when they made a decision to seek election, when they made a decision to extend their career in politics. Indeed, in effect, when they got elected in March 1989, what we wanted was to see rules in place that reflected not only the benefits that people expected when they were elected in 1989 but the salaries that were in effect in 1989.

The Premier seems to miss the fact that, yes, indeed the Peat Marwick study said that MLA salaries are more or less commensurate with the responsibilities. That's as a result of some decisions made in 1989. But it made the pension plan an abuse, an abuse of common sense, an abuse of the taxpayers' pocket-book, because it turned what was prior to that basically a deferred income scheme into a pension plan with enormous benefits that accrue to people far beyond what they contribute to the plan. Indeed, Mr. Speaker, it can be shown with figures that some Members of the Legislative Assembly – and I cast no stones,

because I don't hold anyone responsible for the rules that were in place before they came to this Assembly – will be in a position where they will have collected more from the plan in a few short months after retirement than they contributed in years of service in the Alberta Legislature. As a member of this Assembly I cannot defend that. I can't defend that.

The Premier stands in his place and implies that the hon. Member for Edmonton-Norwood is being cynical by proposing changes to the plan. Well, in fact, the hon. Member for Edmonton-Norwood and every member of this New Democrat caucus that's eligible for a pension stood in this Assembly and voted in favour of retroactive cuts that would . . .

MR. KLEIN: How much?

MR. FOX: Forty percent. Forty percent is what the retroactive cuts would amount to if you guys had the courage to pass this Bill with amendments that would put in place the terms and conditions, including salaries, that were in effect in 1989. There was a standing vote in the Assembly, and they voted it down, Mr. Speaker. Let the record show that.

I want to explain to the Premier why I and members of the New Democrat caucus are concerned about this, Mr. Speaker, and it relates to other concerns that I've raised in this Assembly. I believe we have a long way to go to restore trust and credibility to the democratic institutions in this province and to the men and women that are elected to serve. We have a long way to go before we can help Albertans have faith in their system and the people who work within it, to encourage them to participate and be involved and make this democratic system work and prosper. The way we do it is by trying to restore credibility to ourselves as individuals. There was some action taken two years ago through the passage of the conflict of interest law. It took a long time to get up and acting, but eventually that happened.

We still need to take dramatic and tough action on the issue of MLA pay perks and pensions, and that has not been done by the Members' Services Committee hiring Peat Marwick at great expense to do an analysis, Mr. Premier. What is needed, in fact, in the province of Alberta – you know, on one of the days when you thought out loud, you even alluded to the possible benefits of an independent commission. The first principle, Mr. Speaker, is to establish that we need an independent review of the role and responsibilities of MLAs and an independent process to establish salaries and benefits that are fair and reasonable. Now, we've argued that position consistently in the Alberta Legislature. The Liberals at one point were against it; now they're on side. The Conservatives are against it; sometimes they're on side. But that's the basic principle upon which our reforms are proposed, that it needs to be reviewed and established by an independent commission, that it is unacceptable for MLAs to establish their own remuneration.

AN HON. MEMBER: Peat Marwick.

MR. FOX: Peat Marwick did not establish MLA salaries and benefits, Mr. Speaker.

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

MR. FOX: Peat Marwick did not establish MLA salaries and benefits. They did a review. They provided a study for which they were paid, and people are cynical about the process.

We advocated setting up a legitimate independent review of the role and responsibilities and a process that would establish salaries

commensurate with the responsibilities and an updating review kind of mechanism that would remove that responsibility from Members of the Legislative Assembly, Mr. Speaker. I think that alone would have done a lot to restore credibility, but it's not enough. We have to give some instructions to that committee that make it clear to them that we do not want benefits and salaries that are out of line with the private or public sector, that are unreasonable in modern conditions.

That means establishing a pension plan that is based on contributions, a defined contribution plan, perhaps, or the schedule A plan referred to by the hon. Member for Calgary-Forest Lawn, a plan that ensures that a member's benefits are based solely on what he or she contributes and not a penny more.

MR. KLEIN: Perfect.

MR. FOX: The Premier says “perfect,” Mr. Speaker, yet he's bragging to Albertans about scrapping the plan. To have a responsible plan would be something they could have done that's useful. But clearly the existing plan in its current form had to be scrapped. I commend him for that; it had to be scrapped. But it could have been replaced with something reasonable. I submit that the Premier scrapped it altogether to hide the fact that he failed to deal with courage and conviction in a retroactive way with the excessive benefits retiring members of the Alberta Legislative Assembly will enjoy.

I tried to reiterate arguments for members of the Premier's caucus that were not disparaging of the effort or the time or the commitment of long-serving members of this Legislature, who put in time and contributed to the plan and made contributions to the people of the province of Alberta. I'm proud to stand in my place and stick up for the record of many fine men and women on the government side who worked long and hard, but that does not mean, Mr. Speaker, that they deserve benefits that are wholly out of line with their contributions to the plan over the years. That discrepancy occurred as a result of the salary decisions made in 1989, and I submit that the only responsible thing for this government to have done – and had they done it, I would have voted in favour of this Bill at third reading – would have been to roll back the pensions so they were based on the terms and conditions and salaries in place in 1989. Clearly they didn't do it. I don't know. He's smiling about 40 percent; maybe it's 38. I don't have the exact calculation, but it would be easy to figure.

Mr. Speaker, we should have been aware a long time ago that this was going to be an issue. We all remember back in 1990 . . .

AN HON. MEMBER: Where were you?

MR. FOX: I was in the Alberta Legislature like you, although I'd had four year's experience by then.

MR. SPEAKER: Order please, hon. members. Through the Chair.

10:50

MR. FOX: Mr. Speaker, certainly through the Chair.

In 1990 the National Citizens' Coalition published widely in newspapers across this country a list of the MPs in Canada who were benefiting because of what they called “trough day.” It was that day in September when those MPs who had been elected twice, for at least six years, became eligible for the gold-plated MPs' pension plan. They called it trough day, and it was signaled as a very important day in Canada. I had discussions with my colleagues at that time. “You know, there's going to be a day they'll call trough day in the province of Alberta, and that will be

the day when MLAs who've been elected twice, for at least five years, become eligible for the MLA pension plan. We should take a serious look at that pension plan, colleagues, and do what we can to change it."

That's when members of the New Democrat caucus started working in earnest to develop a series of proposals that would restore trust and credibility to the democratic institutions and the men and women elected to serve, Mr. Speaker. We worked on it over a period of months. We issued a paper, tabled in this Legislature, called Fair, Open, and Honest Government. It included several recommendations on how to make important, substantial changes to the MLA pension plan, indeed the whole process by which MLA salaries and benefits are established. The government chose not to listen to the things we proposed at that time, and the issue sort of evolved over time.

The genesis of the issue would have to include a Bill by the hon. Member for West Yellowhead on so-called pension double-dipping. It's not something anyone seemed to be aware of or care much about at the time, but we put it on the political agenda, made it an issue. Indeed, the former Premier of the province of Alberta, the former Member for Stettler, said in this Legislature over a year ago that the government was committed to ending pension double-dipping. They could have done it then, Mr. Speaker, but they didn't. They could have done it when they said they were going to do it, but they didn't. They could have saved the people of Alberta – I don't know – \$100,000 or \$200,000 that has gone out under that scheme in the last 12 months, but they didn't. They didn't have the political courage to do it. The Premier got elected – I'm looking at you now, hon. Deputy Premier; was it December 5, 1992? – and said that double-dipping was no longer acceptable, but apparently it's acceptable long enough to keep benefits accruing to people. I submit that this Premier and his government have demonstrated time and time again that they don't have the courage or conviction to deal with these issues. I wish they did, because then we could support the Bill.

In dealing with these issues, the Liberal caucus – to his credit, the Member for Calgary-*Buffalo* came out with the notion of creating a defined contribution plan rather than a defined benefit plan. I give him credit for that. We worked extensively with the Member for Edmonton-*Strathcona* and a committee in our caucus, a good government committee, to deal further with the issue of pay perks and pensions and came up with a ground-breaking document, a series of tough-minded but fair proposals to reform MLA pay perks and pensions. It's called Restoring Trust, Mr. Speaker. It's one of the eight detailed, thoughtful, forward-looking policy documents tabled in this Legislature – well in advance of their phony baloney budget – by the Leader of the Official Opposition that outlines the New Democrat plan. It's called Restoring Trust. I would encourage all members of the government to read it, because there are at least a dozen solid recommendations about how we could take dramatic, thoughtful action about MLA pay perks and pensions in a way that not only would convince Albertans we are serious about their concerns but would reduce the burden on taxpayers and let them know we're doing everything we can to cope with . . .

MR. DINNING: You wanted to increase the burden.

MR. SPEAKER: Order.

MR. FOX: Oh, that's absolutely not true. Absolutely not true. If the MLA pension . . .

MR. DINNING: He doth protest too much.

MR. SPEAKER: Order.

MR. FOX: Reduce the burden on taxpayers, Mr. Speaker. Reduce the burden on taxpayers. Make legitimate – legitimate – and substantial retroactive cuts to the generous MLA pension plan, and if a plan is established in the future, make sure benefits accrue based only on contributions made, not a penny more. It's called Restoring Trust. It's a good document. I won't try and spell out how I feel about it, Mr. Speaker. I might get myself in deep d-o-d-o if I did.

MR. DINNING: Dodo.

MR. FOX: The Provincial Treasurer talks about dodo. I'm reminded about this exhibition that opened on the north bank of the North Saskatchewan River, paying homage to Tory backbenchers. It's a fine exhibition, Mr. Speaker, and I encourage everyone to go and see it.

Anyway, Mr. Speaker, I do believe we have a long way to go if we're going to restore the faith people have in elected representatives. It's something we should all take seriously, because if we fail to do that, we fail to convince Albertans that our democratic institutions can work on their behalf; we fail to encourage them to participate in the decision-making process; we fail to ensure that a better province is the result.

The former Provincial Treasurer, the Member for Lethbridge-*East*, was one to quote modern-day poets who put their poetry in the form of song, Mr. Speaker. I'm going to sum up my comments by quoting Dave Mason, formerly of Traffic. Maybe the Provincial Treasurer's old enough to remember Dave Mason. He wrote a song called *Shouldn't Have Took More Than You Gave*: Shouldn't 'a took more than you gave, and we wouldn't be in this mess today. I know we've all got different ways, but we shouldn't 'a took more than we gave.

MR. SPEAKER: On third reading, Calgary-*Buffalo*.

MR. DICKSON: Thank you, Mr. Speaker. I hadn't intended to quote any song titles. I think the message I want to convey can be communicated perhaps a little more simply than that. I've already indicated, sir – I've spoken and members of my caucus have spoken with respect to Bill 66, in second reading and in committee. I don't intend to sort of review all those arguments and submissions that were made at that time, but I do want to indicate at this point, sir, the disappointment of myself and my caucus that the government has persisted with Bill 66, a Bill which by any measure, I think, badly misses the mark.

The Premier prefaced his comments by talking about December 15, 1992, as being a pivotal date. He said that starting on December 15, 1992, there was a new government, and he talked about a commitment to listen and a practice about listening. Well, Mr. Speaker – and I say this as a new member – I would have expected that the Premier would have been listening keenly to what Albertans wanted to tell him since he'd been elected with his colleagues, who now sit in cabinet, in the 1989 general election, and if not back to the 1989 general election, at least back to the spring and summer of 1992. Because at the time I was going door to door in Calgary-*Buffalo* in June and July, it was not uncommon for me to look across the street and see the hon. Premier and the hon. Provincial Treasurer industriously going door to door talking to the same constituents of Calgary-*Buffalo* that I talked to.

I know the message that was given to the hon. Treasurer, and I think I know the message that was given to the hon. Premier when they were canvassing in that constituency. What people understood then and, I'm sure, what they told both the Provincial Treasurer and the Premier was that they were angry about members of this Legislature not leading by example. I think they were angry that at a time government expected ordinary Albertans to live with cutbacks and reduce their expectations from government, an entirely different set of standards and expectations was applying to members of this Assembly and members of cabinet.

In fact, in the summer of 1992 there were plenty of Albertans who were angry about a pension plan that they thought was unfair. They were concerned about a pension plan that allowed former cabinet ministers to collect a pension while they were still earning the salary of an MLA backbencher. They were angry about an unfunded pension liability, a commitment that the taxpayers of Alberta had to pay out not in a way that was reflective of contributions to a plan but based on an arbitrary formula. They were angry about people in their 40s qualifying for an extremely generous pension, an arrangement that simply isn't available to ordinary Albertans. So this isn't a new message, and one would have hoped that the Premier and his colleagues would have picked up and listened to that message a long time before this month in 1993.

11:00

So I think that when the government speaks about truly listening, we have to take that and measure it up against the action. We have to assess it against what this government did by way of response. If the government had been truly listening, as the Premier asserts, then surely what we would have seen is a government that was prepared to aggressively deal with MLA pensions, to aggressively deal with the kind of pensions that retiring MLAs would be entitled to. In this case I think Albertans generally and not just members in opposition have been disappointed that the government elected not to do that. If the government had been listening, as the Premier suggests, Mr. Speaker, then we might have expected that we would see, supported by this government, a defined contribution plan, a contributory plan, something similar to the model used by legislators in Saskatchewan, a plan promoted and encouraged by the Association of Alberta Taxpayers, a model similar to Bill 354, that was introduced by this caucus.

The Premier spoke of his government and his leadership on this issue showing us courage, showing us fortitude, and showing us a desire to get out of something so contentious. Well, clearly the government has shown us the expedient path to get out of something contentious, but they surely have not shown us courage and they surely have not shown us fortitude. The modest, minimal changes to the pensions for retiring members haven't shown us courage, and they haven't shown us fortitude. We see clearly the desire to get out of something so contentious, but that isn't what I call being responsive to what Albertans have asked for.

The Premier made much of the fact that members of opposition stood to receive these generous pensions that opposition members have been critical of, but as has been pointed out by the last speaker, certainly in this caucus – and I think in the other opposition caucus as well – those members were prepared to accept a radically reformed, scaled-down plan. That's a point that has to be made time and time again because it appears that some of the members opposite aren't listening. Members of this caucus, even members who were otherwise eligible to receive benefits under the existing plan, accepted a radically scaled-down, modified, and much more modest plan, and that's to their credit.

Similarly, I think members of the other opposition caucus recognized what they were giving up, but they recognized also that if we're not prepared to show leadership here and deal aggressively with pensions of outgoing members, we simply have no credibility with ordinary Albertans. That's really what's at issue here.

I think that when the government proceeded to do their 180 degree turn, we understand why they did it, but it's so transparent when they now come in front of us and presumably are soon going to be telling Albertans that this is being responsive. I just have to say that I expect I've talked to as many Albertans about pension reform as any member in this Assembly, and virtually no one has ever said to me: "You people don't work hard. You people don't deserve a pension." What people have said time after time after time is: "Just make sure your pension plan is reasonable. Make sure it's a modest plan. Make sure it's a Volkswagen model." I think that Albertans see the proposal to eliminate all pensions in the future for MLAs for what it is. This isn't a position of principle. It's not a question of being responsive to what Albertans have been asking for. It's a question to divert attention from the much bigger issue, and that's the payout to retiring MLAs.

Mr. Speaker, I just conclude by saying that members of this caucus continue to oppose Bill 66 not because members in this caucus are concerned about losing their pensions but simply because they expect Albertans deserve nothing less than a plan that's laid out in front of them, a plan that's carefully thought out, and a plan that a party is prepared to stick to. What I've outlined on behalf of the Liberal Party is a plan developed in March 1993. We've maintained that position to this point, and we continue to maintain that position.

Thank you, Mr. Speaker.

MR. ELZINGA: Mr. Speaker, as hon. members are aware, I've already spoken on this Bill, but what prompted my entry into the debate once more were the comments by the hon. Member for Vegreville and the hon. Member for Calgary-*Buffalo*.

The hon. Member for Vegreville indicated that some years ago there was a trough day as it related to federal Members of Parliament. Well, I think it's evident that he advocates that by his desire to return and bring back the pension. They suggest that there has been no courage shown by the Premier as it relates to this legislation. Quite frankly, Mr. Speaker, I salute the courage that has been exhibited by all my colleagues who are supporting this legislation that does away with the pension plan completely. They say that we should have a pension plan based on contributions, and that's exactly what this Bill does. Each individual member can make a contribution as he sees fit to a retirement plan that he desires himself. We're not asking the taxpayer to play a role in that anymore.

The Member for Vegreville also suggests, and he says the record will show it, that they have advocated reductions for the leader of the New Democratic Party. Well, what more can one ask for by way of reductions when the Premier himself has done away with the pension plan? He's taken a hundred percent reduction in any pensions that are going to be applicable to himself. What more of a sacrifice can one ask for? Mr. Speaker, this is all because of our commitment to be open to the message that we hear from the Alberta population. I'm going to deal with a number of items that hold that true, whereby we show that there is faith in the system.

You know, the hon. members opposite have consistently said, too, that they want to have an independent group do an analysis of what we should receive by way of pay and benefits.

MR. McEACHERN: Ralph agreed the other day.

MR. ELZINGA: We agreed.

MR. McEACHERN: Why didn't you do it?

MR. SPEAKER: Order.

MR. ELZINGA: It's been done several times, Mr. Speaker. It's been done several times, but in the event that hon. members don't agree with it, they don't accept it. The hon. Liberal leader also advocated that he would have an independent review, but within this Legislative Assembly when I was debating the Bill, he said: yes, we should have an independent review, but I'm not going to be bound by that independent review. If we want to have an example of hypocrisy, that's hypocrisy at its best.

I'm going to go through a record of the Liberal party, because the hon. Member for Calgary-*Buffalo* stood up as a sanctimonious individual within this Chamber. I've operated with the Liberal Party over the last 20 years, and if you want to see hypocrisy at its best, look to the Liberal Party. At least there's some honour, and I say this with sincerity, within the New Democratic Party and the philosophy that they espouse. I might not agree with them on a philosophical basis. I don't know whether I agree or disagree with the Liberal Party because you never know on what basis they do stand.

I think it's only fair to put on the record what the Premier indicated when he said that there was going to be a 25 percent reduction effective back to 1989 whereby the pensions were reduced to 3 percent from 4 percent. That is a 25 percent reduction. Again, we've listened. We've listened as best we can, Mr. Speaker, to a number of issues that the Alberta population has said to us that we should act on.

The Premier reduced the size of his cabinet, as he indicated, from some 26 to 17. Hon. members might not think that that's a great task, but if you could see the anguish that the Premier went through as it related to the reduction of cabinet, recognizing the outstanding members within this caucus and the contribution they do make to the population of the province of Alberta. A follow-through to that was a 30 percent reduction in support staff within this Legislative Assembly. As the hon. minister of public works can attest to, there are vacant offices within this building now because of the reductions we have experienced within cabinet. The committee system: again, the Leader of the New Democratic Party was critical of our committee system whereby we've reduced cabinet and caucus committees so that they are more effective and so that they are available for greater public input.

We also saw a reduction of some 2 percent in senior individuals within our government. We saw a commitment on the part of this government to a freeze on salaries of all individuals within Alberta government employ. We have reached a tentative agreement with three sectors. It will have to go to a vote, but we're delighted that we have reached that. We also froze our granting authorities to the MUSH sector. We recognize that we do have a problem, and we're going to do it in a fair and compassionate way. We see this legislation as doing that.

11:10

The budget that my colleague the Provincial Treasurer introduced: no tax increases. You know, I find it ironic: here's the Liberal Party again indicating that they're going to have brutal slashes, but today in the Legislative Assembly, what were they asking for? Additional dollars. They've also indicated that they're not going to come forward with any type of budget plan

prior to the election. They're saying: "People, trust me. People of Alberta, trust the Liberal Party."

Well, I want to share with you what will happen if they trust the Liberal Party, because one can learn a great deal from the record. You know, you look at the leader of the Liberal Party. I recall when I was a federal Member of Parliament at that time and the president of the Progressive Conservative Association of Canada. We had a protocol agreement whereby we invited a number of senior individuals from the Liberal Party to our leadership convention. They in turn did the same to us. Well, the leader, the hon. Member for Edmonton-Glengarry, advocated his support for Mark MacGuigan. Maybe it was just coincidental that his brother was looking to be a judge, but he advocated his support for Mark MacGuigan. Before the first vote was cast, he was over standing beside John Turner. Now, if that isn't honour, if that isn't integrity, if that isn't courage . . . [interjections]

Speaker's Ruling Relevance

MR. SPEAKER: Order. It's a very interesting piece of history, but could we relate it more to Bill 66, please.

MR. ELZINGA: Mr. Speaker, what I am attempting to do here is bridge, and forgive me if I overstep the bounds of bridging. Sir, I look forward to your guidance. Unlike other hon. members, and I won't point to any, I will abide directly by your ruling, sir, and I'm honoured to do so because we do respect the parliamentary tradition within this Legislature, unlike other members.

Debate Continued

MR. ELZINGA: I raise these issues because it's so important that we analyze the trust factor on this legislation, the trust factor on other issues. We possibly could be going, as the Premier said, to an election, and I would like the Albertan population to look at the record. Look at the record.

You know, I mentioned in my comments when I dealt with this issue earlier how we dealt with the issue at the federal level. I look at issues such as wage and price controls. We all recall that election campaign whereby the Liberals campaigned against it. Once they were elected, they implemented it. Is the same thing going to happen to this pension legislation? In the event – and no matter what happens in this election, we will respect the electorate as we always do. We're going to approach them on an honest basis, and that's why we've outlined our program in this Legislative Assembly as it relates to our economic development policy and our budget in a very clear way.

The national energy program, Mr. Speaker: again, something that is supported by the Liberal Party. We have it on record whereby a number of the members have indicated that. I look again to a budget that we were defeated on in a minority government, whereby they spoke against the gasoline tax that we had imposed through our budgetary methods. They voted against it, but immediately upon election they reversed themselves and raised it to a greater degree than what we had advocated. The only reason I say this is so that the Alberta population can be aware that these gentlemen and ladies over there . . .

Point of Order Questioning a Member

MR. FOX: Point of order, Mr. Speaker. I'm wondering if according to *Beauchesne* the hon. Deputy Premier would entertain a question?

MR. SPEAKER: Well, that's not a point of order; it's a request. Deputy Premier, are you willing to entertain a question?

MR. ELZINGA: Happy to.

MR. SPEAKER: Vegreville.

MR. FOX: Thank you, Mr. Speaker. I and my colleagues appreciate the history lesson that the hon. Deputy Premier is giving us, especially as it relates to some federal issues. I wonder if he can tell us who forgot to buy the batteries for Joe Clark's calculator.

MR. ELZINGA: Well, Mr. Speaker, I understand that the same thing happened to the batteries as happened to my briefing book. I think all hon. members recognize the intent in that.

MR. FOX: I recognize you lost it. I don't know who found it.

MR. ELZINGA: Well, we have it on good authority that somebody took it out of my desk. An individual within their party is the . . .

MR. FOX: Well, if you're making accusations . . .

MR. ELZINGA: I'm just indicating to you, if you wish me to repeat it, that we have it on good authority that that was the case.

MR. FOX: Would the member like to make an accusation, Mr. Speaker?

MR. ELZINGA: I'm sorry, hon. member. If he doesn't like my bridge building, I apologize. If he would like to put another question, I'm more than happy to answer it.

MR. FOX: The question was a lighthearted one referring to Prime Minister Clark's inability to count the number of people that he had to support a certain motion.

Mr. Speaker, the Deputy Premier raises a very serious issue with respect to his briefing book. I want to assure him that I know nothing about how the briefing book . . .

AN HON. MEMBER: You know nothing.

MR. FOX: That's exactly right, and I consider his allegation a very serious one and I want to refute it.

MR. ELZINGA: Well, Mr. Speaker, I'm glad that the hon. member has clarified something that we've been very much aware of for many years, in that he knows nothing, period. I thought I should just share with the hon. member information that had been shared with me. If the hon. member takes offence to that information, let him take offence to it.

MR. SPEAKER: Could we share some more information about Bill 66?

Debate Continued

MR. ELZINGA: Mr. Speaker, as we examine Bill 66, I think it's important that we all recognize that dealing with issues that relate directly to ourselves are never easy. They're never easy. I recognize the difficulty that we all go through in this Legislative Assembly. Whether it be pension benefits or our own salaries, we're always going to face criticism. The easy way, and I'm

happy to endorse the easy way, that has been suggested by hon. members opposite, that we do have an independent committee . . .

Point of Order Imputing Motives

MR. McEACHERN: A point of order, Mr. Speaker.

MR. SPEAKER: A point of order. What is the point of order, plus citation?

MR. McEACHERN: Under section 23.

MR. SPEAKER: Which part of 23? It's fairly extensive.

MR. McEACHERN: Well, 23(i). The minister is making an accusation that leaves a cloud, I think, on my caucus and myself, and I resent that very much. As the critic for Economic Development and Trade, that document, as far as I know, was first brought to my attention, and it was not me that took it out of the desk, and I don't think any member of this caucus. [interjections] Okay, Mr. Speaker. I don't know that it was taken out of a desk. He used those words. [interjections] You guys laugh if you like. It was brought . . .

MR. SPEAKER: Order. Order. [interjections] Order, hon. member.

MR. McEACHERN: Could I finish my statement?

MR. SPEAKER: Your question is out of order because no questions can be put to the Chair, but the answer to your question is: no, you may not finish. [interjections] Order. The whole process here is a very unusual one, to say the least. Your point of order should have been raised a few minutes earlier vis-à-vis this exchange that had been happening, but the real matter should have been dealt with and was dealt with by your acting House leader this evening, the Member for Vegreville. The Chair is concerned that you then felt you had to get into the fray on an issue which had been dealt with by your House leader tonight.

Now, I think there's enough of this. We know generally what's happening in terms of having the passage of time go by here. The Chair knows nothing whatever about this alleged incident, about disappearing briefing books and all the rest of it.

Let us come back to third reading of Bill 66 exclusively – exclusively.

Deputy Premier.

11:20

Debate Continued

MR. ELZINGA: Mr. Speaker, in dealing exclusively with Bill 66, I wish to reinforce my support for this very courageous piece of legislation that has been introduced by my colleague the Deputy Premier and that is supported by our Premier because of his recognition as it relates to the desire of the public to see us be more responsive to saving the taxpayers dollars.

One should examine this piece of legislation, too, because this legislation does away with pensions, contrary to what others have suggested, for all of those elected in 1989 or thereafter. Mr. Speaker, in addition to that, it does reduce the benefits substantially from the period of 1989 and thereafter for those elected prior to 1989, whereby pensionable benefits are reduced to 3 percent from 4 percent, a 25 percent reduction for that time period for which those reductions are applicable.

Mr. Speaker, I have to admit to some partisanship in this debate myself.

MR. FOX: Well, that would be out of character.

MR. ELZINGA: I'm glad the hon. member recognizes that, because I felt that myself. I thank you for raising that, and I hope the *Hansard* people have that recorded, that they suggested it would be out of character. I know the hon. Member for Vegreville is always a very serious and caring individual, and that's just another comment showing those fine traits that he has. But, Mr. Speaker, he's sidetracked me from the legislation again.

MR. FOX: Guilt by association? These guys aren't going to talk to me anymore.

MR. SPEAKER: Order. Through the Chair.

MR. ELZINGA: Well, it seems the hon. members do have a heavy burden as it relates to guilt by association, because when I responded in a like manner to him, too, as it relates to his question, he felt very guilty.

Mr. Speaker, I look forward to other participants in this debate, but for those to suggest that this is a cop-out in any way is a suggestion of true political opportunism, because quite frankly I can't relate in my history, in 20 years in public life, to anything that takes more courage than what has been exhibited within this piece of legislation, whereby individuals have indicated they will stand for public office, take that time period out of their own livelihood, and yet not be eligible for any pensions. I quite frankly salute all those who are standing for office, no matter what political party they might belong to. I salute them for making that commitment to our province. I salute them, and I wish them all well. Some I wish well more so than others, as I think would be understandable, again not for partisan reasons, because I acknowledge what the hon. Member for Vegreville has indicated, but for reasons of principle.

If you examine the basis of the principle on which political parties stand for office - I wish to repeat what I said about the New Democratic Party. I respect the principle that they advocate on an ongoing basis. It's a different philosophy than I espouse because I happen to believe in a system that rewards incentive and doesn't stifle it. But when I look again at the Liberal Party, there is a party that will do anything, say anything, offer anything simply to get elected and then reverse themselves, no matter what the issue, in the event that they deem it advisable within their own hearts, without going back to consult with the population that did elect them.

Mr. Speaker, I recognize that we can't do any further bridging, but I have a number of examples of that as it relates to actions that they've taken within this Legislative Assembly. We can look at the Members' Services Committee as an example, whereby their members indicated different things in the Members' Services Committee than they've indicated in this Legislative Assembly, specifically as it relates to items within this Bill plus as it relates to a number of issues. The independent review committee: the Liberal members have suggested in committee that they didn't support it, whereas in the Legislative Assembly sometimes they do support it and other times they don't.

So, Mr. Speaker, to those who say that this Bill is an overreaction, I would indicate to them that it's a very fair proposal whereby our Premier exhibited great courage in coming forward after a thorough discussion with all of his own caucus colleagues as to how we could be responsive to an issue amongst the Alberta population that they wanted to have us correct. There is no better way. [interjection] I'm sorry?

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

MR. ELZINGA: Mr. Speaker, if the hon. member would like to ask a question, I'm more than happy to entertain it.

MR. DICKSON: I made my observation.

MR. ELZINGA: I didn't hear it.

MR. SPEAKER: Well, what was it, hon. member, so perhaps everyone could share it?

MR. DICKSON: Well, if I have the opportunity, I think I'd make the observation, Mr. Speaker, that some would call it unprincipled.

MR. ELZINGA: Well, I must say you're sitting beside a man who is very Principaled.

If one wants an example, the Premier referred to it earlier. Here is an individual who on a daily basis comes after us for areas that he thinks we have dealt with inadequately. I would ask, as the hon. Premier asked, if the hon. member or his colleague would entertain a question as to why he removed one of his livelihoods from his résumé? I would ask the hon. member. [interjections]

MR. SPEAKER: Thank you, hon. members. Enough. Enough. [interjections] Enough.

The Deputy Premier. Perhaps you could draw it quickly to a conclusion.

MR. ELZINGA: I'll do that, sir, very quickly.

Mr. Speaker, if you'll allow me, I wish to close with a couple of very personal comments, as this is probably one of my last opportunities. I want to indicate, notwithstanding the fact that we are critical of members opposite on areas that we deem advisable to be critical, that I wish to share with all members the pride that I feel for having had the opportunity to serve for a number of years within this Legislative Assembly with a group of men and women who do make an outstanding contribution to the betterment of our great province. I truly am proud that I have had this opportunity, that the residents of Sherwood Park on a consistent basis for close to 20 years, both at the federal and provincial levels, allowed me this opportunity, because it's an opportunity that one cannot compare anything else to.

Even though we get into the cut and thrust of the debate, I say with sincerity that I salute all hon. members, no matter what political party they are from, for offering themselves for office, especially in this day and age. This piece of legislation, Bill 66, is a prime example, Mr. Speaker, of the criticisms that we expose ourselves to. It's understandable, and quite frankly I'm encouraged by it, because it does exhibit a greater desire by the population to be involved in the decision-making process of our Legislative Assemblies and our government process. That's the encouraging part of it, but it does make it a great deal more difficult when all areas of your own life and your activities are exposed. Because of that, I pay a sincere and deep tribute to all members within this Legislative Assembly for the ongoing contribution they do make, notwithstanding the frustrations that we all go through.

Mr. Speaker, let me close by indicating that if anybody was unaware of where I stood on this piece of legislation, I will be voting in support of it, recognizing that it is the right thing for our province. It is what the public is requesting of us, whereby they do have a deep desire to see a reduction in government spending. This is just one small part of the many actions that this govern-

ment is taking under the new leadership, the new management style of Premier Klein, whereby we are going to listen because we care, and we care deeply about this great province of ours.

Speaker's Ruling Speaking Twice in a Debate

MR. SPEAKER: The Chair wishes to apologize to the House for a procedural matter which has taken place. The Chair respectfully suggests that the member who spoke twice on third reading of this Bill will also apologize to the House. It's the Member for Calgary-Buffalo, who spoke yesterday for five minutes in the afternoon, 4:06 to 4:11, and the Chair in a state of confusion did not refer back to the earlier listing and allowed the member to again speak this evening. The Chair apologizes to the House for this oversight, but it's also part of the parliamentary tradition that you as members realize whether you've spoken once or twice on various Bills as well. The Chair would invite Calgary-Buffalo to make a brief apology as well.

11:30

MR. DICKSON: Mr. Speaker, thank you for the opportunity. I had thought I'd only spoken in committee, sir. I hadn't realized I'd spoken before to third reading, so my apologies to the Chair.

Debate Continued

MR. SPEAKER: I believe Edmonton-Kingsway caught my eye first. Oh, you're not in? Then thank you.

All right, then, Edmonton-Meadowlark.

MR. MITCHELL: Mr. Speaker, I would like to join debate to establish or emphasize our disagreement with this Bill and to indicate my belief that this constitutes another indication of what is becoming a very unfortunate pattern in the activity of this particular Premier. This is a Premier of symbolic gestures, symbolic gestures which distract attention, are directed at having a profound political impact, but in fact, once one scrapes away the gesture and becomes acquainted with the substance, one becomes awfully disappointed.

Let me begin by discussing one of the first actions taken by the Premier, which would in and of itself not be enough to characterize this Premier as being a Premier of symbolic gestures but in fact was the first brick in the wall of symbolic gestures. The Premier said, "I'm going to reduce the cabinet," and he's bragged tonight, more or less clearly, I guess, that he reduced the cabinet from 26 people to 17 people and got a great deal of apparent political credit for having done that. Almost in the same breath, but not quite as obviously, he established five new quasi-cabinet positions, and each of those five quasi-cabinet positions, never before required in running this government or any other government of which I'm aware, are now paid an additional \$24,000 a year, and each of the people in those positions gets a car. Of course that sustains the total of 39 cars out of 59 MLAs in that Conservative caucus.

In addition to that, he created two new liaison positions. These positions are a liaison between cabinet and Access TV and between cabinet and the Public Affairs Bureau, both at \$14,000 a year plus a car, I believe. So on the one hand he makes this sweeping, symbolic gesture, which he bragged about tonight, and said, "I've cut eight cabinet positions." But in the same breath, he turned around, and he created seven new quasi or quasi quasi-cabinet positions: more money; more cars.

He then went one step further and said, "We're going to take a pay cut in cabinet." Another symbolic gesture. He said, "It's

going to be a 5 percent pay cut," but of course it wasn't a 5 percent pay cut at all. In fact it ended up not being a 5 percent pay cut at all. It was a 5 percent pay cut of about 40 percent of their pay, so it didn't amount to a 5 percent pay cut at all, another symbolic gesture, which is in fact, upon analysis, without a great deal of substance. I believe that that in fact saved Albertans about \$40,000 a year in pay to cabinet ministers. What he forgot to say, what he neglected to point out was that the seven positions that he created ended up, of course, costing Albertans about another \$150,000 a year. So here is the master of symbolic gesture. On the one hand: "I'm a hero. Everybody's going to like me, the Premier, Ralph Klein, because I've done what they've asked me to do: reduce cabinet positions." On the other hand, he doesn't really reduce cabinet positions, in fact, at all. I think he reduced the number of MLA cars in that caucus by one. Quite an accomplishment. So, Mr. Speaker, what we saw was gesture without substance.

The budget plan is not unlike that. A great deal of buildup about how tough it's going to be, a number of symbolic gestures. A four-year plan, balance the budget in four years: well, we've heard that before. In fact, we got that symbolic gesture a number of times from the previous Treasurer. Throw in this idea of a deficit elimination plan, a classic symbolic gesture, absolutely, fundamentally without substance. In fact when we moved today to give it some substance, to give it some teeth - consequences if it doesn't work out - what occurred? They backed down. Mr. Speaker, it was more of the same kind of political gesture: a political gesture without substance.

Now what we see is the crowning achievement of symbolic gesture, and that is this pension reform proposal. It is a reform proposal which distracts people from the real issue or attempts to do so. The real issue was that many, many MLAs are retiring and taking inordinately high pensions with them. Many more will lose their seats and take inordinately high pensions with them, and the proposal by this Premier basically leaves most of them unscathed. It doesn't adjust their annual pension benefits down particularly significantly. It doesn't adjust the fact that many can leave at a relatively young age and receive a pension for the rest of their lives. It simply doesn't meet, doesn't accommodate the demands of the people of Alberta who raised this concern very, very intensely. What it does do, of course, is then go on to say that it is doing away with pensions for MLAs for the future. Of course, door after door that I knock on, person after person to whom I speak doesn't ever say that MLAs shouldn't have a pension. It becomes a cynical, political gesture. Mr. Speaker, of course it also begs the question that many people are asking now: does anybody believe that they won't actually give themselves a pension were they to form the government again? Which of course won't occur.

My point is that at a time when we need leadership in this province, at a time when we need hard decisions to be made, at a time when we have a government that said it was going to be more open, that it was going to be different, that it was going to be changed, that it was going to be new management, what we've got is a new level of political cynicism, a new level of political gesture without substance. We've seen a series of these kinds of initiatives, of these kinds of public relations announcements since December 6. This particular one, which I'm sure will be closed and passed by this sorry caucus tonight, represents the epitome of political gesture. It's not particularly seemly, and it's certainly not particularly acceptable.

MR. SPEAKER: Drayton Valley.

MR. THURBER: Thank you, Mr. Speaker. I've listened to the debate here tonight with a great deal of interest. There are a few

things that are a little bit confusing. I do support the Bill because it's what the people of Alberta have told us they wanted. They said that there's too much gifting and pensions and everything else in government. So the Premier has broken new ground; he has said that there'll be no pensions after the 1989 election.

The thing that kind of confuses me, Mr. Speaker, is that I hear the Liberals speak, and they talk about the Saskatchewan position. I wonder if there is any difference between the Liberals and the NDP, because certainly the Saskatchewan position is an NDP position.

I wonder why they're doing that. Are they trying to form a block with their neighbours so they can try and defeat this government? I don't think they will. I don't think they have a chance. Even if they went together, I don't think they'd have a chance. I'm certain that the NDs do not want to form any kind of an affiliation with the Liberals on this type of an issue, but it appears that the Liberals want to form some kind of an affiliation with the NDs because of the experience in Saskatchewan.

11:40

Mr. Speaker, the problem that arises on some of this is that the NDs and the Liberals feel quite comfortable in knocking what this government is doing at the request of the people, because they were fairly confident in the beginning that the Conservative government would never touch their own members. Under the leadership of our Premier we have agreed that those of us who came here with no pension will go away with no pension, and that's going to be the situation. So they got caught. They said: well, you know, we can speak against this as much as we like because they're never going to touch their own MLAs.

The thing that makes me the happiest, Mr. Speaker, is that those of us who have given away our pension, which we came without and will go without, have affected some of the members of the opposition, and we've affected some of the Liberals. That makes me quite happy. I'll go home with the same things I came with, and that's a lack of a pension, but some of the people that entered the political scene from the perspective that they were going to get a large pension are now not going to get that. That makes me quite happy. I will survive, as will the other members of the class of '89, when we don't get a pension.

We did a very honourable thing in this Legislature. We had an agreement with the people that have served long and hard in this government and served the people of Alberta. The government had an agreement with these MLAs. We have tried to stick to that as best we could. We didn't go retroactively to where we were going to talk about pensions and other benefits; that was going to deter from the situation. The opposition felt fairly confident that we wouldn't deal with this, that we wouldn't hurt any of our people.

The Member for Vegreville spoke long and hard against the pension legislation. He feels fairly safe that we'll not touch his pension, and we won't because we're honourable people as a government. An agreement was an agreement. He will get his pension. It will be somewhat reduced but not enough to hurt him. So he feels comfortable in speaking against it. You talk about the 25 percent; the Member for Vegreville talked about that. Of course, it's smoke and mirrors when they bring it up. When they talk about it, they say it's not 25 percent. When you go from 4 percent to 3 percent, that's a recognized reduction of 25 percent. They're trying to get some headlines and trying to get some press on some big thing, and they say it's not 25 percent. It was always 25 percent on a percentage basis from 4 to 3, so why would you argue about that?

The Liberals spoke about our not being aggressive enough, and the one Liberal who has come forward and said he's not going to take a pension feels fairly confident in that. It was aggressive. It was very aggressive. It affected a lot of people. It affected the leader of the Liberal Party, so now he wants to get on the Saskatchewan bandwagon. I go back to my former comments. I wonder why he wants to do that, because that's an NDP policy. Maybe he's trying to get on the NDP bandwagon; I don't know. I don't think he'll make it. I don't think the NDP want him.

The Member for Vegreville talked about independent reviews. We had Peat Marwick come forward with a review. They're as independent as you can get. They're outside of government. Because we didn't ask the NDP to put forward somebody to do the review, I guess maybe that's part of the problem. They were in on the discussion. They were part of the committee that made the decision. Why do they now say that we're not having an independent review, that we need an independent review? We had one, and we as responsible government people have turned down part of that review. We've accepted the parts that appeal to the people, that the people want, that the people of Alberta have told us they want. We have not accepted the part that says that we should get more money. We recognize that this economy is in a crisis situation. Governments have to cut back, and we said: no, we're not going to take the raise that's recommended by Peat Marwick; we will take the reduction in pensions; we will take no pensions for the class of '89. I make no apologies for that. I agreed to it, but I am one of the people that laid a lot of money on the line, if you want to say that. My colleague from Smoky River – there's a variety of us from that class that get no pension. We don't ask for one, and that's what the people asked us for.

MR. GIBEAULT: You don't deserve one.

MR. THURBER: Do you deserve one, my friend? I like your comments. I don't think you do.

As a government and as a House we could have gone retroactive. We could have gone back, and we could have taken away the pensions of the hon. members from the NDP, but we're not that type of people. We're not that type of government. We don't go back. We honour a commitment, and we respect the people that have served in this Legislature. As my hon. colleague the Deputy Premier said before, we commend anybody that will spend their time in public service. We honour that commitment, and we're not going to change that.

These people that are receiving a pension from this House have served this province long and faithfully. It is my view as an ordinary citizen, as an old cattleman and a pipeline welder, that when you make a deal, you make a deal. I don't like retroactivity in any way, shape, or form, but we have done it to a certain extent. The people have agreed to that. The members that are leaving this caucus have agreed to it. Those of us that stay have agreed that we have no pension. I think that's an honourable thing to do. The Premier has brought this forward, and I think he's listened to the people of Alberta.

The only thing that has surprised anybody is that the opposition parties didn't think we would do it. So they feel safe in talking against us on every avenue and every turn because they didn't think we had the guts to do it. We listened to the people. This government is committed to listening to the people. We will continue to listen to the people. We have a plan to go forward with that makes the Liberals up and down look foolish, makes the NDP wonder where they're at.

Mr. Speaker, I'm sure the NDP are more worried about the Liberals than they are about the Conservatives, so they're fighting

amongst themselves. I think that's good. I think that's the way it should go. I wonder and I'm sure my colleagues do, too, when the Liberals come forward with an NDP policy that came from Saskatchewan. The province of Saskatchewan is broke, as we very well know, and there are all kinds of things going on there with the NDP policies, where the NDP policies have brought in the closure of rural hospitals. They've done all kinds of things that we will never do in Alberta under this government. Ontario has had to do the same thing under the NDP policies. Now the Liberals want to get in bed with the NDP and they think their policies are excellent.

Mr. Speaker, I don't know what more I can say tonight to add to this debate. I'm in favour of this Bill, as all members of this House should be. The only problem is that we went a little further than a lot of the opposition members thought we would go. It's disappointed them because they thought they were safe, and no longer are some of them safe. I feel very proud to be part of this government that said: the Leader of the Liberal Party no longer gets a pension, the same as I.

Mr. Speaker, in view of the hour, could I adjourn the debate?

MR. SPEAKER: You can try, hon. member.

On the motion to adjourn debate, those in favour, please say aye. Opposed?

HON. MEMBERS: No.

MR. SPEAKER: Thank you.

Edmonton-Kingsway.

11:50

MR. McEACHERN: Thank you, Mr. Speaker. Just a few comments. The last speaker really has got us strange. First he's got us into bed with the Liberals, and then the next minute he's got us fighting with the Liberals. He can't make up his mind what he's trying to say. All we know is that the plan brought forward by the New Democrats in Saskatchewan is a contributory pension plan that is a reasonable and sensible plan and that is the kind that we should have right across this country for Legislatures all over Canada.

Mr. Speaker, I felt I had to rise and speak on Bill 66 because it's a bad Bill. It's an election Bill. It's here. It's been brought in by the government merely to pretend they're doing something in view of the election coming, to pretend that they've been listening. There's a difference between pretending you're listening and not understanding what the people are saying. I mean, that's the case. This government says it listened to people. They knew they had to do something about this retroactivity. They listened and heard that much of the message and knew they couldn't get re-elected if they didn't do something. So they brought in a Bill that pretended to do something about retroactively reducing the pensions.

As a matter of fact, the taxpayers are still on the hook for a lot of dollars, as my colleague from Vegreville pointed out, and we'll be paying for the some \$35 million or \$40 million of unfunded pension liability for a lot of years yet. Meanwhile, in order to throw in a smoke screen, the Premier said, oh, those of us that were elected in '89 and later will not take any pensions, to try to hide the fact that he didn't have the courage to do something that the people of Alberta asked them to do.

Now, Mr. Speaker, the Deputy Premier, the one who loses his briefcase and then tries to accuse somebody of stealing it, had a lot of things to say, too, about Bill 66 and a lot of other things. One of the things he accused my colleague from Vegreville of doing by saying that MLAs should have reasonable pensions and

that people of Alberta were not calling for no pensions at all was advocating a return to trough day. Not at all. A reasonable, contributory pension plan is not returning to trough day. What this government is doing is allowing retiring members to continue to be at the public trough for a long time yet and to take a lot of taxpayers' dollars that are far more than they need or deserve given that there was no contract with the people of Alberta. This big pension grab that came in 1989 came after the election, and I'm sure that there isn't a member of the Tory caucus, or any other caucus for that matter, that went out there and asked the people if they could have a 30 percent pay raise and a 40 percent pension hike.

As to Peat Marwick being an independent committee, that's not the kind of committee we had in mind. We thought that we should be setting up a citizens' committee with a variety of people on it who would not only look at pensions but would look at pay and benefits generally: expense allowances, tax-free allowances, all those things. We had that position out there for a long time before this government decided that the furor over the golden handshake that some people were getting demanded some kind of retroactivity. We had that position out there, Mr. Speaker, a reasonable and sensible suggestion as to how we should handle this rather delicate situation in terms of the pay and perks of MLAs.

We believe that an independent commission should do that and should do it properly, and that's the stand of this party. We think that Bill 66 is nothing more than trying to curry favour and throw a smoke screen at the electorate. When they see the details, they will not agree with the government's Bill 66, and this government will not be re-elected.

MR. SPEAKER: The Member for Dunvegan.

MR. CLEGG: Well, thank you, Mr. Speaker. I usually have to wait till about five to 12 to start speaking. That's when us farmers wake up. You know, we're so used to working all night.

Certainly, I'm very, very, very much in favour of this Bill 66. I have a great philosophy, and the philosophy is that I don't want anybody to pay for my pension and I don't want to pay for anybody else's pension. I was never so happy to walk out of the room and to discuss what we've been discussing here and come up with Bill 66.

In 1986, when I ran, this was a topic of mine. I was elected after the poor people in Dunvegan had been putting up with the NDP for about 15 years. I certainly believe strongly – and I say that everywhere I go in my constituency – that I don't want to pay for anybody's pension and I don't want them to pay for mine. I've been a businessman all my life, and I don't need the government to tell me how to spend my money and how to save my money. Being a farmer, of course, I never saved any, but I can invest my money and do just as well as having some government, in fact, looking after it for me.

The Premier said today that 70 percent of the people in this province don't have a pension plan, and that's true. If you go around, 70 percent of the people in this province don't believe that we as MLAs should have a pension plan.

MR. McEACHERN: Oh, no, they don't. Not so. You live in a different world than I do.

MR. CLEGG: I certainly hope so, hon. Member for Edmonton-Kingsway. I do live in a different world because you're in a dreamworld somewhere.

You know, I've had the privilege – I shouldn't say privilege because it certainly hasn't been a privilege to sit here and listen

to you chirp and chirp and chirp for the last two years. Through the question period I can't hear the answers because of just steady, steady chirping, chirping, chirping. He should get up in a tree somewhere and let the squirrels eat him.

I'm so delighted that our Premier and members of this government had the courage to bring in a Bill that the people in Alberta wanted. Yes, I took a decrease in my pension plan. A lot of people, except these poor people from Smoky River and the hon. Member for Drayton Valley and many of the other people – everybody in this House knows that they're all going to be re-elected. I mean, on the government side they're going to be re-elected, so just one more year and they would have had a nice pension. Can you imagine what they gave up? And the Premier: look what he gave up.

AN HON. MEMBER: He gave up nothing.

MR. CLEGG: What do you mean he gave up nothing? He gave up many thousands of dollars. [interjection] He will be. Everybody knows that he will be. I mean, when you have a government with members being elected by about a 70 percent majority, then you know that they're going to be elected again, especially when we hear the rhetoric from these people from the left. I mean, I was at a forum . . . Oops, I'd better get on to Bill 66.

Anyway, it's certainly great to think that we have that kind of a government that will sit down and bring in a Bill, what the people of Alberta have asked us to do. You know, they've talked, and when we brought in Bill 62, like the Premier said earlier, there was steady chattering from this side: it's no good; it's no good. Then when we brought in Bill 66, they all opened their mouths, "What have they done?" I heard them over here:

"They've gone too far. I can't believe what they've done. I didn't think they had the guts to do it." I hear, you see. I'm a little bit deaf in this ear, but I'm quite good in this ear.

In view of the time, I move we adjourn debate. [interjections] I withdraw that last sentence. I suggest, Mr. Speaker, we call the vote. [interjections]

12:00

MR. SPEAKER: Thank you. Having reached the hour . . . [interjections] Order. Order.

[Motion carried; Bill 66 read a third time]

MR. KOWALSKI: Mr. Speaker, in a few hours from now we'll be reconvening at 10 o'clock in the a.m.

The order of business that the government would like to suggest in the morning is that we would be proceeding with Royal Assent on Bills 66 and 68, and that's the original plan that was outlined to the House leaders of the various parties.

I am wondering, Mr. Speaker, if I might just say this before we pass the motion to leave: whether or not the hon. leaders for the two parties would consider if we might be able to deal with Bills Pr. 17 and Pr. 27 before we summon His Honour the Lieutenant Governor to see if we can deal with third reading of those two Bills. Then we would be able to deal with Royal Assent on four at that time. That's something the hon. colleagues can sleep on, and we can deal with that in the morning.

To all my hon. colleagues, thank you for good work on these two days that we've now sat continuously.

[At 12:04 a.m. on Friday the Assembly adjourned to 10 a.m.]