

Legislative Assembly of Alberta

Title: **Tuesday, September 14, 1993**

1:30 p.m.

Date: 93/09/14

[Mr. Speaker in the Chair]

head: **Prayers**

MR. SPEAKER: Let us pray.

Dear God, author of all wisdom, knowledge, and understanding, we ask Thy guidance in order that truth and justice may prevail in all our judgments.

Amen.

head: **Presenting Petitions**

MR. SPEAKER: The hon. Member for Edmonton-Highlands-Beverly.

MS HANSON: Thank you. I beg leave to present a petition on behalf of 790 Albertans who are urging the government

to reinstate the cuts made to social assistance and in the future to consult with clients, labour and professionals to determine where savings can be made that will not harm . . . families.

head: **Notices of Motions**

MR. SPEAKER: The hon. the Premier.

MR. KLEIN: Thank you, Mr. Speaker. I rise today under Standing Order 40 to give oral notice that I will seek unanimous consent of the House after question period to proceed with the following motion:

Be it resolved that the Legislative Assembly of Alberta congratulate the Hon. Robert Bourassa, Premier of Quebec, on his contribution to Canada and to the principle of maintaining strong provinces within Confederation.

MR. SPEAKER: The hon. Opposition House Leader.

MR. MITCHELL: Thank you, Mr. Speaker. I rise to give notice that following question period today I will present a point of privilege concerning an activity by the minister without portfolio last Friday which I believe represents a breach of the privilege of members of this Legislature.

MR. DAY: Mr. Speaker, under the new Standing Orders I rise to give a day's oral notice in terms of written questions. First of all, I'll be moving that the written questions stand and retain their places on the Order Paper with the exception of the following: written questions 144, 145, 147, 148, 150, 151, 154, 155, 156, 157. As far as motions for returns I will be moving that they stand and retain their places on the Order Paper with the exception of motions for returns 178, 179, 182, and 194.

head: **Tabling Returns and Reports**

MR. CARDINAL: Mr. Speaker, I'm pleased to file the 1991-92 annual report of the Alberta Metis Settlements Transition Commission. The report is filed pursuant to section 15 of the Metis Settlements Accord Implementation Act.

MR. SPEAKER: The hon. Member for Redwater.

MR. N. TAYLOR: Thank you, Mr. Speaker. I'd like to file four copies of a report on the attendance of a group of MLAs from this

House at the Commonwealth Parliamentary Association Canadian Regional Conference in Ottawa, Ontario, August 8 to 13.

MR. SPEAKER: The hon. Minister of Community Development.

MR. MAR: Thank you, Mr. Speaker. I'm now pleased to table the six following annual reports, which have been previously distributed: the 1992-93 annual report of the Alberta Advisory Council on Women's Issues; the 1991-92 annual report of the Alberta Library Board; the 1991-92 annual report of the Recreation, Parks and Wildlife Foundation of Alberta; the 1990-91 annual report of the Alberta Art Foundation; the 1990-91 annual report of the Alberta Foundation for the Literary Arts; and, finally, the 1990-91 annual report of the Alberta Foundation for the Performing Arts.

head: **Oral Question Period**
Provincial Tax Regime

MR. DECORE: Mr. Speaker, in a written statement to the Canadian Manufacturers' Association – the Premier knows what this one's all about – the Premier made it clear that future tax increases on Albertans are an option his government would consider. Statements by government officials have convinced major bond rating agencies that the Klein government is prepared to increase taxes. Yesterday the Premier said that there would be no new taxes for the next four years. Then he quickly edited that statement to specify sales tax. My first question to the Premier, then, is this: why would you correct yourself as you did yesterday, Mr. Premier, to only say no to a sales tax?

MR. KLEIN: Well, it's quite true, Mr. Speaker. A sales tax doesn't figure at all in our plan, unlike the Liberals.

MR. DECORE: Given, Mr. Premier, that your officials – and I think your Treasurer is part of that process – are going around to financial houses saying that the government is prepared to increase taxes, I want to know and the people of Alberta want to know, Mr. Premier: will you tell us definitively that there will be no sales tax or any other kind of tax for the next four years for Albertans?

MR. KLEIN: Mr. Speaker, the four-year plan identifies the problem as one of a spending problem and not a revenue problem. The four-year plan says that we will avoid the introduction of any new taxes, including a sales tax, and we will avoid, if we possibly can, raising taxes. What we want to do is maintain as competitive a tax regime as we possibly can to attract to this province new investment and to create economic growth and prosperity.

MR. DECORE: Mr. Speaker, this isn't a time – that is, in the minds of Albertans – for qualifications. "Avoid" isn't the kind of word that Albertans want to hear. They want to know definitively, Mr. Premier, yes or no. Are there going to be any kinds of new taxes, sales tax or any other kind of tax, in the next four years?

MR. KLEIN: We aren't contemplating any.

Unicare Integrated Software Inc.

MR. DECORE: Mr. Speaker, five years ago the University of Alberta hospital set up a company to sell interdepartmental computer software in competition with the private sector. Unicare Integrated Software Inc. lost \$265,000 its first year and \$452,000 its second year. After that, losses are not shown in the financial

statements of the hospital. We know from leaked information that Unicare has lost \$5.1 million. Money that should have been going for the care of Albertans was being given to run a business out of the hospital. My first question to the Minister of Health is this: how can the minister allow the university hospital to waste \$5.1 million of its operating budget on a business instead of caring for sick people?

MRS. McCLELLAN: Well, Mr. Speaker, first of all, the hospitals in our province operate under global budgets, and they are responsible for the care of patients in that hospital. The university hospital is a part of that system. They receive their operating budget on an annual basis and through that operating budget are responsible to carry out the programs within that hospital.

1:40

MR. DECORE: Given that it is your responsibility, Madam Minister, to look after the interests of the Alberta taxpayer, explain how you could allow this money to be taken out of an operating budget to set up a business at the university hospital. Tell Albertans about your responsibility.

MRS. McCLELLAN: Well, Mr. Speaker, as I clearly outlined I think in my first answer, we deliver an operating budget to our hospitals in this province, and within that operating budget they carry out the services to the patients and the people who access those services. My responsibility is to ensure that that occurs. On the specific issue of this item I would be happy to take that under advisement and respond to the hon. member.

MR. DECORE: Mr. Speaker, given that the minister has shown little care and even little concern over this issue today – a business is being operated where business shouldn't operate: out of operating budget funds. Is the minister prepared to move quickly and shut that whole process down?

MRS. McCLELLAN: Well, Mr. Speaker, again I have to reiterate: the hospitals are given an operating budget; within that operating budget they offer services to the people who access those services. They also have some parameters for how they conduct that business. The Auditor General, as I understand it, looks at our hospitals' operating budget. These are all audited financial statements that they receive. As I have indicated in my earlier response, on this specific issue I would be most pleased to respond directly to the hon. member.

MR. SPEAKER: The hon. Opposition House Leader.

MR. MITCHELL: Mr. Speaker, I don't know what's more frightening: the fact that a company operating with public funds out of the University of Alberta hospital would lose \$5.1 million and the minister wouldn't know about it or the fact that the minister would stand here and admit implicitly that she doesn't have any kind of accountability process for the money that she hands to these public institutions. Millions of taxpayers' dollars have been siphoned out of the operating budget of the University of Alberta hospital to support a chronically ill venture, Unicare. To the minister: will the minister please tell us what kind of financial management system would allow the University of Alberta hospital to conveniently stop reporting the annual losses of Unicare after its first two years of operation showed losses totaling three-quarters of a million dollars?

MRS. McCLELLAN: Well, again, Mr. Speaker, as I outlined in my first answer to this, the hospital's financial statements are audited, they are recorded, and they are tabled with this Assembly in the form of their annual report. On the specific issue of Unicare I will respond directly to the hon. member.

MR. MITCHELL: It's very interesting, Mr. Speaker, that while the report of the University of Alberta hospital is tabled in this Legislature, Unicare after the first two years is consolidated, and we don't see what the losses in fact were. It's no coincidence. Given the Auditor General's directive that there be more open reporting on publicly funded corporations like Unicare, will the minister commit to tabling detailed financial statements itemizing Unicare's losses in 1988, 1989, 1990, 1991, '92, and '93?

MRS. McCLELLAN: Mr. Speaker, I can again reiterate that I will bring the response to the specific issue of Unicare. Again I have to reiterate that the hospitals under our care have audited financial statements, and they have followed the procedures that were accepted by this Legislature. Obviously in our discussions we have accepted the recommendations of the Auditor General, and we will be proceeding in implementing those, but I am quite convinced that the hospital has followed the correct and accepted accounting procedures in this item.

MR. MITCHELL: The minister might be interested to know that in fact, Mr. Speaker, a review of sorts has been undertaken. How can we have confidence in the review of Unicare currently being undertaken by the chairman of the board of the university hospital, who happens to be none other than the chairman of Unicare, who happens to be none other than an extremely well-placed Tory, when what is really called for is an objective, external efficiency audit?

MRS. McCLELLAN: I don't see a question there.

MR. SPEAKER: Was there a question? [interjections]
The hon. Member for Calgary-Fish Creek.

Liquor Control Board Employees

MRS. FORSYTH: Yes, thank you, Mr. Speaker. My question is to the Minister of Municipal Affairs. Is the government sponsoring or organizing any type of program for the ALCB employees as far as financial planners, job creation strategies similar to what was done for the AGT employees?

DR. WEST: The answer to that question is yes, Mr. Speaker. We're going through a whole cross section of programs for the employees, everything from job search to résumé preparation, dealing with significant change, retirement planning, and/or direct sourcing of employment or contacts with people interested in the industry or in any of the stores that are up for tender at the present time. I'll just file this at the present time rather than read out the whole cross section of things that we're doing in that area.

MR. SPEAKER: Supplemental question.

MRS. FORSYTH: Yes, Mr. Speaker. Again to the Minister of Municipal Affairs: do you believe there is actually going to be a loss of jobs, or will they be picked up by the private sector?

MR. WICKMAN: They just keep getting tougher, Steve.

DR. WEST: There's a very humorous bunch in here today.

It's very hard to depict exactly on the 1,400 to 1,500 ALCB jobs which ones of those will be transposed to direct jobs in the immediate future, but many of them will be. I had inquiries today specifying certain areas and wanting 15 to 25 direct employees and their names to go into areas where people are going to bid on stores. I know of other areas of the province where employees, even as I stand here, are doing renovations in locations, and they're going to get a class D licence and go into business.

My expectation when this is over – and I can say this most assuredly because of my confidence in the private sector – is that this will equate to many more jobs than 1,500 when this whole process has taken place. The private sector and the many service areas where they will be will not only take jobs from the 1,500 that are being transposed to the private sector but will create new jobs. Just on a rough estimate I would say almost double the jobs will be created by this initiative in the private sector as more service points are opened and more initiatives are taken under the private-sector retail plan.

1:50

Health Care System

MR. SAPERS: Yesterday, Mr. Speaker, the Minister of Health tabled a summary of the Red Deer roundtable complete with five practice press releases purporting to reflect the work done at the sessions. Seeing as there were 12 workshops, each of which prepared and submitted its own press release, it's clear that considerable editing took place. Seeing as the Red Deer roundtable participants did not come to a consensus on the key issues and there were many conflicting recommendations discussed, why doesn't the report tabled yesterday reflect this diversity?

MRS. McCLELLAN: Well, Mr. Speaker, I did table a summary, and that is exactly what this is. I think the key is in the title. I'll repeat it once more: a summary of the health roundtable. That is what I tabled, and that is what the members have. The report was not prepared by the Minister of Health. I received it in this form from the workshop team headed by Dr. Wagner.

What it does is outline on the first page what the workshops were involved in, and it talks about what occurred on the second day at the workshop, in summary again. Each roundtable on the final afternoon was asked to write a press release to respond to the questions in 12 groups. The summary document again is reflective of the items that were raised at the roundtable. Now, it would be my best thought that they have not written over and over again 12, but this is reflective.

Let me say one more thing. This document was prepared by the workshop manager and a group of moderators that were there to ensure that this reflected the discussion and the areas that were raised in the press releases that were brought forward. This is the document I received. Again, it is a summary document of the roundtable.

MR. SPEAKER: Supplemental question.

MR. SAPERS: Thank you, Mr. Speaker. I was there, and it doesn't reflect the workshop I was in.

Why would anyone believe that the minister will not simply pick and choose only those suggestions that support an ill-conceived, predetermined agenda to cut services first and ask questions later?

MRS. McCLELLAN: Well, first of all, I take exception to the hon. member challenging the integrity of the people that put this

together, because, Mr. Speaker, I can assure you that the people who put this document together were present at all of the workshop sessions including the reporting sessions, including the panel, and they heard all of the discussions.

I said very clearly when we put the roundtable in place that I was there to listen, and I did. We did not influence this document in any way. This is a summary that was presented to me in this form from the chairman of that roundtable, and again I take exception to the hon. member challenging the integrity of those fine people.

MR. SAPERS: Mr. Speaker, will the minister therefore table the full reports of all 12 workshops so that Albertans can be assured that these roundtables are not being used just to justify wage rollbacks for health care workers?

MRS. McCLELLAN: Mr. Speaker, this is the document, again, that I received, a summary of the workshop. This is the document that I have and that I tabled in this Assembly in good faith at the first opportunity I had after I received this document.

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

Dresser-Rand Canada, Inc.

MR. DUNFORD: Thank you, Mr. Speaker. We've had some sad and disappointing news come from Lethbridge last night and again this morning, and it involves the closure of a rather significant plant: Dresser-Rand. My question to the Minister of Labour is: have the company officials complied with any regulations that we have here in Alberta about proper notice on plant closure?

MR. DAY: Mr. Speaker, to the Member for Lethbridge-West, there is a requirement in the Employment Standards Code, under section 8, that an employer, depending on how many employees they have, if they're planning a wind-down or to terminate their operation, they have to give four weeks notice to the Minister of Labour, and that has been done. Legal counsel from Dresser-Rand notified me yesterday that they plan a shutdown of their operation on a phaseout basis to end sometime around January '94. So they did fulfill the legal requirement there.

MR. SPEAKER: Supplemental question.

MR. DUNFORD: Yes, thank you. Again to the Minister of Labour: what tools are available to help handle the adjustment not only for that business but for the 180 employees that may find themselves at a loss of job in the middle of the winter?

MR. DAY: Mr. Speaker, the reason for the requirement in the Employment Standards Code is so that the various resources of government that are available can be put into action in sufficient time before employees are actually terminated and without work. The company has already been advised by telephone, and there will be follow-up written communication in terms of the services and resources that are made available, first of all, locally to them and also through the Department of Labour, through Advanced Education and Career Development, and we also advise them of programs on a federal level that are available. We follow up with some ongoing written communication also.

MR. SPEAKER: The hon. Member for Edmonton-Meadowlark.

Health Care System

(continued)

MS LEIBOVICI: Thank you, Mr. Speaker. This government campaigned that it would be, and I quote, "a government that listens and keeps its promises every day." [some applause] Thank you. A standing ovation each time? Yesterday the minister responsible for health planning confirmed rumours of a 5 percent forced rollback for those health care workers who in good faith signed contracts which are still in force. A deal is a deal. A contract is a contract. A promise is a promise. Will the Minister of Labour tell health care workers whether the government intends to force the reopening of existing contracts in order to achieve this 5 percent rollback?

MR. DAY: Mr. Speaker, I'd advise the Member for Edmonton-Meadowlark to soak in and enjoy the applause of the government members. I doubt that it will happen too often in the years ahead.

I can say very clearly that I have given no directive and put no instruction on the table in terms of requiring rollbacks or measures of that sort. I can say that in the past days we have discussed with people in the health care sector and with others all possibilities. Everybody comes with a variety of ideas. We have put no such directive on the table. We believe that in working with people in the health care sector, as we have been, and working with some of the local union representatives, we can work together to attack our fiscal challenge, and that is where we are at with our workers. We have no such directive as indicated by the member opposite.

MR. SPEAKER: Does the hon. minister of that portfolio wish to augment?

MRS. MIROSH: Well, Mr. Speaker, the member opposite indicated that I had confirmed this, and that is an outright, blatant lie. [interjections]

Speaker's Ruling Parliamentary Language

MR. SPEAKER: Order please. The hon. minister should reconsider the language she's used.

MRS. MIROSH: I'll withdraw that, Mr. Speaker, but I'm not sure on what basis the member opposite has made her reference, and I would like that clarified.

Health Care System

(continued)

MS LEIBOVICI: To the Minister of Health: as only six out of 12 health care roundtable discussion groups suggested cuts to health care workers' wages, will the minister agree that this approach of a 5 percent rollback is just an easy way out of the budget crunch that you are faced with?

MRS. McCLELLAN: Well, again, Mr. Speaker, I would be very pleased to take a moment to review the process of the roundtable.

MR. SPEAKER: Briefly.

MRS. McCLELLAN: Well, Mr. Speaker, I'll try to be brief, but you'll have to be patient. [interjections] I didn't mean it that way. I'm sorry, Mr. Speaker. I apologize. I'm losing some patience with trying to describe the process of the roundtable. I will try to be very succinct.

The process of the roundtable, Mr. Speaker, was to gather together groups of people first in Red Deer and subsequently in 10 roundtables around the province to hear their views on, one, how we might address the shortfall in dollars in our current budget year and get their advice as to how best to achieve those dollars and, secondly, to build a structure of review for the future of our system. I said very clearly when we went into the roundtable that I would be there to listen to all participants' ideas. I attended, and I did that. The manager of the process said very clearly that he would prepare a summary document as quickly as possible and present it to the minister, which he did and which I have tabled. I have made it very clear that we would consider all of the recommendations and advice that is in this document, and I hold to that. We have received that information. I will consider all of the recommendations that are in this document, and I will respond at an appropriate time.

2:00

MS LEIBOVICI: To the Minister of Labour. I'm pleased to hear that you are in fact consulting with the unions. Given that some unions may accept a rollback in return for a job security guarantee, will the minister adopt this approach in the coming discussions with these unions?

MR. DAY: Mr. Speaker, I think we need to be very clear. There is no guarantee of absolute job security for anybody that I can think of in Alberta, maybe in Canada, maybe in North America. That has been made clear in all discussions with people in the public sector, including our health care workers. Certainly we are looking at the possibility of different work force adjustment programs, because we understand the pressure, we understand the turmoil and the worry that comes when somebody is facing the possibility of losing their employment. So if we can smooth that rocky road out somehow, then we want to see if there are ways of doing that, but there have been no guarantees made along the level suggested by the Member for Edmonton-Meadowlark.

Speaker's Ruling Brevity

MR. SPEAKER: Order please. Before going to the next question. That question took up eight minutes of our 50 minutes. Eight minutes. Members know that they're not to have preambles to supplementals. Ministers know that there's a time limit too, and they should give their answer in a clear, concise, short manner.

The hon. Member for Calgary-Egmont.

Environmental Protection Budget

MR. HERARD: Thank you, Mr. Speaker. My question is to the hon. Minister of Environmental Protection. Last Thursday evening we were given the opportunity to review your budget, sir, in the standing policy committee on natural resources and sustainable development. I noticed that out of the \$333 million in your expenditures budget approximately \$160 million is for Lands and Forests Services, but in particular approximately \$35 million is included for Fire Suppression. Now, in the past fire suppression was paid for by special warrants. My question to the minister is: have we finally seen the end of unbudgeted special warrants for fire suppression?

MR. SPEAKER: The hon. Minister of Environmental Protection.

MR. EVANS: Thank you, Mr. Speaker. The short answer is: yes, we have seen an end to special warrants. Certainly the

Premier, the Provincial Treasurer, all of our government is committed to eliminating our deficit, and the only way we can eliminate our deficit is to be sure that we analyze the costs that are going to be attributed to each of the departments, offsetting that with revenues, and that we keep control of those so that the revenues are always higher than our costs.

MR. HERARD: To the same minister: will the minister update the House as to how much of his fire suppression budget currently remains?

MR. SPEAKER: Hon. minister.

MR. EVANS: Thank you again, Mr. Speaker. As the hon. member has indicated, we budgeted \$35.1 million for fire suppression this year. We had a very serious problem in the latter part of May and the first part of June, when for a period of time we were expending about a million dollars a day on fire suppression. We're at \$33.1 million in total expenditures at this point in time, leaving a \$2 million cushion, shall I say. As long as we do not have a severe problem in the balance of this month and into October, I think we will come in within that \$35.1 million budget.

MR. SPEAKER: Final supplemental.

MR. HERARD: Thank you, Mr. Speaker. With respect to your \$333 million expenditures estimate, your department is forecasting revenues of only \$67.9 million. What is the minister doing to improve his expenditures/revenue ratio?

MR. EVANS: Well, as with all departments, we're looking at opportunities for increased revenue. I'll give you a couple of examples, hon. member. First thing, we're working with the Alberta Forest Products Association in dealing with the issue of stumpage fees. We want to institute a process that is market driven, prices that are market driven so that if saw logs, for example, go up in price, then the stumpage fees that we'll be charging will go up accordingly. By the same token, if pulp prices are down, then we will decrease the stumpage fee for pulp prices. We're also talking about moving some of the costs for seedling operations and for reforestation processes over to the industry, recognizing that we've assisted the industry over time but we feel that it is more appropriate at this point in time that the industry take on that responsibility.

MR. SPEAKER: The hon. Member for Clover Bar-Fort Saskatchewan.

Liquor Control Board Properties

MRS. ABDURAHMAN: Thank you, Mr. Speaker. The 1992 annual report of the ALCB lists the capital assets of the corporation at a net book value of \$115 million, including warehouse operations. The minister has told Albertans that by disposing of owned and leased stores the government will realize \$66 million. To the minister responsible for the ALCB: does the minister really expect us to believe that the difference between those two figures, \$49 million, is the true market value of the ALCB warehouses?

DR. WEST: Mr. Speaker, I don't understand the question directly. If you know anything about the marketplace, you would know that when you take a window into a marketplace, say, 1993, like we are today, the relevance of what the original price was or the price

was in 1979 only rings true on equal – if the price is the same in '93 as in '79 – if the marketplace decides to bid that. There are so many things different. In 1979 I remember when inflation was running and interest rates were double-digit at that time. The price of construction and operation was tremendous. The prices of properties were double or triple what we have now. Now we have interest rates down at 6 percent. We have inflation running flat. We have some tremendous opportunities out there. Book value for original price in '79 and what happens now will be told to us by the marketplace, just as it is in the private sector. Why would you ask a question like that as if you would protect . . .

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

Supplemental question.

MRS. ABDURAHMAN: I've touched a nerve, plus I've never run a deficit budget in my life.

Will the minister now tell Albertans how many long-term leases will have to be broken and the estimated cost to Albertan taxpayers on the breaking of these leases?

DR. WEST: I answered a question yesterday that was asked in some of the same light. I want to correct one thing from yesterday. There wasn't a lease signed three weeks ago on a Fort Saskatchewan piece of property; it was signed October 8, 1992.

Second of all, after you take away the provincial land leases that are leased to the Provincial Treasurer, and those expiring in a year, and those that have expired from the 225 we owned in 1990, we'll have about 15 percent of the leases left that have a long term, or 23 out of 200, and four pieces of property.

So to answer to your question, under many of these leases we will wait till they're tendered by the marketplace. We will make a full disclosure to this Assembly of what the book value was and what we achieved in the marketplace. If there's a loss, we'll report that loss. The private sector goes under that guise every day. You may have bought a house five years ago; today you may not sell it for . . .

2:10

MR. SPEAKER: Order please. [interjection] Order please. Final supplemental.

MRS. ABDURAHMAN: Yes, Mr. Speaker. Given that it was business as usual at the ALCB while the minister was secretly planning on privatizing, will the minister tell us how much money, money which is now wasted, the ALCB has spent on leasehold improvements in the last six months?

DR. WEST: Mr. Speaker, at the introduction of the first question, the hon. member made reference to the 1992 annual report. I have tabled the 1993 annual report already, and references to the construction division and what was spent on that is in this report. That's open to all people in this Assembly and to the public. Take some of those research dollars that you have and go and look at it.

MR. SPEAKER: The hon. Member for Bow Valley, followed by Edmonton-Centre.

New Medical Technologies

DR. OBERG: Thank you, Mr. Speaker. My question is for the Minister of Health. I recently came across an article in a publication by the Civil Trial Lawyers Association about magnetic

resonance imaging and its uses as a new litigation tool. In the same issue, there was an article about DNA testing and how useful it is in legal cases. Both of these technologies are extremely expensive and were developed for medical purposes and not as litigation weapons. My question for the Minister of Health is: who is paying for these tests when they are used for nonmedical reasons?

MRS. McCLELLAN: Well, Mr. Speaker, there's no question that advances in medical technology do have applications beyond patient care, and while these applications may be important, such as in court cases, they are certainly beyond the mandate of Alberta Health and beyond the mandate of our health system. An MRI scan or any other diagnostic tool that is deemed not to be medically necessary is not paid for by Alberta Health.

MR. SPEAKER: Supplemental question.

DR. OBERG: Thank you, Mr. Speaker. My supplemental question to the minister: how are you ensuring that the health care system is not paying for these tests?

MRS. McCLELLAN: Mr. Speaker, the matter of ensuring proper payment procedures is a concern to us, and we do have a utilization committee that is in place. They consistently review procedures and do make reports and recommendations back to the minister. It would be through that committee that we would ensure to the greatest extent possible that these procedures are only paid for by Alberta Health when they are part of a medically required procedure.

DR. OBERG: My final supplemental, Mr. Speaker. Who does the money that is then paid for these third-party diagnostic procedures go to, and where is it accounted for?

MRS. McCLELLAN: Mr. Speaker, noninsured services are a matter between the physician and the recipient of that service, and any funds that would be paid would go directly on that basis. They would not be handled by Alberta Health.

MR. SPEAKER: The hon. Member for Edmonton-Centre.

School Fees

MR. HENRY: Thank you, Mr. Speaker. Families on social assistance are given \$25 to pay their school fees, and if they can't afford the full fee, which can go up to \$200, they've been advised by the government to go to the local school board for a waiver. The Minister of Education consistently reassures us that no child will be deprived in this province. I'd like to ask the Minister of Education if his department has done a survey of all the school boards in Alberta to determine how many requests have been made, and what impact that will have on local school board budgets.

MR. JONSON: Mr. Speaker, in the cases that have come to my attention, I am aware that the school boards are making adjustments along the lines that I had indicated in response to earlier questions. In terms of an overall survey, no, we have not conducted an overall survey.

MR. HENRY: That's disappointing, Mr. Speaker, but perhaps I can inform the minister that I have heard from some school boards, and I'd like to ask the minister: for those boards with a

low assessment, which is a low ability to raise local dollars, is the minister willing to provide extra funds for those school boards who have a lot of waiver requests?

MR. JONSON: Well, Mr. Speaker, first of all I think it should be emphasized and noted by the hon. member that in this year's Alberta Education budget there was an additional \$30 million dollars put in to provide equity funding to the school boards who do not have the assessment per student to raise local funds in the same proportion as other jurisdictions. So there's been a major initiative by the government in that particular direction. In terms of the cases that are being alluded to, as I indicated earlier, I am quite willing to look into these cases and find out the circumstances if they are referred to me.

MR. HENRY: Mr. Speaker, I'd like to know, then, from the minister: if he's willing to look into these cases that are having trouble paying the basic fee, is he also willing to assure that each child will not be deprived of other kinds of programs such as industrial education training, sports programs, and other programs in the school that do require extra fees?

MR. JONSON: Mr. Speaker, as I've indicated previously in this Assembly, Alberta Education is one of three departments that in this year's budget received a substantial increase. Overall, considerable in the way of resources is made available to the school boards of this province, and they are continuing to offer a variety of quality programs.

MR. SPEAKER: The hon. Member for Cypress-Medicine Hat, followed by Edmonton-Mill Woods.

Agricultural Marketing Boards

DR. L. TAYLOR: Thank you, Mr. Speaker. Recently all members of the House received this book, Alberta Agricultural Products Marketing Council. The majority of this book is taken up with reports on marketing boards. Now, there are nine marketing boards in here, and I'd like to ask the minister of agriculture how many of these boards actually market products.

MR. SPEAKER: The hon. Minister of Agriculture, Food and Rural Development.

MR. PASZKOWSKI: Thank you, Mr. Speaker. Certainly the question is a valid one. Marketing boards were designed to provide stability to the consumer and to the producer. That was the primary function and primary objective of marketing boards when they were first designed. The marketing boards basically have been of no cost to government or to the taxpayer through this design. That's the good side. The unfortunate part about the design of marketing boards is the fact that it doesn't allow for growth and it doesn't allow for expansion for the industry. So there are pros and cons.

As far as actual market development is concerned, the marketing board is designed to produce only for domestic needs. There is no obligation or no responsibility for the marketing board to provide for export. As a matter of fact, the legal entities prohibit that. So in essence there is no direction for marketing boards to expand their horizons regarding marketing.

MR. SPEAKER: Supplemental question.

DR. L. TAYLOR: Thank you, Mr. Speaker. The cattle industry is not governed by a marketing board. The prices are the highest

they've ever been in history. Barley went from \$1.10 to \$1.80 a bushel. When will the minister consider withdrawing the other agencies and the other products from the control of the marketing boards?

MR. PASZKOWSKI: Thank you again. Alberta's position has always been very clear and very well known, and that is that Alberta basically supports tariffication in the international marketplace, and that position has not changed.

MR. SPEAKER: Final supplemental.

DR. L. TAYLOR: Thank you, Mr. Speaker. I'm also wondering where we are in relation to article II of the GATT agreement.

MR. PASZKOWSKI: Article II of course relates to the long and extended process of the GATT negotiations. In the past two years Canada, Korea, and Japan have been countries who've supported the concept of marketing boards, of protectionism. Recently Japan and Korea have indicated that they are moving towards the area of support for tariffication. This would leave Canada as the lone country in support of the marketing board concept. Tariffication seems to be the accepted practice by all countries in the world at the present time with the exception of Canada.

MR. SPEAKER: The hon. Member for Edmonton-Mill Woods.

2:20 Employment Programs

DR. MASSEY: Thank you, Mr. Speaker. Unemployment in Alberta is scandalously high at at least 10.1 percent, the highest in western Canada. Why is the Minister of Advanced Education and Career Development, with marine corps sensitivity, sitting back and waiting for the vagaries of the marketplace to rescue the jobless?

MR. ADY: Well, Mr. Speaker, I have a little trouble understanding just where the member is coming from, what he really wants me to respond to with such a question. Let me say that unemployment in Alberta is 10.1 percent, which is constant over the last two months. I will say that we're well on target from a perspective of creating some full-time jobs in this province as opposed to part-time jobs. There's certainly a positive trend there. The numbers are very evident for those who want to take the time to look at them. They're published by Stats Canada every month. Let me say that the hon. members across the way would have us fall into the great pattern that Jean Chrétien is putting forward, of spend money, taxpayers' money that the taxpayers are not telling us they want us to spend at this point. As opposed to that, we're well on target with creating an environment for jobs to come to Alberta.

MR. SPEAKER: Supplemental question.

DR. MASSEY: Thank you, Mr. Speaker. To the minister: how do the reduced amounts in the ministers' training budget reflect the urgency of this matter?

MR. ADY: Mr. Speaker, any reduced amounts in the training budget for this department were taken up with administration in an effort to tighten up in the face of the fiscal realities that we have.

DR. MASSEY: I'm sure that makes the unemployed feel good, Mr. Speaker.

All this is well and good, but what does the minister say to the 138,000 unemployed Albertans right now?

MR. ADY: Mr. Speaker, that again is a very strange question. What I am saying is that we're busy putting in place a highly trained work force and maintaining a system that will do that. We're creating an environment that will attract business to this province, and we anticipate that in fact we will be putting in place a system that will enhance our full-time employment in this province.

MR. SPEAKER: The hon. Member for Grande Prairie-Wapiti.

Stumpage Fees

MR. JACQUES: Thank you, Mr. Speaker. There was an earlier question to the minister of environment with regard to cost recovery, and he did reply that they are looking at increased revenues and, more particularly, in the area of stumpage. Given the fact that the stumpage has been basically frozen since the 1970s, could the minister please give a date on which the revised stumpage rates will be in accordance with the new regulations?

Thank you.

MR. EVANS: Well, I can't give a specific date, Mr. Speaker, but I can expand a little bit on my earlier answer and indicate to the hon. member that we've been in negotiations with the Alberta Forest Products Association and with other independent saw millers and other members of the forest industry in the province of Alberta to come to a conclusion to this issue, recognizing that we have had a period of time of no change in our stumpage fees. We have a changing global market for our products. Again, I can't give a specific date on this, but certainly the negotiations are going well, and I expect that we will have consensus on this issue in the foreseeable future.

MR. SPEAKER: Supplemental question.

MR. JACQUES: Thank you, Mr. Speaker. A supplementary question to the minister: could he please advise how long the negotiations have been under way?

MR. SPEAKER: Hon. minister.

MR. EVANS: Thank you, Mr. Speaker. I was appointed by the hon. Premier as the Minister of Environmental Protection last year, on December 15, 1992. Very shortly thereafter I met with the Alberta Forest Products Association, and I indicated that one of the responsibilities that I had as the minister, and a very important responsibility, was to deal with our forest issues and that stumpage fees were going to be at the top of my list of issues that I wanted to discuss with the industry. We got into formal negotiations with the industry in February or March of this year, and they've continued since that time.

MR. SPEAKER: Final supplemental.

MR. JACQUES: Thank you, Mr. Speaker. Again to the minister: could he advise his best estimate as to whether or not the increased or decreased fees will take impact before the end of the current fiscal year?

MR. EVANS: Certainly, Mr. Speaker, our intention is to have this new regime in place, particularly for our softwood supplies, before

the end of this fiscal year. We are looking at this as a long-term component to balancing our budget in Environmental Protection. That is certainly my desire, and I believe it's the desire of the forest industry as well, because they want certainty in this issue for the foreseeable future and into the long term as well.

head:

Members' Statements

MR. SPEAKER: Order please. This being the first day for members' statements, it falls to the Chair to decide the order in which the three today and the three tomorrow will be concluded. The Chair did flip a coin, and today it came up to be opposition day, but I was wondering, with the indulgence of the opposition, whether they would agree to the Chair calling Innisfail-Sylvan Lake first. He did have a prior connection with this matter by way of a motion. So today's order would be Innisfail-Sylvan Lake, Calgary-*Buffalo*, and then St. Albert.

HON. MEMBERS: Agreed.

MR. SPEAKER: The hon. Member for Innisfail-Sylvan Lake.

Rosefield Centre

MR. SEVERTSON: Thank you, Mr. Speaker, and thanks to the House for giving its permission.

I rise today to make my first private member's statement on a matter that is of great concern to the constituency of Innisfail-Sylvan Lake. Innisfail Rosefield Centre was officially opened in the spring of 1991. At the time only 20 beds of the 40 fully equipped long-term beds were commissioned to operate because that was sufficient to meet the community needs. Today things have changed, and the central region, which includes Innisfail, Red Deer, Elnora, Rocky Mountain House, Eckville, Bentley, and Lacombe, has been formed and uses a single point of entry system. At the present time there are 12 people on the priority 1 list in urgent need and another 27 individuals in acute care awaiting placement in long-term care facilities.

Mr. Speaker, I campaigned on spending cuts and the need for fiscal restraint and understand the need to balance our provincial budget. In the recent budget there's approximately \$800,000 for central Alberta for planning of new health care facilities. I believe the number one priority should be the opening of the 20 fully equipped long-term beds in Innisfail. It is obvious to me and my constituents that there is a need to consider the approval of operating funds for the 20 long-term care beds in the Innisfail Rosefield Centre.

Thank you.

MR. SPEAKER: The hon. Member for Calgary-*Buffalo*.

Suspended Drivers

MR. DICKSON: Thank you, Mr. Speaker. Last evening many of my constituents in Calgary-*Buffalo* watched a particular television program. The program was about a significant number of Albertans that are flaunting the law of this province. The program specifically dealt, sir, with a number of Albertans who have been driving their motor vehicle even though either their operator's licence has been suspended or they are subject to an order under the Criminal Code prohibiting them from driving.

Now, this is a major concern not only to constituents of mine in Calgary-*Buffalo* but I think to many Albertans. I note with some alarm that 169,000 suspended drivers operate in this province, and too many of them are not complying with the terms of either their

suspension or their order. In fact, it was reported that Alberta currently leads the nation in the number of charges for driving motor vehicles while suspended.

Now, Mr. Speaker, I suggest that as a province and as a government we must in Alberta do a number of concrete things: number one, look at creative ways to enforce driving suspensions; secondly, find a better way of screening out fraudulent licence applications; thirdly, make greater use of provisions that already exist in the Motor Vehicle Administration Act for the seizure of motor vehicles and if necessary modify that statutory provision; and fourthly, make judicious use, more use than has been the case in the past, of the Alberta Driver Control Board in appropriate cases.

Mr. Speaker, my constituents in Calgary-*Buffalo* and, I think, most Albertans want to see concrete steps taken to deal with this problem and to deal with it as quickly as possible.

Thank you.

MR. SPEAKER: The hon. Member for St. Albert.

2:30

Gaming Regulations

MR. BRACKO: Thank you, Mr. Speaker. The August 30 changes made by the Alberta Gaming Commission regarding bingos has had a devastating effect on charity groups not only in St. Albert but right across this province. It is time that the government looks at the implications of change before implementing new regulations. In St. Albert hundreds of volunteers give thousands of hours of their time to volunteer services in sports, in culture, and in human service needs. These volunteer people believe people should help people, thereby enhancing our community and saving taxpayers money.

One of the least liked but necessary roles volunteers provide is that of fund-raising. One bingo hall in St. Albert raised \$1.5 million for charitable groups. However, once again this hard-working, dedicated community volunteer core has been angered and not appreciated by this government. Instead of working with these groups, the government changed the rules, which resulted in loss of bingo players and revenues greatly decreased. For example, Pregnancy Help relies on bingos for \$20,000 to \$25,000 a year. With the changes in rules their revenues from bingos could go down to less than one-quarter of that amount, greatly reducing the essential services provided by this group.

A second blunder made by this government without consulting with the public was to introduce video games where the province takes all the money. This is in competition with the volunteer fund-raising efforts. The Conservative government is excelling at lowering the morale, increasing the frustration, and sucking the lifeblood out of the backbone of our community: the volunteer groups. The grave injustice committed by this government is the squeezing out of the volunteer sector to add to their own revenues by promoting government video games at the expense of bingos.

MR. SPEAKER: The hon. Opposition House Leader gave notice of a question of privilege he wished to raise. [interjection] Is there a feeling that we should do the motion under Standing Order 40 first?

Point of Order Sequence of Business

MR. KOWALSKI: Mr. Speaker, exactly on that point and a point of order in terms of the agenda for the Assembly on a given day: whether or not precedence would be given to a Standing Order 40 call before a point of privilege. It's the reflection really of the

government that in fact Standing Order 40s would come first, but we are certainly under the direction of the Speaker.

MR. SPEAKER: I think historically points of privilege and points of order have come before Standing Order 40s, but if there's a wish to change the history, the Chair is certainly . . .

The hon. Leader of the Opposition.

MR. DECORE: Mr. Speaker, on this occasion and this occasion only we are prepared to accommodate the Premier.

head: **Motions under Standing Order 40**

MR. SPEAKER: The hon. Premier on Standing Order 40.

Premier Bourassa's Retirement

MR. KLEIN: Thank you, Mr. Speaker, and I do thank the hon. Leader of the Official Opposition. I seek the unanimous consent of this Assembly to introduce the motion that was read earlier. Premier Bourassa announced his resignation about 2 o'clock this afternoon in Quebec City. He has made a significant contribution to Canada over many years. I think this nonpartisan message is worthy of support of the members, so I would ask for unanimous consent to introduce the motion.

MR. SPEAKER: Does the hon. Premier have the unanimous consent of the Assembly to move the motion?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried.
The hon. the Premier.

Moved by Hon. Ralph Klein:

Be it resolved that the Legislative Assembly of Alberta congratulate the Hon. Robert Bourassa, Premier of Quebec, on his contribution to Canada and to the principle of maintaining strong provinces within Confederation.

MR. KLEIN: Thank you very much, Mr. Speaker. It was with regret that indeed I think all members of this Assembly learned of his decision to resign as leader of the Quebec Liberal Party and Premier of this province, but I certainly understand how he came to this decision, and on behalf of all Albertans I wish him well.

You know, Mr. Speaker, Alberta and Quebec have long enjoyed a very special kind of a friendship, and much of that credit goes to Premier Bourassa. In his many years in office he has demonstrated a true commitment to Canada in finding a place for Quebec within Canada. He will be remembered, I'm sure, for the many constitutional negotiations with which he was involved, and Alberta will certainly remember the stand he took last year when he agreed to our position on Senate reform. That took courage. He faced a great deal of opposition in his own province for that position, but he understood what was important to other parts of the country. He had a vision of a Canada that accommodated many differences, and while he had his own priorities for constitutional reform, he showed great flexibility in coming to accept reforms that were not all that popular in his own province.

I believe Premier Bourassa will be remembered as a statesman in our country. He has been in office for a very long time having been first elected Premier in 1970. Mr. Speaker, the country has changed a great deal in the last 23 years, and he has been a significant part of those changes. Premier Bourassa was one of the leaders in recognizing that Canada needs to be outward looking,

needs to be competitive globally, and he has long advocated a very active role for provinces in the international arena, which is another area where Quebec and Alberta have worked together.

It has been a privilege, sir, to know him and to work with him, and I would like to commend him for his service. I know all Albertans join me in sending best wishes for the new life he is embarking on.

MR. SPEAKER: The hon. Leader of the Opposition.

MR. DECORE: Thank you, Mr. Speaker. I, too, wish to join with the Premier and the government and my colleagues in the Liberal caucus in expressing our feelings about Mr. Bourassa. As I sat back and thought about this Canadian Premier, Mr. Bourassa, I thought of words like "gentleman." He is known to us, to Canadians as a gentleman in the sense of being very gentle and a person who is measured in his words, a person who hasn't shown great outbursts of emotion, a person that Canadians have come to feel very comfortable with. I thought of the word "intellectual," that this is an individual who has gained our respect, my respect because of the way that he makes his arguments. There is fact and there is logic to the way he presents an argument.

Albertans will recognize Mr. Bourassa as a committed Quebecker, but we also recognize Mr. Bourassa as a committed Canadian. At a time when we see in our own federal election a party out of Quebec whose idea it is to tear our country apart by taking Quebec out, it's inconceivable that we could allow that to happen and even more inconceivable that that party might even have strength in a minority situation of holding some sort of balance of power. That's why the Robert Bourassas of the world are needed. That's why Robert Bourassa or people like him are needed for Canada.

Mr. Speaker, we in the Liberal opposition recognize his tremendous contribution to Canada. I think the Premier has made a good comment in saying that Mr. Bourassa has been a strong advocate of strong provinces, because at a time when other provinces were ganging up on Alberta and perhaps on Quebec, there was the need for a liaison, for a common defence, and he was part of that common defence. He has had a long and distinguished career in working for Canada and for Canadians.

There is one other side note that I think needs to be made about this Canadian, because I have been touched by the same problem, and it is his ability to have overcome cancer and have done it in a most gracious and impressive way. We on the Liberal side wish him well in his future.

Thank you, Mr. Speaker.

2:40

MR. SPEAKER: The hon. Member for Redwater.

MR. N. TAYLOR: Yes. I wanted to take a moment, as someone who's known Mr. Bourassa for many, many years, first of all to thank the Premier for introducing the motion and the idea. Perhaps I'll recall a personal touch. Both Mr. Bourassa and myself had occasions to be at national Liberal policy meetings occasionally, and we often crossed swords with that other famous son of Quebec, quite famous for his beard and his karate kicks right now. We didn't always agree, and Mr. Bourassa always was able to get things across in a kindly and straightforward manner.

I think I particularly remember him because it was a very lonely job leading the Liberal Party here in the '80s. Sometimes I'd wander in and be up there in the stands, and you were sort of like the little match girl with your nose pressed against the window watching politics go on inside. Other Liberal Premiers and Liberal

leaders would quite often go across the country. Some quite often didn't have the time to call the Liberal leader in Alberta, but Mr. Bourassa, whether he was out of power and without a seat or whether he was in power with nearly all the seats, always took a moment to call and talk about Confederation and Canada. It's a kind thought that I think a lot of us on both sides of the House sometimes forget. He realized that politics wasn't an easy game. It wasn't a game you always won, and he was one that seemed to realize that he could stop and chat and talk about Canada in general.

Finally, I think it summed up, maybe expressing what a lot of Canadians think – I can't help but think of that cartoon a while back, when Mr. Bourassa did come down with cancer, of a Canadian beaver with a get well card under his arm knocking at Mr. Bourassa's hospital room door. I think a lot of our thoughts go with him and with his family. I hope he has a long and interesting retirement.

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

HON. MEMBERS: Question.

MR. SPEAKER: All those in favour of the motion moved by the hon. Premier, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no. Let the record show that it carries unanimously.

Privilege

Access to Health Roundtable Document

MR. SPEAKER: The hon. Opposition House Leader on a question of privilege.

MR. MITCHELL: Thank you, Mr. Speaker. Pursuant to Standing Order 15(2), earlier today I provided you with the requisite notice of my intention to raise a question of privilege. I appreciate the opportunity to do that at this time.

My question of privilege stems from the following occurrence. Last Friday the minister responsible for the Health Planning Secretariat advertised in the *Calgary Herald* information concerning the scheduled roundtable on health to be held in Calgary on September 17. Clearly stated in that advertisement was reference to the government's workbook *Our Bill of Health*, which was according to the advertisement to be made available as follows, and I read this from the advertisement itself: "It is available from your local MLA or public health unit." On Monday – that's yesterday, Mr. Speaker – at least two of the constituency offices of opposition MLAs, Liberal members of the Legislature, were called, as might be expected following the information contained in this advertisement. Our two offices had not been provided with copies. In fact, none of our offices have been provided with copies, as required by that advertisement, and in fact we had had no previous notice prior to this advertisement of ever having to have those documents available in our offices.

Upon calling the minister's office in response to both these calls, we were told that the publication is available only through the offices of government MLAs and through public health units. I have confirmed, in fact, Mr. Speaker, that the document is available through at least some government MLAs' offices, since we phoned and found out from those that were open. The Premier's office, for example, has copies of this document

available. I reiterate and emphasize that that is not the case, that we were not provided in our offices with the documents, and when we called, we were told that in fact they were available only through government offices or through health units.

Mr. Speaker, I'd like to quote from *Erskine May* with respect to the nature of privilege. I am quoting from the 21st edition of *Erskine May* at page 69.

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

It goes on later in the same paragraph, Mr. Speaker:

Other such rights and immunities such as the power to punish for contempt and the power to regulate its own constitution belong primarily to each House as a collective body, for the protection of its Members and the vindication of its own authority and dignity. Fundamentally, however, it is only as a means to the effective discharge of the collective functions of the House that the individual privileges are enjoyed by Members.

The next paragraph begins:

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

Mr. Speaker, the point of privilege that I submit for your determination and the determination of the Assembly is the contention that the action and accompanying inaction of the minister is a breach of privilege because at least some Members of this Legislative Assembly were put in a position of having to fill an obligation arising from their roles as MLAs, and created by the minister herself, which they were then inhibited from fulfilling by the minister's own office.

Secondly, Mr. Speaker, this is a question of privilege, I believe, because there is evidence that government members were treated differently in this particular matter than opposition members, putting some members at a disadvantage over others in fulfilling an obligation that had been created by the minister.

Thirdly, Mr. Speaker, I believe this is a question of privilege because in doing what has been done and in not doing what should have been done, the minister placed members in a position where their credibility could be drawn into question by Albertans, who would be rightly frustrated to find that they could not believe in a commitment that had been made by this minister of the Crown in a very public place.

There is precedence for this question of privilege, Mr. Speaker. Earlier in the year, in fact on May 10, 1993, the then Member for Edmonton-Strathcona raised a question of privilege relating to budget documents which were distributed solely to government MLAs and were not made available to opposition MLAs. I would point out, although I'm fully aware that the Speaker will pursue this himself, that the previous Speaker ruled that in fact that action was a matter of contempt of the Legislative Assembly. The Ethics Commissioner ruled later that it was not a matter of an ethical question, but in fact he did not rule and could not rule on the question of privilege and contempt.

It isn't inconceivable that what has occurred may have been unintentional on the part of the minister, but I question whether it would be unintentional given the very explicit message received on two occasions from her office which indicated that these documents were available through government MLAs' offices and through public health units. Even if it is unintentional, I think it would demonstrate that the minister should be much more careful,

much more courteous in respecting the rights of all MLAs in this Legislature. In not doing so, Mr. Speaker, the minister erodes the effectiveness of this Assembly, she erodes the effectiveness of every single member in this Assembly, and, ultimately and ironically, she erodes her own rights as a member of this Assembly. Either way, unintentional or intentional, this is a breach of privilege that deserves the attention of this Legislature.

2:50

MRS. MIROSH: Mr. Speaker, I rise in response to the Official Opposition House Leader. I'd like to say on record that no member of this House nor member of the public nor organization has ever been denied this booklet, Our Bill of Health, which has been produced by our moderator, Dr. Wagner, for the workshop roundtables that are now occurring.

Mr. Speaker, at the end of the Red Deer conference in August I had explained to the people who attended that meeting that these books would be available through MLA offices as well as public health units. The member opposite was in attendance when I made that statement. I also would like to assure that no member has received any copies delivered to their constituency office because the expense did not allow it. Members were given the opportunity on their own to receive these books, to pick up these books and contain these books in their own constituency office. Our office, through the Minister of Health's office, delivered these books to the 27 public health units throughout Alberta. I'd like to reiterate that it was every individual Member of this Legislative Assembly's responsibility to pick up these books to have them in their own constituency office.

I believe a point of privilege is out of order, Mr. Speaker. In fact, I believe it's abuse of this Assembly's time. Once again, I feel that it is the responsibility of the MLAs to have these books available. They will be available in the Premier's office in Calgary, the Premier's office here at the Legislative Assembly Building, the public health offices. Any MLA that wants this book available, please come and pick them up.

Thank you, Mr. Speaker.

MR. SPEAKER: The hon. Member for Edmonton-Glenora.

MR. SAPERS: Thank you, Mr. Speaker. On the point of privilege. My constituency office was contacted yesterday by a constituent who requested a copy of the workbook. My constituency worker contacted the minister responsible's office and was told that no copies would be made available for distribution through my office and that all requests were to be referred back to either the minister or the public health unit.

MR. DAY: Well, Mr. Speaker, for individuals who purport to be concerned about getting on with the business of the House, this is another example of some whining, crying, time-wasting that frankly is frustrating the government members.

I would like to suggest the seriousness of raising a point of privilege. *Beauchesne* is very, very clear on how serious this is and talks about "the sum of the particular rights enjoyed" by members and talks about how serious it is to even raise this; talks about "the privileges of Parliament are rights which are absolutely necessary for the due execution of its powers." There even is a precedent in *Beauchesne* which I could refer to you, section 31(10), that talks about communications and publications. I'll quote somewhat from it.

The question has often been raised whether parliamentary privilege imposes on ministers an obligation to deliver ministerial statements and to make announcements and communications to the public

through the House . . . or to make these announcements or statements in the House rather than outside the chamber.

It goes on to say:

The question has been asked whether Hon. Members are entitled, as part of their parliamentary privilege, to receive such information.

The quote is here, and it's taken from *Debates*, October 30, 1969. The pages are given.

Summed up by the ruling, I can find no precedent to justify this suggestion. The Opposition House Leader has emphatically been shown to be totally incorrect in his allegations. I would share with the Member for Edmonton-Glenora that I took it upon myself as an MLA to call to see where these books can be received, to go and get some of those books for my constituents, not to whine around like a bunch of babies saying, "Feed me, feed me."

I close, Mr. Speaker, by saying that even if the Opposition House Leader were correct – he is categorically wrong in his allegations – it's very clear that if that were the case, there is no precedent to justify this suggestion that it's a breach of privilege.

Point of Order Imputing Motives

MR. SPEAKER: Does the Opposition House Leader have a point of order?

MR. MITCHELL: Just a brief point of order, Mr. Speaker, under 23(i). I take exception to the member's use of terms such as "whining" and suggesting that in fact we are wasting time. That "imputes false or unavowed motives to another member." The fact is – and I want to make it very, very clear – that this is not similar to, it does not fall under the provisions that he has read from. This is quite different because the minister made a commitment in a public document that those documents would be available through MLA offices. We have tried to get them, and we were unable to get them. I believe the deputy or associate associate Whip on that side of the House demeans and debases the nature of this question at this time with his comments.

Privilege Access to Health Roundtable Document

MR. TANNAS: Mr. Speaker, I'd like to enter into this discussion on the point of privilege. As a government member I, too, had the opportunity that the minister referred to. I wrote a note. We arranged to pick up the books, and I arranged to take them to my constituency office. They were not delivered to me.

MR. BRUSEKER: Mr. Speaker, the point that the government members have not picked up on is that when we on this side of the House attempted to access the information that was obviously available to the Minister of Labour – the Member for Red Deer-North – and the Member for Highwood, when we inquired and asked for that information, the response was no. My office also asked for the information and was denied – denied, denied: did you hear it? – the opportunity to get this information. I could spell it, but it would probably go over your head.

MR. KOWALSKI: Mr. Speaker, the suggestion of a point of privilege is indeed a very, very serious one. All hon. members, particularly the members of the class of 1993, hopefully will appreciate that when a charge is made in the area of privilege, then in essence the ultimate penalty that could be prescribed if the charge of privilege is found to be, one, a charge and if the House chooses to deal with it, can in fact be imprisonment for the individual who is found to be the violator of privilege.

MR. MITCHELL: We're not suggesting that, Ken.

MR. KOWALSKI: I'm glad to hear that the Liberal House leader said that in essence that is not being suggested at all.

I think on that point it's fair for a few comments to be made.

Mr. Speaker, earlier today the Liberal Opposition House Leader conveyed a statement to the hon. Mr. Speaker, and a copy was made to the minister responsible for the roundtable on the Alberta Health Planning Secretariat. It's my understanding that midmorning, around noonish or something to that point in time, the minister in fact telephoned the Liberal Opposition House Leader in an attempt to explain if there had been a misunderstanding with respect to this. It's also my understanding that if there was any misunderstanding whatsoever about the opportunity to access documents, in fact they would be made available. In my understanding in discussing this matter with the minister responsible for the Alberta Health Planning Secretariat, it was certainly never the intent whatsoever to deny any hon. member of this Assembly access to any of the documents that this government has. In the exchange that has gone forward here in the last few minutes, neither the Liberal House leader or the minister pointed out that reality of this exchange in an attempt to ascertain validity with respect to this. I hope that this is in fact nothing more than a misunderstanding.

Beauchesne very clearly deals with some certain sections in dealing with privilege, and I would like to refer the Speaker to sections 31(1) and 31(3), because I think 31(1) is pertinent to this.

3:00

Secondly, when a question of privilege is before the House, under *Beauchesne* 50:

. . . where the propriety of a Member's actions is brought into question, a specific charge must be made.

To my knowledge the Liberal House leader did not in fact fulfill a specific charge with respect to that.

I might also point out to you, Mr. Speaker, section 92 of *Beauchesne*, which I believe has some validity with respect to this question of privilege:

A valid claim of privilege in respect to interference with a Member must relate to the Member's parliamentary duties and not to the work the Member does in relation to that Member's constituency.

What I've heard hon. members say here in the last few minutes is that in fact somehow conveyance of information to the constituents seems to have been the case, and it's very clear what *Beauchesne* 92 says with respect to points of privilege.

I would further like to draw the attention of the Speaker to *Beauchesne* 110, in essence, because I've heard the comments made about certain staff members, and they have not been identified. I do not know and the House would not know, Mr. Speaker, although the suggestion is made that these are staff members in the office of the minister, presumably in the office of the minister located in this building as opposed to perhaps employees who might be located with the Health Planning Secretariat or in fact the hired consultant, Dr. Wagner, who may have been in a position to provide certain information upon request.

I would further submit to the Speaker, when he does evaluate this question of privilege, *Beauchesne* 116, basically talking about published materials and the tabling of such published materials. Mr. Speaker, in terms of the published document in the newspapers, it's very clear that the document itself – and I'd be very, very happy to table it for the Assembly and for the review of the Speaker – that the statement does say, "It is available from your local MLA or public health unit." We've heard statements made by some hon. members that they had some difficulty in obtaining

these documents but then also statements from the minister basically saying that they are available, and perhaps *Beauchesne* 31(1) is one of the most pertinent clauses that could be used.

The arguments put forward by the Deputy Government House Leader I think are very, very valid in this context in terms of putting in place what a question of privilege is, but this indeed, sir, is a very serious charge and a very serious matter when it is raised in an Assembly. It's not to be taken lightly, not to be taken frivolously. I would like to repeat again for the information of Mr. Speaker that it's my understanding that the Liberal House leader in fact had a phone call from the minister earlier today in an attempt to clarify the matter, and it's unfortunate that the matter is still brought before the House. I do not believe it is a matter of privilege; it may very well have been one of misunderstanding, Mr. Speaker.

Point of Order Clarification

MR. MITCHELL: Mr. Speaker, a point of order under 23(h) through (j). I acknowledge, now that it's been made public, that in fact I did get a phone call from the minister, but I did not raise that phone call in this Legislature because it was a private phone call between the minister and me. I will say that what that phone call served to accomplish was simply to confirm what I had already concluded about this question of privilege. The minister said that she expected members to go out and get these documents. Well, I would argue that if she's making a commitment that they're available in our offices in a public place – that is the newspaper, the *Calgary Herald* – that she should at least have had the administrative competence to send documents to us and to give us notice so that we would be prepared.

I would also question, although this was not confirmed in our telephone conversation, whether she in fact gave her members notice of that ad but did not give our members notice. That's another question that would be interesting to pursue. What happened, to confirm my concern, is that in fact she said that members could go and get those documents somewhere, anywhere, and in fact our members, two of them, have tried to do that and they have been denied that, Mr. Speaker. That conversation did nothing to alleviate any potential misunderstanding. It confirmed my commitment and my determination that in fact this is a prima facie case of privilege.

MRS. MIROSH: On the point of order, Mr. Speaker. *Beauchesne* 110 says, "Parliamentary privilege does not extend to the actions of a member of the staff of a Member of the House of Commons." The letter that you have received – I received a copy of it – indicates that it was the constituency offices that the members opposite are concerned about. They wanted these books delivered to their constituency offices. I'd just like to read the paragraph that indicates that.

Several Alberta Liberal MLA constituency offices have . . . revealed that this document is only available through the constituency offices of . . . MLAs and will not be provided to Alberta Liberal MLA constituency offices.

For clarification I have sent over to the Liberal's office here in Edmonton this afternoon a box of books and . . . [interjections] Please, Mr. Speaker. They're available, and they are still continuing to be delivered throughout the province as the process continues on the roundtables.

MR. SPEAKER: If there are no further comments, the Chair will take this matter under advisement and attempt to have a ruling tomorrow.

head: **Orders of the Day**

head: **Public Bills and Orders Other than
Government Bills and Orders
head: Second Reading**

**Bill 202
Deficit Elimination Amendment Act, 1993**

MR. SPEAKER: The hon. Member for Edmonton-Whitemud.

DR. PERCY: Thank you, Mr. Speaker. It is an honour and privilege to have this proposed amendment, the Deficit Elimination Amendment Act, 1993, Bill 202, the first Bill to be considered under the new rules of the parliamentary reform package, because it is an attempt to deal with some of the issues of legislative reform.

I would like to start out by making the point, all members of this House know, that this Bill emerged and was submitted to Parliamentary Counsel in early August, well before it was known by all members of this House that we would get the package that we did get. I think it's very clear that all members of this House, had they known we would be in fact embarked on parliamentary reform of this magnitude, in the process of drafting their Bills would have talked to one another to a much greater extent than did happen. So in this session I think we're in a process of a transition, and it will be really next session, after we've been able to discuss these issues together, that we'll see Bills that really reflect the true spirit of the parliamentary reforms.

Notwithstanding that, I think this is a good Bill, and I will speak very strongly in favour of it for a number of reasons. First, let me just give you some background to this Bill. It's earlier incarnation had been as an amendment to the Deficit Elimination Act in May, and at that time the amendment had proposed financial penalties of 5 percent on all MLAs if the deficit elimination targets were not met, and then 10 percent subsequently if the Deficit Elimination Act targets were not met. That Bill was voted down, and in fact the Provincial Treasurer called it frivolous, the fact that it was an attempt to provide financial penalties for not meeting the targets of the Deficit Elimination Act. Well, I do not think it is frivolous to try and build accountability into the system.

The present form of the Bill emerged after extensive consultations in caucus. Let me just briefly describe the Bill to the members of this House. The Bill has two parts. The first part defines specifically that there will be a 5 percent penalty to all members of the House, opposition and government, if the targets of the Deficit Elimination Act are not met in the first year, '93-94. The second part of the proposed Bill requires that if the Deficit Elimination Act is not met in the second year, in fact the Premier would be requested to resign.

There are two components to this. The first is that the financial penalty is in fact symbolic; \$238,625 is not going to make a large contribution to the deficit if we should overshoot the Deficit Elimination Act targets. We have to have it there because elected officials are accountable and must bear part of the pain of ever rising debts and the costs of servicing that debt. So it must be there. On the other hand, to not meet the targets in the first year and then subsequent years thereafter means we would be back to the Getty years: eight successive deficits, a shift in our financial position from a surplus of \$12 billion to our net deficit position now of, depending on how we want to count it, about \$11.8 billion including the unfunded pension liabilities.

MR. DINNING: You read it. You've read the plan.

3:10

DR. PERCY: More than read it. I'd like to hold you accountable to it.

So there are two elements to this. One is symbolic. One in fact, then, is trying to build into the parliamentary system a mechanism of accountability. This Bill is front ended in the sense that it is specifically linked to the first year of the deficit elimination targets. Should the hon. Treasurer succeed in reaching those targets, in fact the provisions of this Bill would not hold. It would be redundant. It seems, though, the Provincial Treasurer has some doubts of his ability to meet those targets. Otherwise, he would not be so vociferous in his opposition to any mechanism of accountability in the Act.

Should in fact the Act be met in the first year and not in the second year, it is redundant. The effort here is to try and build in place a mechanism at the front end of this exercise that builds in accountability. Because should the targets of the Deficit Elimination Act not be met in the third and fourth years, we will have in fact a general election, generally in the fourth or fifth years of any government's mandate, and at that time the government collectively would be assessed on its performance or its inability to meet the targets of the Deficit Elimination Act. So what this Bill proposes, then, is a mechanism both to make elected officials accountable and responsible and share in the pain of not meeting the targets, something that heretofore has been lacking, but also to assign ultimate responsibility as to who is responsible if the targets are not met.

You will recall yesterday, when we were talking about the report that was issued from Ottawa, that the province of Alberta was in fiscal crisis in November 1992. You will recall that the hon. front bench, the members who were in the previous government, disclaimed responsibility. They implied that it was hard-driving Premier Getty that forced them to spend excessively. This Bill, then, relieves them from that onerous burden of having to deal with somebody who had forced them to go out and spend money, and it would hold the one individual who is collectively responsible: the Premier.

Now, one can raise the objection that in fact this Bill is inconsistent with our parliamentary tradition, but I would point out that the Bill clearly says that it does not in any way obligate the Lieutenant Governor to come forward. What it does do is in a sense assign moral responsibility to the Premier to be accountable. Should any politician have a flagship Bill run on it, suggest that in the context of an election this is the criteria by which they are going to be judged, well, there has to be a mechanism of accountability built into it.

In our caucus when this Bill was discussed – and it has gone through this modification, from being a simple set of penalties of 5 and 10 percent to one that is 5 percent and then this provision – we discussed the whole issue of how to build accountability into a parliamentary system. Ultimately, in a parliamentary system it is the electorate that decides, and they decided in the June 15 election to elect this government on the basis, as the hon. Treasurer has said, of their plan, their targets. Their targets are set out under the Deficit Elimination Act very clearly. This is the flagship Bill for the government. Again, I find it very surprising that they're unwilling to say, given that these targets exist, that they somehow disclaim any responsibility for putting, in fact, mechanisms of accountability in place. I believe that collectively we are responsible. That's why there is this element in the Bill that leads our salaries to be reduced by 5 percent. Should we not reach the targets in the first year, not reach the targets in the second year, not reach the targets in the third year, not reach the

targets in the fourth year, this province will be very much like Saskatchewan with a triple B rating.

If you look at what has happened to our debt servicing over this period – in 1985 debt servicing as a share of expenditures was 1.1 percent. In 1993 the projected debt servicing is 10.4 percent. Projected debt servicing with the Deficit Elimination Act in place is 16.9 percent. Seventeen cents on every dollar is going to go to debt servicing. We cannot afford to overshoot and not reach those targets. There have to be mechanisms of accountability built into the system, and this Bill, then, is an attempt to do so but to constrain it to the front end. As I say, in the third and fourth years there is the generally accepted mechanism of general elections at the end of the mandate of a government to deal with the inability to meet the targets set out under the Act. So I feel very strongly that if we're going to work within the context of the parliamentary system, we do need some mechanism of accountability directly with the electorate. I would argue that if in fact we did not meet the targets in the first year and if we did not meet the targets in the second year, given that the Deficit Elimination Act was the fundamental plank under which this government ran, it would be in the Premier's best interest to face the electorate to renew his mandate.

Say that he missed the targets because the bottom fell out of oil prices and they filed at \$5 a barrel and the government was unable to meet the targets set out in the Deficit Elimination Act. What would happen? Would we revise the Act? Well, clearly then what would happen is that it would be issues of credibility. The perception would be: well, we'll change the Act as we go along and circumstances change. I think it would be incumbent upon the Premier or any leader, whether it's of a large firm with unexpected reverses or of government, to go back to the people and say: "Look; things have changed. I ran on this. Market circumstances did not allow me to meet the targets, but we are on track notwithstanding." His credibility could only be enhanced.

There are a number of issues at stake here, but let's not disagree on some issues. First, the Deficit Elimination Act is important. Those targets have to be met. There is no doubt about that. If you look at what lies ahead for this province in the coming years and you look at our revenue base, it's a horrific story. The real income from the heritage savings trust fund is declining, real transfers from the federal government are declining, and it's very likely the real revenues from our resource base are declining. Forty-five percent of our revenue base is in decline. Debt servicing is rising. So we have a dwindling revenue base, escalating debt servicing, and we have a set of targets in place. We cannot do what we did over the previous eight years, have successive deficit after deficit – the hon. member who has been both yawning and talking loudly was a member of that government – just vote money: spend, spend, spend, spend. So the bottom line is: there have to be mechanisms of accountability built in, especially when you're dealing with an Act as important as this Deficit Elimination Act.

Now, this Bill has teeth in the sense that all members are collectively responsible. The Bill allows opposition members and government members to share equally in the cost of not achieving those targets. That's equitable and that's fair because we are collectively elected to deal with this. The Bill is consistent with parliamentary tradition because it does not interfere with the prerogatives of the Lieutenant Governor. It requests that the Premier resign. The Lieutenant Governor may just not deal with it, or as in any Act the government could amend it, but it does assign responsibility. It was very clear yesterday during the debates as to who was responsible for the shift in our fiscal position under Premier Getty. They suggested very strongly that

members of his cabinet were not responsible. They may have been there, but by gosh, it was the Premier that was responsible, and unfortunately he was not here to defend himself. The bottom line is: it is the Premier who is responsible for meeting the targets of government, not the Treasurer, not any of the other hon. members. Ultimately, the responsibility rests with the Premier on his shoulders. This Act, then, attempts to build that mechanism of accountability in. It has both the symbolic element, because as I say, it's symbolic in that \$238,625, a 5 percent reduction in our pay, is not going to make a significant dent in the deficit. It has teeth in the sense that there is a mechanism of accountability there.

Now, let me reiterate the point: had parliamentary reform been passed in late July, early August, there may well have emerged quite a different Bill. Certainly in the context of our caucus debates, the issue that continually arose was: what is a good mechanism of accountability in the context of our parliamentary tradition? It was felt that just having financial penalties on the members wasn't sufficient because the costs of that ever escalating debt, the further rise in debt servicing and its effect of crowding out our ability to finance health care, education, advanced education was too costly to wait over the five-year period. So we wanted a mechanism that was front ended.

So in a nutshell the Bill has two components to it. It is consistent with our parliamentary tradition. It has gone through Parliamentary Counsel. It does not interfere with the rights and privileges and prerogatives of the Lieutenant Governor. It was written and drafted, as all of the hon. members here know, in early July in order to be seeded in the priority listing. The fact that it rests at 202 – it's our number two Bill – suggests very strongly that this Liberal caucus believes in mechanisms of accountability and in fiscal responsibility.

Thank you.

3:20

MR. SPEAKER: The hon. Member for Calgary-Shaw.

MR. HAVELOCK: Thank you, Mr. Speaker. I certainly welcome this opportunity to address Bill 202 as proposed by the hon. Member for Edmonton-Whitemud. However, prior to doing so, I'd certainly like to congratulate you, Mr. Speaker, on your election and indicate that I look forward to working with you during the next few years.

Mr. Speaker, as noted in the throne speech, there is widespread discontent and a cynicism among voters towards traditional government institutions. The general public is aggressively demanding that elected officials be directly accountable for the prudent expenditure of moneys. The right to replace governments at four- to five-year intervals is no longer deemed sufficient. In recognition of voter dissatisfaction some jurisdictions have adopted unique legislative practices to enhance accountability. Free votes, as I'm proud to say we now have in Alberta, legislation by referendum, and rights of recall are but a few of such provisions which have been introduced over time.

Mr. Speaker, the introduction and passage of the Deficit Elimination Act was a response to such demands. Reaction to the Act was and still is generally favourable subject to one primary criticism: it does not provide for disincentives should the deficit reduction objectives not be achieved; hence, the initiative we see today to rectify that perceived deficiency.

I, like my colleagues, believe this government must continue to fulfill the commitments it made during the election. To accomplish our task, we must lead by example. Consequently, I fully support the inclusion of financial penalties for all MLAs in the Deficit Elimination Act. Such provisions render elected officials

directly and immediately accountable for their actions. They provide both government and opposition members with an incentive to co-operate in resolving the deficit and the debt. Most importantly, Mr. Speaker, financial penalties reflect recent accountability trends in the private sector.

My support for penalties should not be interpreted as an endorsement that MLAs are not presently accountable. We should not ignore that all MLAs respond to public input and pressure on a daily basis. In addition, this government now provides quarterly financial reports. We have adopted many of the recommendations from the Auditor General's report and the Financial Review Commission. We have also embarked on an unprecedented course of public input through the implementation of the health and education roundtables and more recently the freedom of information Act panel. While it is arguable that the Deficit Elimination Act could be improved, Mr. Speaker, I would counter that this government has not deviated from the message it delivered to voters during the election.

Mr. Speaker, I have every confidence that we will achieve the targets set forth in the Deficit Elimination Act. The budget presented by the Treasurer indicates our commitment to deliver, and even with the introduction of penalties I doubt such provisions would ever be utilized. I believe the resolve of this government is that strong. Nevertheless, having regard to the arguments previously given, I do support penalties in the Act and would now like to address the specific provisions of the Bill.

Taking into account what has been said by the hon. member, I must admit to my disappointment upon reviewing the terms of the Bill. I recognize that the Bill was submitted prior to the Legislature having adopted the free vote provisions. Consequently, I am hopeful that the opposition will exercise some discretion and responsibility in the future in tendering legislation which has a remote chance of attracting government member support. At the very least, Mr. Speaker, I had expected a proposal containing amendments similar to the 5 and 10 percent penalties advocated by the hon. Member for Edmonton-McClung both prior to and subsequent to the election. Instead, what we have before us is a Bill which is deficient in a significant respect.

The amendment calls for MLAs to forfeit salary in the 1994-95 fiscal year if the deficit target is not met for the current year. That is not in my opinion an unreasonable suggestion. Unfortunately, the Bill goes on to propose that should the government not meet the deficit reduction goal for the 1994-95 fiscal year, the Premier must offer his resignation. Mr. Speaker, some U.S. jurisdictions have enacted legislation with respect to requiring the presentation of balanced budgets. Despite such legislation I am not aware of any instance where a state governor has resigned pursuant to such a provision. Thus, I would suggest that such legislation is not particularly effective. Further, if the hon. Member for Edmonton-Whitemud had truly wished to advance this discussion and secure broad support for his proposal, the Bill would not have incorporated the resignation concept. The failure to achieve the targets in the Act is not the failure of one man but of every member in this House.

Mr. Speaker, a more meaningful Bill would have included annual reductions in the MLA indemnity based on the portion of deficit target not achieved. The higher the difference between the target and the actual annual reduction the higher the penalty. Consideration should also have been given to incorporating additional penalties for ministers whose departments did not achieve the targets. The ability to reinstate MLAs' salaries, if reductions have occurred, to previous levels when targets are exceeded is not addressed. Further, the hon. member should have recognized the significant role undertaken by senior government

employees in assisting this House in achieving the deficit reduction goals. It may be appropriate to reduce deputy ministers' and/or assistant deputy ministers' salaries in conjunction with their minister when budgets are overspent. I recognize that the implementation of penalties will not have a significant impact on the deficit. It does however send a simple message to all Albertans that we are serious about eliminating the deficit and debt and that we as elected officials are prepared to accept the political and financial consequences of nonperformance.

In conclusion, I find myself in a dilemma. This is a complex issue deserving of extensive discussion. Ordinarily, I would urge my colleagues to support the Bill at second reading and request them to evaluate the merits associated with financial penalties in committee. The difficulty arises as to the inclusion of the obligation for the Premier to resign. I find it to be so repugnant and contrary to the spirit of the debate regarding this issue that I cannot support the Bill. Further, I am hopeful that this questionable attempt to bring this matter before the House has not completely undermined legitimate arguments associated with incorporating penalties in the Deficit Elimination Act. Mr. Speaker, Albertans expect and deserve better.

Thank you.

MR. SPEAKER: The hon. Opposition House Leader.

MR. MITCHELL: Thank you, Mr. Speaker. I should say: quite an auspicious beginning for the Member for Calgary-Shaw. Congratulations on his delivery. It's very interesting, after what he has said publicly about the need for teeth in the Deficit Elimination Act, that he would be the one selected by this caucus in some kind of motion, in some kind of effort to punish him, that he would be the one who would actually contradict and be required to contradict the principle of this Bill. The fact is that as a new member he may not understand what is at stake in second reading. What is at stake in second reading is not the detail of the Bill, but in fact the principle of the Bill. The principle of this Bill is that there must be . . .

MR. HAVELOCK: A point of order.

MR. SPEAKER: Order please. Is the hon. Member for Calgary-Shaw rising on a point of order?

MR. HAVELOCK: Yes. Thank you, Mr. Speaker. I wasn't going to get into this, but now that you've opened the door, I'm going to. Sometime ago I raised the issue rather publicly of putting teeth into the Deficit Elimination Act. [interjections]

MR. SPEAKER: Order please. Unfortunately, the hon. members will have to consider this disagreement the next time the matter is called, because it is now 3:30 and according to Standing Order 8(2)(b), we are required to move on to Motions Other than Government Motions.

head: **Motions Other than Government Motions**

3:30 Members' Statements

201. Moved by Mr. Severtson:
Be it resolved that the Legislative Assembly include a member's statement period in the Tuesday and Thursday Routine proceedings.

[Debate adjourned September 2: Mr. Severtson speaking]

MR. SEVERTSON: Mr. Speaker, in 1991 when I introduced private members' statements to be put on the Routine proceedings,

it was for one main reason, and that was to help individual members of this Assembly be more effective in bringing the concerns of their constituents to this Assembly. With the passing of the motion last Thursday to amend the Standing Orders, it has become a reality. Therefore, I would like to ask the House for unanimous consent to withdraw Motion 201.

MR. SPEAKER: Having heard the request by the hon. member to withdraw Motion 201, does the House agree?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried.

Young Offenders Legislation

202. Moved by Mr. Herard:

Be it resolved that the Legislative Assembly urge the government to ask the federal government to make immediate changes to the Young Offenders Act by reducing the minimum age to 10 and requiring violent crimes of murder and sexual assault to be referred directly to adult court.

MR. HERARD: Good afternoon, Mr. Speaker. It's a privilege for me to rise today to initiate debate on Motion 202. Before I get to the motion, I sincerely want to add my congratulations to your election as Speaker, sir, and I'll have more to say about that when I get an opportunity to do my maiden speech.

The Young Offenders Act was enacted in 1983 to replace the Juvenile Delinquents Act of 1908. It amazes me, Mr. Speaker, that the old Juvenile Delinquents Act was in effect for so long, considering the massive industrial, economic, and societal changes that our country has undergone. We certainly can't wait and can't afford to wait that long to change the Young Offenders Act. There are many changes that need to be made to modernize the Young Offenders Act, so many that I simply cannot address them all in a motion. I would like to highlight the two changes mentioned in the body of the motion, because I believe that the age of young offenders and the serious repeat offenders do create the most discussion and concern for my constituents.

By way of background, the Juvenile Delinquents Act presented a social welfare aspect to the treatment of young people who had run up against the law. The old legislation took the needs of the juvenile as the primary concern when considering court action. Juveniles brought before the court were not considered to be criminals injurious to society; rather, they were considered to be misguided. These individuals needed guidance, care, and discipline, values that perhaps should have been instilled in them by their parents. Under the Juvenile Delinquents Act, Mr. Speaker, the judges in juvenile court were to play the role of strict but loving parents. The Juvenile Delinquents Act affected youths beginning at the age of seven. This lower limit was set under section 13 of the Criminal Code of Canada, which stated that no person under the age of 12 could be convicted of an offence. The upper age limit for conviction under the Juvenile Delinquents Act was established by each province. Alberta, like most provinces and territories, established this maximum age at 15. Newfoundland and British Columbia set a maximum age of 16, while Manitoba and Quebec had a maximum age of 17. Under the Juvenile Delinquents Act parents could be held financially responsible for the criminal actions of their children. There is no such responsibility in the Young Offenders Act, which in my view is a serious deficiency.

Mr. Speaker, both the Juvenile Delinquents Act and the Young Offenders Act have similar criteria for cases being referred to adult court. The offender had to be at least 14 years old at the time of the offence, the offence had to be indictable, and the circumstances surrounding the case had to be very serious. It was and still is the responsibility of the Crown to prove seriousness to transfer a case. The Juvenile Delinquents Act called for an application for transfer for serious cases. The case was then judged on the equal consideration of the interests of the delinquent and the interests of the community.

Mr. Speaker, when the Young Offenders Act was enacted in 1983, it showed a change in philosophy of dealing with delinquent youth. The underlying principle of the Young Offenders Act was that young persons should be considered responsible and accountable for their criminal actions. Society should be given protection from these young offenders, but because the young offender would often be in need of guidance and supervision, factors largely out of their control, they should not be held accountable to the same level as adult offenders.

[Mr. Deputy Speaker in the Chair]

Mr. Speaker, under the Young Offenders Act parents are responsible for the care and supervision of their children. They are not, however, financially responsible for the criminal actions of their children. Therein lies one of the major problems with the Act. I believe that the Young Offenders Act did go a long way to update the legislation that it replaced. However, in the last 10 years we have seen many weaknesses in the Act and much more youth crime. There was a case earlier this year where an 11-year-old boy from Edmonton led police on a high-speed chase through the city. The chase reached speeds of 110 kilometres per hour in the city, and by the time the RCMP finally boxed this car in and stopped it near Stony Plain, the chase had reached speeds of 160 kilometres per hour. Now, that's a hundred miles an hour to us old-timers. The scariest part of this story is that there were two young girls in the car with him. His 13-year-old sister and 12-year-old friend were charged with possession of stolen property. The car they were in had been reported stolen a week earlier.

Even more alarming, criminals are using young people aged 10 to 12 to commit crimes. So even if they are caught by police, the only action police can take is to drive the offenders home and hope the parents deal with them properly. Some people dispute that fact, that use of young people to commit crimes. In a survey conducted by the Edmonton Police Service in 1991, 292 children in the city of Edmonton under the age of 12 committed acts which are considered crimes in our society. None of these children could be charged because the Criminal Code presumes that children under 12 are incapable of committing an offence. Once these young people are accustomed to criminal activities, it becomes a habit for them and a very dangerous game indeed.

Another problem, Mr. Speaker, is that if a young offender is caught and goes through the court system, his conviction is only on record for a period of five years. The young offender's record is cleared automatically.

Mr. Speaker, I believe we have to do something to address the problem of youth crime. I notice that my colleague from Calgary-Montrose is also pressing for amendments to the Young Offenders Act in a motion on the Order Paper. His motion deals with repeat offenders specifically, and I congratulate him on his efforts to bring this problem to light. I was also interested in hearing my colleague from Calgary-Fish Creek, in her maiden speech, that young offenders' concerns are high on her constituency's list.

Only last night my colleague from Calgary-East discussed similar concerns in his constituency.

Mr. Speaker, I'm concerned that the Liberal caucus across the way does not have the same concern for justice that our government has. I note that the Liberal Justice critic, the Member for Calgary-Buffalo, has been quoted in the paper as saying, "Canadians tend to view their own communities as much more dangerous than they really are," and "Youth crime is particularly inflated." These were quotes on page B3 of the *Calgary Herald*, April 7, 1993. The hon. member is also on record as saying that toughening the Young Offenders Act is not the answer to the growing problem of juvenile crime. Then what is the answer, Mr. Speaker? I urge the members opposite to vote with their conscience on this motion.

3:40

Mr. Speaker, I believe we have to do what we can to address the issue of youth crime, and this motion does address the most violent aspects of youth crime. We must impress upon the federal government, especially now that there's an election called, the urgency of addressing the changes needed to reduce growing numbers of youth crime. As most members in this House will be aware, earlier this year our former Attorney General made a convincing case to his provincial and federal counterparts to have the Young Offenders Act reviewed clause by clause to essentially keep what is good about the Act, to keep what works, but remove or improve what doesn't work. In recognition of his efforts I believe it was fitting that our new Prime Minister would choose Edmonton on August 30, 1993, to announce amendments to the Act regarding sentencing, statements from victims, more rigorous supervision after release, retention of records for a longer period, allowing greater information sharing between officials from various agencies, earlier assessment of violent and chronic offenders, along with a number of other changes.

In addition, the Prime Minister has borrowed another concept from this government, and that's the concept of open government. The Prime Minister has announced a public consultative process called towards safer communities that will deal with the minimum age and maximum age in the Act, publication of names of young offenders, and the significant implications for the provinces, who are responsible for the administration of justice, and all implications on the social services sector. I was encouraged by the comments of our Minister of Justice in this House with respect to participation in that process. These changes are promising, Mr. Speaker, but they need to go further. Young offenders involved in murder and violent sexual assault must be dealt with strongly. The whole intent of the Young Offenders Act was to increase the personal accountability of the offender.

In conclusion, Mr. Speaker, I urge all members on both sides of the Legislature to support this motion. The federal government has promised changes to the Young Offenders Act, but more must be done. I am confident that the citizens of Alberta will ensure that these concerns remain an election issue as we approach the federal vote. I must say that existing Alberta MPs are well known in Ottawa for their support of amendments to the Young Offenders Act. I encourage the members of this Assembly to pass this motion to show Ottawa that the concern of Albertans is genuine and serious and to do our part to ensure that this does remain an election issue. Please vote with your conscience.

Thank you.

MR. DICKSON: Mr. Speaker, I'd urge all members to vote with their heads. I recognize that the Member for Calgary-Egmont is concerned about juvenile justice and juvenile crime. I think it's

fair to say that the comments we've just heard from the Member for Calgary-Egmont reflect fairly general and widespread dissatisfaction in Alberta and other parts of the country with a youth justice system that does not work particularly well. Members on this side of the House also hear those kinds of complaints and those kinds of concerns.

What we're talking about, members, Mr. Speaker, is a system. As thoughtful, intelligent representatives of our fellow Albertans we recognize that a system is made up of a series of component parts and that if we say the system isn't working, we're wise enough and insightful enough to know that you don't disregard all of the other parts and focus only on one element. What we're dealing with here, Mr. Speaker, when we talk about a youth justice system - there is the Act. Unquestionably, that's an integral part of the system, but there are other parts to the system. We have youth court judges. We have institutions for young offenders. We have programs for young offenders. That's all part of the system. I think the thing that I find surprising and distressing is that I can't think of any other case where thoughtful members of this Assembly would say, "The system isn't working; therefore we're going to focus on this one element and disregard the other aspects to it." I would expect we'd say, "Let's look at how all of the component parts of the system either work or don't work together." That's what we have to do.

Now, it's curious to me that the mover of this motion has focused on the single component of the youth justice system, the only component of the youth justice system, over which the members of this Assembly have no control and no direct influence. When we have direct control as legislators in this province over appointment of youth judges, control over programs, control over facilities, why wouldn't we talk about those things if we're concerned about making our communities safer, about making a meaningful impact and reduction in terms of juvenile crime? It's a curiosity to me, Mr. Speaker. It may be that the one component of the system focused on in Motion 202, the Act, can be revised and can be amended. It'd be foolish to say that we can't make a stronger, a more effective Act but surely not in the way - and I say this as vigorously as I can - proposed by the Member for Calgary-Egmont. I have to say that the motion that's before us is in my view a simplistic, hasty reaction to the escalating level of fear of Canadians, and I don't think it's a responsible way to deal with a serious problem.

Mr. Speaker, on the one hand, the member opposite would have us reduce the minimum age, the threshold age, to 10. Well, you know, all 10- and 11-year-olds would then be dealt with not under the child welfare system, with the resources that are there, but now as part of the criminal justice system. I should back up and say that under this proposal that's advanced by the member opposite, what you have is now the possibility that a 10-year-old boy or girl, a 10-year-old child, could be dealt with by an adult court along with the worst, most serious adult offenders that we have in this jurisdiction, in this province, subject to the same laws as an adult offender, subject to the same punishment as an adult offender. Imagine a 10-, 11-year-old child being sent to a maximum security penitentiary. That's the proposal in front of us.

My friend from Calgary-Egmont took us on an interesting survey of the Juvenile Delinquents Act and some of the history behind the implementation of the Young Offenders Act. It was interesting. I think it's also worth noting, Mr. Speaker, that when the old Juvenile Delinquents Act covered children seven to 11 as well as older children, there were statistics kept on how big a problem we had from the bottom end of the range of people subject to the Act. In 1983, before the new Young Offenders Act came into force, only 1.4 percent of children found guilty in

Alberta were from that particular age group. We're not just talking about 11-year-olds but seven to 11. I'm not convinced that that age group is into any more criminal activity now, in 1993, than they were in 1983. In any event, the reality is – the Minister of Justice isn't here to confirm it, but I urge all members to ask him – 53 percent of the youth charged currently under the Young Offenders Act are 16 and 17 years old. That's the problem, not with the 10- and 11-year-olds.

3:50

There's a proposal for automatic transfer to adult court. Well, the motion says that this wouldn't apply to every young offender, only to those children who commit murders and sexual assault. Well, firstly, dealing with murders, fortunately, Mr. Speaker, the number of young offenders in this jurisdiction or in any province in Canada who commit murders is very, very small. In fact, if the member opposite or any member doesn't accept that statement, I invite you, I plead with you: pick up the phone and phone the chief of the Calgary Police Service or any other police chief, and they'll quickly tell you that with murder, attempted murder, and manslaughter, less than .1 percent of all charges against youth involve those three serious offences.

The motion also deals with sexual assault. Well, sexual assault under the Criminal Code embraces a whole range of conduct. At one end we have threatening to touch another for a sexual purpose, punishable, if an adult, with a modest fine. At the other end we have maiming or disfiguring a victim in the course of a violent sexual assault. Now, if it's an adult offender, on the one hand, the sentence might be a modest fine; on the other hand, it would be life imprisonment. Now, surely the member opposite in bringing this forward doesn't propose that we're going to treat young offenders, 10-, 11-, or 15-year-olds, more harshly or more severely than we treat adult offenders. That's where this motion would take us.

If any member of this Assembly believes that there's a significant problem of young offenders wounding or disfiguring women in the course of a sexual assault, please call your local police chief; please call the Crown prosecutor.

AN HON. MEMBER: One is too many.

MR. DICKSON: Of course one is too many, Mr. Speaker. One is absolutely too many. But let's focus on where the real problem is instead of creating straw men and bogeymen and expending a lot of energy dealing with a problem that is not a major problem in this jurisdiction.

On May 27, 1992, I noticed in one of the daily newspapers, Mr. Speaker, that youth court Judge Lynn Cook-Stanhope was quoted as saying:

It's my belief that virtually no one who has attacked the Young Offenders Act has ever read it, never mind taken the time to see how it is really applied.

I'm reminded of that quote when I see Motion 202. Motion 202 ignores completely – and I didn't hear this from the member opposite – recent amendments in the Parliament of Canada. Bill C-12 encompassed amendments to the existing Young Offenders Act, amendments to facilitate and simplify the transfer of young offenders to adult court. So the Young Offenders Act has already been amended to emphasize public safety. That's already happened.

On March 10, 1993, the Canadian Police Association made an interesting submission, a submission to the national symposium on community safety and crime prevention. I would expect that the Police Association would have something instructive to tell us in

terms of youth crime and how to deal with it, what works and what doesn't. They've made a number of recommendations with respect to the Young Offenders Act. Of interest, I think, to me is that not one of the recommendations includes what is recommended here in Motion 202. The Canadian Police Association acknowledges, Mr. Speaker and members, that it is necessary and desirable to employ different methods, different principles when dealing with young offenders.

The fact is that Alberta is already, right now, the most punitive province in Canada with respect to young offenders. That's the fact. The Minister of Justice, I'm sure, would be happy to confirm that to any members. The Canadian charging rate is 55 young offenders out of every thousand. In Alberta the charging rate is not 55; it's 84 per one thousand. I don't know; would the mover of this motion have us believe that in Alberta we've got a unique crime problem, in that young people in this province are somehow more criminal than they are in the other nine provinces in Canada? In Alberta over 20 percent of young offenders are sentenced to custody. The trend in the rest of Canada is to more open-custody sentences. In Alberta the trend is exactly the other way, and it's for more closed custody. Is Motion 202 the best response, the only response that this province can come up with to deal with the child who was likely a victim of sexual abuse or incest himself? Throw him in with adult sexual offenders? In fact, there is a chance as high as 70 percent that the young offender is himself a victim of sexual abuse.

Public safety, Mr. Speaker, is a priority for all of us, for me and for every member, I expect, in this Legislative Assembly. We all have children, families. We all want our family members and neighbours to be safe in their homes, in their neighbourhoods, and in their communities. So let us take that shared concern, if I'm accurate, and focus on things that do in fact make a difference.

I remind members that this government has a huge responsibility. I think other members, hopefully, will have an opportunity to speak to it, things that this provincial government can do. This cabinet sitting opposite has the power to scrap programs that aren't working and replace them with new ones. That's where we ought to be expending our energy and focusing our time. Isn't it time that we stopped passing the buck and pointing a finger at Ottawa and saying that if they'd just change that federal statute, we'd somehow resolve the problem? It doesn't work that way. Look at the programs.

I just remind members that it was this government opposite that last year couldn't find money, decided it was too expensive to pay for treatment of juvenile sexual offenders. To me this is one of the most serious groups we have to deal with, and it was too expensive to treat these young sexual offenders in a program, the Phoenix program, that was specifically dedicated to children with that kind of a problem. Instead, the government decided that we could save \$25 a day if instead of leaving these young offenders in the Phoenix program, which had 24-hour residential care, specialized staff, we put these kids in the Calgary Young Offender Centre and they see a contract psychologist a couple of afternoons a week. Well, if anybody thinks that that's a good substitute, I just can't agree with them. It makes me angry that the government with that sort of a shortsighted perspective would put my daughter or my wife or any of the women in this Assembly at risk, because we know sexual offenders who aren't dealt with will continue to reoffend and reoffend and reoffend. Well, that's just an unacceptable risk, Mr. Speaker.

I urge all members to consider things we can do. Let's stop this foolishness of setting up the Young Offenders Act as a whipping boy. Let's focus on programs. Let's focus on the real problem group. What the Calgary Police Service will tell you if you ask is that we don't have a rampant crime epidemic. What we have

is a small number of habitual young offenders who repeat over and over and over. That's the problem. It's not murder. It's not serious sexual assault. The offences are housebreaking. It's car theft. It's boosting, stealing things from stores. That's the focus. Well, let's talk about that. There's significant interest by members opposite in those problems. Well, that's the youth justice problem. It's not murder, and it's not serious sexual assault. So let's focus our energy on that.

In Calgary the city police have a specific program that deals with serious habitual young offenders. They never have more than 150 young offenders on the list, 150 in a city the size of Calgary. That's the target population I want to see us deal with. I encourage the Member for Calgary-Egmont to ask the Minister of Justice why we're not more successful in Alberta in dealing with those habitual young offenders. What creative, imaginative approaches have we got to try to solve this problem? Let's appoint an independent, well-qualified assessor to review all of Alberta's young offender programs and facilities, advise us why we're not doing a better job. Why aren't we solving this problem?

We have the highest recidivism rate in Canada. Why is that? I don't accept that it's just because youth in Alberta are worse and have more behavioural problems than anywhere else in Canada. Let's make it really easy for every centre in Alberta to establish a community sentencing panel. I mean, that's simply something else we could do, and there's a host of other kinds of programs. I don't have time to deal with them all now. I simply say that in the Speech from the Throne, Mr. Speaker, the government encouraged us to be creative and imaginative, to look at new ways of solving serious problems, rethinking essential government services. If this government wants to be credible, if members of this Assembly want to be credible, I urge them to reject this shameless effort to exploit people's fear and work with members on this side to develop programs that will make our communities safer and our province safer.

Thank you.

4:00

MR. DEPUTY SPEAKER: Calgary-Fish Creek.

MRS. FORSYTH: Thank you, Mr. Speaker. It's a pleasure to rise this afternoon to speak in support of Motion 202, which seeks to urge the federal government to make amendments to the Young Offenders Act. I would like to congratulate the Member for Calgary-Egmont on sponsoring this motion. The issue of youth crime is one that exists in all areas of the province and is a primary concern for my constituents. I would hope this motion receives the support of all members of this House, although I doubt that many of the softer members of the Liberal caucus will enjoy this debate or many of the points I want to raise this afternoon. I've been sitting here and listening, and I'm going to speak a little bit off what I've got written here and talk from the heart.

For the last three years I've been involved with an organization called the Parent Support Association. I have been on their crisis team. I have worked in the youth courts. I have sat with parents through the court system. I have sat with parents who have children who have been murdered, the parents of Ryan Garrioch. I don't think people understand the seriousness of this type of crime. I don't know if people realize the heart-wrenching decisions parents have to make when they go to a youth court for the first time with their child.

The Young Offenders Act has to be changed. It has to be strengthened, and the implementation of the Act has to be changed. I believe the original intent of the Young Offenders Act has been lost. As my colleague from Calgary-Egmont explained,

the philosophy behind the Young Offenders Act was to increase the personal accountability of young offenders. These people are breaking the law, and once they realize they have special status under this law, they lose respect for the laws of this country. Most of these young people are not hardened criminals, but without respect for law and justice, breaking the law becomes a pastime. Mr. Speaker, it is one thing to shoplift to combat boredom, but when the crimes increase to killing and raping, our society has a serious problem. A gentleman running a youth detention centre in B.C. recently commented in the newspaper that when he asked young criminals why they raped or killed another human being, the most common answer he received was that they were too bored or had nothing else to do.

I do not think the answer is to lock up these kids, throw away the key, and tell them they are bad people. That does nothing except build more resentment. We must look at ways of reducing the hostility these people have, but we must also understand that the number one priority of the justice system in Canada must be to protect society from those that do not respect our laws or our property.

Mr. Speaker, this is not a big-city problem or a small-town problem or even an Alberta problem. Violent crimes among youths are increasing across Canada. A survey by Carleton University found that 21 percent of students in Ottawa schools admitted to bringing weapons to school with them. The same study found that almost 10 percent of students had been violently harassed by a group of students at one time or another. Thirty-four percent of the students knew of someone who had been attacked by a group of kids. Statistics Canada has prepared statistics on crime rates for the period between 1987 and 1991. While adult general crime rates rose by 40 percent during that period, youth crime increased by 70 percent. In those five years violent crimes accounted for 10.7 percent of all Criminal Code offences committed by youths. Young offenders were responsible for 8 percent of all murders in Canada, a ratio that was held fairly constant during the 1980s. This rate is slowly rising as we proceed through the '90s.

It is unfortunate, Mr. Speaker, that there is little way to compare statistics before 1983. Without this we cannot point our fingers directly at the Young Offenders Act and say it is to blame. As I mentioned earlier, I think the intent of the Act was good, and I believe an updated version of the Juvenile Delinquents Act was desperately needed. I also believe that the key to making effective laws is to have effective enforcement. To do that, the law created by us and our colleagues in Ottawa must be enforceable and must have the respect of the people. Therefore, we must find a way to teach young people to respect the law and society.

The lack of respect for our justice system among youth can be seen in Alberta's highest rate of repeat offenders. Alberta has the highest number of young offenders and the highest rate of relapses. Fifty-one percent of Alberta's youth crimes have had prior convictions. The rate for males with prior convictions climbs to 54 percent. The solution is to get to these kids early. The most popular crime among young offenders is property crime such as theft. In Edmonton in 1991, 88 percent of vehicle thefts and 83 percent of thefts were committed by young offenders. Of course, these figures do not include crimes committed by kids under the age of 12. The Edmonton police caught and released 292 children under the age of 12 because they could not be charged with an offence under the Criminal Code. We have no way of knowing how many crimes are committed by children under 12 because many of them are let go before the police become involved.

Mr. Speaker, there was a report in the newspaper that said that the judges in Alberta are getting tougher on young offenders. I am encouraged by this. It encourages me to see the murderer of Ryan

Garrioch, who was a young schoolboy from Calgary, receive the maximum sentence. When the people of Edmonton read that the cold-blooded murder of a gun shop manager was carried out by two youths aged 15 and a third youth aged 19, most were afraid that the young offenders would sneak through the system. But the justice system did what it was supposed to do; that is, it put the protection of society above the protection of the young offender's rights. The young offender's name was released to the public to assist people in making the arrest.

In conclusion, Mr. Speaker, any change to the Young Offenders Act will need to be accompanied by a change to the Criminal Code of Canada. This motion does not address changes to the Criminal Code specifically, but if the Legislature can work with the federal government to change the age limit in the Young Offenders Act, I am sure an amendment to the Criminal Code would be a simple administrative matter. We know that the federal government has the initiative to change the Act. In fact, as the Member for Calgary-Egmont mentioned, Alberta's MPs have led the way in advocating changes to the Young Offenders Act.

The amendments in this motion have been proposed by both the MP for Calgary Southwest and the MP for Edmonton Strathcona. I would hope this House will support the motion of my hon. colleague. It does not address all the problems with the Young Offenders Act, but it does address the most serious flaw in the legislation. The intent of this motion is to increase the protection of society. I believe it will protect us from at least the most violent aspects of youth crime. Any initiative that will accomplish this goal is one that deserves the support of the public and especially the lawmakers.

MRS. ABDURAHMAN: Mr. Speaker, I am rising to speak against this motion. It will possibly be the first time in my life that anyone suggests I'm soft and that I don't understand what this motion is trying to achieve. The contradiction is that the hon. Member for Calgary-Fish Creek in her closing statements clearly was supporting the position of my hon. colleague.

I am specifically going to address the young sex offender. The Klein and the Getty government record for meeting the needs of these young adolescent Albertans has been abysmal. Why, indeed, don't we concentrate our energies upon meeting the needs of these severely disturbed adolescents? These children are indeed victims. They are not adults. These young adolescents have been sexually and physically abused as early as six months to a year. They are truly victims, and to suggest that a 10-year-old should be moved into adult court is cowardly, to say the least. Can this government not demonstrate some humane, caring behaviour toward these individuals? Why this knee-jerk reaction when we know that the judiciary indeed has the power to move adolescents within the present Young Offenders Act to adult court? That is a reality, so if anybody has to be challenged, it's the judiciary that have not been using the legislative power they presently have. Indeed, the question must be asked: what benefit does society gain by including 10-year-olds who at that early age have indeed committed these heinous crimes?

4:10

The lack of psychiatric services for young Albertans is a well-documented fact. During my time in municipal politics, the family and community support service staff could find no programs to deal with children exhibiting violent and turbulent behaviour. These unfortunate children are constantly creating havoc within their homes and schools. Presently we do have a young offenders program delivered by Alberta Hospital Edmonton, and regrettably this program is now at risk. When is this government going to

recognize and acknowledge the stark reality of the magnitude of this problem and the profound implications of its failure to meet the clinical needs of these disturbed adolescents? It's common knowledge – and this is where I find the contradiction with our hon. Member for Calgary-Fish Creek – that early intervention is essential, and all research shows that if this intervention fails to happen, repeat offences will continue at an alarming rate. May I quote from Abel, 1984: it was

observed that the average adolescent male sex offender can be expected to create 380 victims during his lifetime, a 55 fold increase in the number of victims from adolescence to adulthood.

That's the reality. It's time for you to stop being penny-wise and pound-foolish. How can any government put forward a motion of this nature when they've not met their own obligations?

As I've mentioned, there is presently a young offender program being delivered by Alberta Hospital Edmonton within a residential area of the city of Edmonton. It's called Counterpoint Home, and it was opened in 1986. A hundred and fifty-nine young offenders have been resident, and the average stay is nine months. There are eight residents at a time, mostly older adolescents, and some were over 18 years by the time they completed the program. Until October 1992 they accepted many different kinds of offenders, including murderers. Since that time it has been restricted to sex offenders. The program has the lowest runaway rate in North America, and there have been no runaways for the past 22 months. Other facilities have up to 10 runaways a month. It has the lowest transfer rate and has never experienced a staff assault. In the past two years no restraints have been used. There has been infrequent use of both restraints and medication. Former residents have demonstrated improved social behaviour at school and at home and improved social performance and psychological adjustments.

The program is now threatened with a 10 percent budget cut which reduces it to \$310,000 from \$340,000 over six months. In other words, in six months they've been told to cut 20 percent of their budget. This will jeopardize the existence of the program. The program is funded by the Justice department, who have relatively little experience with young adolescent sex offenders and have certainly acknowledged it and acknowledged the need for this type of program but believe also that younger adolescents are better managed in a setting separate from older adolescents. Early institutionalization is essential in dealing with young sex offenders. That's what we're dealing with in this motion. Putting them in jails isn't going to solve the problem. In fact, it's going to compound it. That is not being responsible; it's being contradictory. There is a rumour also that further cuts may be implemented in late October or early November. I would suggest that if the 20 percent cuts go ahead now, that program's gone. When I was still involved in Alberta Hospital Edmonton, we could have had not one Counterpoint Home; we could have had two and three truly doing something about these young adolescent sex offenders. So indeed the very last thing we need is to destroy the very successful program we have.

I'm glad to see that our top cop has a say in this news item. The hon. Justice minister, Ken Rostad, is in his seat. He's a man I have much respect for, and I would refer you to what he stated in the September 1 *Sun* that indeed the Young Offenders Act is grossly misunderstood. I'd urge the government members to listen to what their own Justice minister is saying. I'd also indicate to you, as many members in this House know, that I actively worked to keep the correctional centre within the boundaries of the city of Fort Saskatchewan. In fact, I'm probably the only person in this Legislative Assembly that can claim that when I look out the back windows of my home, I look into a provincial jail. I know what it's like to have people who have offended against society in my back yard, and I want them held in a secure facility. But I also

have the compassion to know that the very people this motion is dealing with are 10-year-olds who, I've stated before, usually have been sexually offended, and I'd ask you to please do your research. It's shocking what goes on within some family settings, yet we're saying "Punish these young 10-year-olds and 11-year-olds" for something they have not been responsible for happening to their own bodies. I would say to our minister of social services, the hon. Minister of Health, and the Justice minister that this is an area where we need co-ordination. I don't want to see these young offenders walking the streets 10 years from now and continuing what they practised in the park. I want to be sure that when they walk the streets again we can feel safe.

So as my hon. colleague said, think with your head. Sure I could stand up in Clover Bar-Fort Saskatchewan and say from a political perspective, "We've got to strengthen the Young Offenders Act," and everybody will agree with you. That's political expediency. I certainly am not a soft person – in fact, I've been accused of being an iron lady – but I know where compassion is needed, and this motion is certainly not demonstrating any compassion. So I would say to the hon. member who is not present but spoke for this motion that many things she said I agreed with. Let her vote with her head and listen to what's being said.

Thank you, Mr. Speaker.

MR. DEPUTY SPEAKER: Calgary-East.

MR. AMERY: Thank you, Mr. Speaker. This afternoon I would also like to rise and support Motion 202. The hon. Member for Calgary-Egmont has brought forward one of the most visible issues in Canada at this time. People are still concerned about the debt and security of their jobs, but they are becoming increasingly worried about their personal safety on the streets.

In the past we have associated violent crimes with big American cities such as Chicago and New York, but we cannot ignore the increasing problem of crime in our own communities. Violent crime is not an urban problem, and neither is violent youth crime. Two years ago near the community of Valleyview, a 15-year-old boy gunned down his stepfather, mother, and two sisters. Crimes such as this bring home the need to protect society from violent criminals regardless of their age. Mr. Speaker, this youth who killed his entire family actually petitioned the Supreme Court of Canada to be tried in a juvenile court on the four first-degree murder charges. It comforts me to know the Supreme Court fulfilled its role of protecting society by refusing to hear the case. This type of violent crime must be taken away from society for the protection of society. That is the number one priority of Canada's justice system.

4:20

The public perception is that the Young Offenders Act is the root of all evil when it comes to youth crime. No matter how many amendments we make, we cannot expect too much from this single piece of legislation. To address the issue of overall youth crime, we must address the social concerns involved in youth crime. We must ask the question: do young offenders have the necessary moral restraints and social mores to be a productive part of our society?

Mr. Speaker, in December 1992 the Premier's Council in Support of Alberta Families released a discussion paper on youth crime. It contains many good recommendations on combatting youth crime, and I would like to mention a few of them. The paper calls for a greater role for the education system. Our schools should look at improving the way they improve the skills of the students, not only the skills of math and science but the

most basic social skills. The schools must take the role of teaching structure and discipline to students. The structure is needed to guide students who may have poor control of their behaviour. This would serve a second role. Teaching students discipline will reduce impulsive behaviour. This would also combat the growing problem of truancy. I notice that the report on crime by the Edmonton Police Service recommends the implementation of a truancy program in Edmonton schools as a way to combat youth crime. I believe that if we address the lack of discipline in the schools, we will also solve many of our truancy problems. The Premier's council report also recommends a faster judicial system.

We hear this concern from every level of the system, but I believe it is critical to deal with the Young Offenders Act as fast as possible. Lengthy delays in the courts put too much time between the behaviour and the consequences. We must work toward clear, consistent judgments that are timely. A young offender must be able to make a clear connection between what he has done and what retribution will be.

Mr. Speaker, another point made by the Premier's council is that 51 percent of young offenders come from the child welfare system. As a government we need to address this issue through better development of programs, including the increased role of the school system to develop discipline.

I know the Liberals across the way would like to see us pump more money into the welfare system as a solution, but that is the easy way to hide the problems. I want to get rid of the problems, Mr. Speaker. We have seen the development of work camps for young offenders in the past year. I believe these camps will serve the purpose of removing young offenders from society but offer a more rehabilitative environment than is offered in a conventional prison. These young offenders can perform valuable community service roles to pay back society for their actions while receiving counseling and learning social and work skills in a controlled environment.

Mr. Speaker, the underlying theme behind any debate on the Young Offenders Act remains: is the purpose of the Act to punish, to rehabilitate, or to protect society? We must find the balance between the three. In the principles of the Act it states that young offenders should bear responsibility for their actions. The same section reads that young offenders "should have special guarantees of their rights and freedom." These two objectives are at odds with each other, especially when considering the motion before us today. This motion seeks to protect society from those that will cause harm and stop crime at a young age before it becomes a life-style.

[Mr. Speaker in the Chair]

Mr. Speaker, I can well imagine the uncomfortable state this motion puts the Liberal caucus in. The Member for Edmonton-Glenora, who believes inmates should be treated so kindly, has said on many occasions that an inmate should be paroled as soon as possible regardless of the length of his sentence and even if he is a violent criminal. I hope the hon. member has changed his views somewhat now that he is a member of this House. As legislators we must stand for the protection of society, not protection of a criminal element.

In conclusion, Mr. Speaker, I trust that all members of the House will recognize the importance of this motion. It does not seek to punish young offenders for their actions. However, it does offer protection to society from the violent element of youth crime. More importantly, it makes young persons accountable for their actions at an early age in the hope that this will prevent criminal

activity from becoming a hobby or a life-style.

Thank you.

MR. SPEAKER: Order please.

I regret to advise the hon. Member for Edmonton-Gold Bar that pursuant to the new rules, 55 minutes have now elapsed and the question must now be put on this motion. Therefore, the Chair would ask for all those in favour of Motion 202 as moved by the hon. Member for Calgary-Egmont to say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Those opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: Carried.

[Several members rose calling for a division. The division bell was rung at 4:28 p.m.]

[Ten minutes having elapsed, the Assembly divided]

For the motion:

| | | |
|-----------|-----------|------------|
| Ady | Fritz | Oberg |
| Amery | Gordon | Paszkowski |
| Brassard | Haley | Pham |
| Burgener | Havelock | Renner |
| Calahasen | Herard | Severtson |
| Cardinal | Hierath | Smith |
| Clegg | Hlady | Sohal |
| Coutts | Jacques | Stelmach |
| Day | Kowalski | Tannas |
| Dinning | Lund | Taylor, L. |
| Doerksen | Magnus | Thurber |
| Dunford | McClellan | Trynchy |
| Fischer | McFarland | West |
| Forsyth | Mirosh | Woloshyn |
| Friedel | | |

4:40

Against the motion:

| | | |
|-------------|-----------|----------------|
| Abdurahman | Hewes | Sekulic |
| Beniuk | Kirkland | Soetaert |
| Bracko | Langevin | Taylor, N. |
| Carlson | Leibovici | Van Binsbergen |
| Chadi | Mar | Vasseur |
| Collingwood | Massey | White |
| Decore | Mitchell | Yankowsky |
| Dickson | Nicol | Zariwny |
| Hanson | Percy | Zwozdesky |
| Henry | Sapers | |

Totals: For – 43 Against – 29

[Motion carried]

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

Bill 5
Financial Administration Amendment Act, 1993

MR. DINNING: Well, Mr. Speaker, I can't tell you what a pleasure it is for me to stand before you today and move second

reading of Bill 5, the Financial Administration Amendment Act, 1993.

A gripper if I ever saw one, Mr. Speaker. It would rank up there with Hercule Poirot and Agatha Christie at her best. I would assure the hon. Member for Edmonton-Roper, who likes to take documents home to bed with him, that this is a must read, simply a must read. I could speak for several hours on this one simply because I'm so excited about the principles behind this Bill.

As I stated when I introduced the Bill a few days ago – the day after we brought down the budget, the budget that Albertans endorsed on June 15, 1993, which was a day that will go down, I know, for all members of this Assembly as one of the highlights of all our lives but I think is the beginning of major changes in the public sector in the province of Alberta. This Bill is just one further step along that important road of change.

Mr. Speaker, there are three important elements to this Bill. The first is that it accepts several of the recommendations put forward by the Auditor General and the Financial Review Commission, the Auditor General being a man who many of us in this Assembly respect and hold in high regard as a gentleman who has dedicated his life largely to public service and a man who believes strongly in the work that he does and in the recommendations that he makes to this Assembly each and every year. We've taken those recommendations to heart, and many of them were seconded by and further embellished and elaborated upon by the Financial Review Commission, and I'm proud to stand before you today and say that several of those recommendations are being accepted.

The second one, as it was spelled out in the document which I filed in the Assembly last week, on page 23 of the balanced budget plan, is a requirement to increase our net debt requirement this year by some \$2.5 billion, and that is the second element of this Bill. It's spelled out there that this is the requirement in order to pay for the extra costs of administering health and education and social services, protecting Albertans, and ensuring that those basic services are there and delivered to our citizens.

Not only was it spelled out, Mr. Speaker, on page 23 after the election, but it was also spelled out on page 22 before the election so that all Albertans, including my learned friend from across the river, the professor himself, knew full well that we spelled out very clearly to Albertans what our financing needs would be for 1993-94. There was nothing hidden, no smoke, no mirrors, no – I won't say it – none of that other kind of stuff that the hon. member has accused us of before. It simply isn't the truth. That's the second element of the Bill.

A third really interesting and important new step, another one that we've taken from the Financial Review Commission, is that we have introduced in section 81(2) a new provision, a sunset clause, such that in this element of the Bill there is a requirement that all agencies of the Crown – with the exclusion of provincial hospitals, universities, and colleges – all Crown-controlled organizations and provincial agencies will expire, will no longer exist as of January 1, 1999, unless this Legislature provides and spells out the existing mandate, confirms the existing mandate, or gives a new direction and a new mandate, perhaps narrower, perhaps broader, or brings together a number of these agencies to again rationalize and streamline government, which our government has made it very clear we intend to do. We received a mandate on June 15 to do precisely that.

So, Mr. Speaker, those are the three really important elements of this Bill.

I just want to refer to the Auditor General and his report of 1991-92, wherein he made a number of recommendations but eight key recommendations to improve the financial administration of the province, and at the same time a number of recommendations that he made when he reviewed the matter of NovAtel Com-

munications Ltd. He has repeated several of those recommendations in his '91-92 annual report, with recommendations. I'd like to take hon. members through this document briefly so they understand fully what steps the government is taking in being accountable to Albertans and taking the advice of the Auditor General.

Before I do so, I can't help but refer to a document I had on my desk when I returned from our cabinet meeting this morning, Mr. Speaker. There was a news release from the Alberta Liberal caucus. This was a news flash by the Member for Clover Bar-Fort Saskatchewan. It says, "Abdurahman lays out her expectations for Public Accounts Committee." Well, the Scotch was just rising from this document sitting in the middle of my desk, bleating and whining with a Scottish burr. It was like a neon light as I walked in the room. It was either Ballantyne's or Johnny Walker, but it had the sweet smell of that burr. The whining and the bleating was like a flashing neon sign. Here she was talking about, quote:

An examination of the performance of Alberta's Public Accounts Committee shows that it has become a toothless tiger and, quite frankly, an embarrassment to the province.

Well, Mr. Speaker, you know what astonishes me? Here is the fine new Member for Clover Bar-Fort Saskatchewan, and who is she referring to but three members of the Liberal caucus who happen to be toothless tigers and embarrassments to the province. Why would she say that about her own colleagues? The hon. Member for Redwater, Mr. Taylor, and the hon. Member for Calgary-North West, Mr. Bruseker, serving as toothless tigers on an embarrassing Public Accounts Committee is quite a statement by the hon. Member for Clover Bar-Fort Saskatchewan.

The former very, very short-term hon. Member for Three Hills – thank goodness, he has been replaced by a good, sound, solid-thinking Conservative member – also served as one of those toothless tigers that the Member for Clover Bar-Fort Saskatchewan has referred to. What is also interesting as it relates to this Bill, Mr. Speaker, is . . .

Point of Order

Reflections on Nonmembers

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

MR. SPEAKER: The hon. Opposition House Leader is rising on a point of order.

MR. MITCHELL: Mr. Speaker, I would just like to draw it to the attention of the member, who I'm certain wasn't aware that this was the implication of what he just said, but he is calling into disrepute a former member of this Legislative Assembly, who isn't here to defend himself, of course, and by doing so really calls into disrepute each member of this Legislative Assembly. I think he should probably apologize about doing that.

MR. DINNING: Mr. Speaker, I am simply referring to the good judgment of the people of Three Hills, and I simply will do so. I'm shocked that the hon. member would rise and make a point of the mistake that his hon. colleague for Clover Bar-Fort Saskatchewan raised when she referred to the Public Accounts Committee as a toothless tiger. The Public Accounts Committee is the sum of its members, and its members included three members of the Liberal caucus.

4:50

Debate Continued

MR. DINNING: Mr. Speaker, if I may continue, I would also refer hon. members to what are the Auditor General's recommendations on pages 13, 14, and 15 of his annual report. These, by

way of interest, were attached to the press release that was blinking at me as I entered my office this morning.

Recommendation 1, which is housed in this amendment to the Financial Administration Act, says

that the government prepare annual consolidated budgets in order to communicate financial plans at the highest summary level and for subsequent comparison to the Province's consolidated . . . statements.

That is exactly what we have done; we have accepted those recommendations. The budgets of May 6 and September 8 were presented on a full consolidated basis so that Albertans are fully informed of our financial situation.

[Mr. Clegg in the Chair]

The reporting process, Timeliness of reporting:

It is recommended that the government release the Province's 1992-93 Public Accounts by September 30, 1993.

We have done exactly that, Mr. Speaker, by tabling in the Assembly last Wednesday not only the budgetary documents for '93-94 but the consolidated financial statements for '92-93, thereby living within the recommendation of the Auditor General. We will have within the next two weeks the various supplementary accounts and the various other volumes of the public accounts so that all hon. members will see that we are complying with the recommendations of the Auditor General.

Mr. Speaker, the third recommendation was that

Public Accounts . . . include the financial statements of all Provincial agencies and Crown-controlled organizations, and their subsidiaries.

That is what this Bill that's presented to the Legislature today for second reading does. We're proud to stand and say that that's what the Auditor General recommended, that the Financial Review Commission seconded the recommendation, and we've done them. But it's also interesting that in that recommendation it says that

all financial statements included in Public Accounts contain a comparison of actual and budgeted amounts of revenue, expenditure and cash flow.

Mr. Speaker, I would refer hon. members to the 55th annual report of Alberta Treasury Branches, the 20th largest financial institution in the dominion of Canada. The 20th largest financial institution in the dominion of Canada, and I bet there isn't another financial institution in this country that's taken the step Alberta Treasury Branches has taken in 1993 with its annual report, where it spelled out for '92 and '93 both its budgeted and actual financial performance. For 1994 it has spelled out for net interest income, for other income, for total income, for provision for credit losses, non interest expense, and net income. It spelled out its '94 budget: what it expects to accomplish, what it plans to accomplish. Again, that fulfills the recommendation by the Auditor General. Alberta Treasury Branches in many ways is leading the way in various elements of this government, and I'm proud they are doing exactly that.

I also refer members to recommendation 4, that the province's assets and liabilities be recorded.

The plan should start by dealing with the Province's unrecorded pension liability.

That's exactly what we did, Mr. Speaker, took the Auditor General's recommendations and have booked the unfunded pension liabilities in our financial statement. We did it on May 6 by displaying what it would look like, not having had enough time 31 days after the Financial Review Commission's report came down, but we spelled out in general terms what we thought the display would look like. Then on September 8 we reiterated and made clear and took the important legal step of booking those unfunded pension liabilities.

You know what we heard? We heard from the hon. member, the Leader of the Opposition, for several years that we ought to do this. And having taken the Auditor General's advice, and even taking a partial ear to the advice of the Leader of the Official Opposition, the Institute of Chartered Accountants of Alberta, and others across this province, what did the Leader of the Opposition accuse the Provincial Treasurer of the next day? It's a first. I wish the Attorney General was here to listen to this, because I'm not sure that he heard it, but the Provincial Treasurer was accused of premeditated, malicious accounting. Now, I'm sure that's an indictable offence under some code, but premeditated, malicious accounting is a newy. It's a brand-new indictable offence that could only be designed by the Member for Edmonton-Glengarry. You heard it here first, and I'm sure you'll hear it again. But, Mr. Speaker, we have taken the advice of the Auditor General and done what he's recommended.

There are a number of other recommendations that I could go on to, and I hope the hon. members across the way will raise these important recommendations, but we have taken action on all, one through eight, all eight of those first important recommendations. I'm proud to say that we've done just that.

Mr. Speaker, the second principle which I referred to is the September 8 document, where we spelled out on page 23 the financing requirements of the province such that for 1993-94 we are requesting this Assembly to raise our debt limit to the total of \$20 billion, some 2 and a half billion dollar increase. It's spelled out; it's in the document.

The last one, Mr. Speaker, is the Financial Review Commission's recommendation that we consider . . . Having reviewed the number of agencies and funds within the provincial government, and I'm reading from page 25 of their report, "the Commission found that there was a proliferation of agencies involved in a range of different operations." It went on to suggest that

efforts should continue to reduce substantially the number of government-owned and controlled corporations, funds, boards and agencies by selling, merging, downsizing or winding up.

Mr. Speaker, it's quite an exciting time to be in the government of Alberta because I'm surrounded by colleagues in our caucus who have taken that kind of advice to heart and are practising good conservative, good Progressive Conservative principles, listening to what Albertans have to say. We've taken the advice of the Minister of Municipal Affairs responsible for the ALCB and have begun to privatize that kind of operation. I think that's a forward-looking, forward-thinking kind of approach to government doing the business that it should do and not doing the business that it shouldn't do that could be more easily done by the private sector. I'm proud to be associated with my colleague the Minister of Municipal Affairs and all of our caucus who have endorsed and taken this bold, courageous step.

The Financial Review Commission also spoke of the need for all government entities to be reviewed regularly or ensure that they have sunset clauses in their agreements. Well, Mr. Speaker, it's that kind of advice from the Financial Review Commission that has made us think very carefully and the reason why we have spelled out the sunset clause in section 81(2) of the Financial Administration Act. I think it's another important step that will force the government, force all those agencies to look very carefully over the next five years and few months, to study and be cognizant of the business they in fact are in. Where there is an opportunity to be out of that business, they should be so. Where there is an opportunity for the private sector to take that on, then that should be considered too. Finally, if it's considered important that we continue with those operations, how do we do so in

the most streamlined, most efficient, most effective manner? How do we do it on the basis of good, sound private-sector principles which focus on clear objectives, clear long-term goals, a budget, a strategic plan to accomplish those goals? Of most importance is measuring how well we achieved those objectives and those goals. What were the results? What's the measurable performance? If hon. members have learned one thing through this budgetary process, it is that we are intent on spelling out those goals, spelling out those objectives, and measuring how well we as trustees for the taxpayers' dollars have spent those dollars.

Mr. Speaker, as I say, I'm proud to stand before this Assembly and take the advice of many well-respected Albertans, including the Auditor General, including the likes of Marshall Williams, formerly the chairman of TransAlta Utilities, who led this Financial Review Commission and came up with excellent recommendations. I'm proud to introduce a Bill that implements a number of the recommendations that they have brought forward to this Assembly. I'm proud to move second reading of this Bill.

MR. ACTING DEPUTY SPEAKER: The hon. Member for Edmonton-Whitemud.

DR. PERCY: Thank you, Mr. Speaker. I will stick to the content of the Bill and the facts of the Bill rather than engaging in flights of fancy and adverse comments about other members.

I'd like to first discuss the major elements of the Bill. First, let me say that in principle I think this Bill should be supported, but there certainly are amendments that ought to be brought forward and will be discussed in detail in committee.

The Bill, first, does extend the definition of Crown-controlled entities, which is a significant step in allowing us to have much greater financial scrutiny over our number of firms. If this had been adopted three to four years ago when the Liberal caucus had urged this, we would have had a far better handle on Northern Steel, North West Trust, et cetera, because the data would have been public. Although certainly the Provincial Treasurer must be congratulated this time for bringing it forward and having that material in the public accounts, without the requirement of legislative authority one has to ask what took so long, since there was pressure out there for that type of disclosure and failure to do this earlier cost us significant sums of money. But, again, it is a positive step.

5:00

The second major amendment in this Act deals with the recording of pension obligations, and again I would say that bringing this forward in the budget as was done, in the absence of legislative requirements, was a good move. There's no doubt about that. Had it been done when suggested by the Liberal caucus in 1989, the magnitude of the unfunded pension liability would have been significantly reduced. The deferred interest income, that is going to be compounding out there and borne by future generations, would have been reduced if we had dealt with unfunded pension liabilities when it was flagged as an issue by the Liberal caucus in 1989.

Another major element of the Bill is the move to sunset all provincial agencies and Crown-controlled organizations, again a commendable objective and certainly one that was taken right out of our platform. I laud the Provincial Treasurer for having the taste to look in good places for good ideas. Sometimes, though, when I watch the way the budget cuts are being implemented, it appears far more that he's imposing a sunset clause on the province as opposed to agencies and Crown-controlled organizations. It would also be very nice in this discussion of sunset

clauses as to why not on programs, because that's where the waste is and that's where the dead hand of history is, on programs. Certainly why not on outstanding loan guarantees? The province of Nova Scotia has recommended very strongly that sunset clauses be imposed on guarantees that are outstanding so that they're subject to automatic review. So this is a nice first step, but certainly we could go much further.

There are a number of other elements in the Bill that are interesting. They're minor, but they're important. For example, the revolving funds: that's a good move. Under the legislation the restriction of advances from the general revenue fund to revolving funds to pay for the acquisition of equipment, et cetera, has been incorporated into the Act, and we'll get far better scrutiny under such legislation.

There is the move to bring regulated funds under statutory authority. Again, I think these are issues the Provincial Treasurer might have discussed in more detail, rather than attacking the hon. Member for Clover Bar-Fort Saskatchewan.

The Bill also discusses and brings into play the use of net budgeting. I mean, I certainly have significant concerns about the introduction of net budgeting, because I think on one hand it sends out completely the wrong incentives and, unlike the Provincial Treasurer, I think all revenue belongs to him. If we take net budgeting to its natural consequence, the Department of Energy would be by far the richest department of this government and probably would have an administrative superstructure equivalent to the royalty income that it would bring in. So I think there are issues with regards to net budgeting that have to be discussed as we move down this road.

There are other aspects of this Act that I will discuss. On one hand, the Provincial Treasurer is to be – as I've mentioned, positive comments have to be made. At least the unfunded pension liability has been recognized as an obligation, and we're going to start dealing with this over a 40- to 70-year period. We could have started earlier.

There is this other issue which is – and this probably was to his surprise that we didn't bring it up in question period – the issue of the imputed interest income and whether or not that should be included in the Deficit Elimination Act for the purposes of calculating the deficit. The issue here is quite clear. It is because of the procrastination of this government and its unwillingness to deal with the unfunded pension liability that the imputed interest income is large on the outstanding stock of debt. Were it to be included within the Deficit Elimination Act, we would be taking another \$321 million out of program expenditures this year. Given the broadax approach to which cuts have been imposed by this government, particularly in the area of social services, one shudders to think what would happen if halfway through the fiscal year we gave them a mandate to take another \$321 million out. I suspect the incidence of such cuts would fall almost completely on those programs which do not have a strong constituency or on those individuals and groups that are most vulnerable in our society.

There is an element of sympathy, then, on one hand that if we do oppose this on the grounds that we're not truly measuring the deficit, that this is an obligation of the government and on an accrual basis we should be trying to deal with it now because of the costs that are going to be lying down the road, the problem is the magnitude of these imputed interest costs given the reduction in program expenditures we're presently facing. So it's certainly with reluctance that I think we would have to go along with excluding the imputed interest payments from the definition of deficit for the purposes of the Deficit Elimination Act, but this has to be the single, last loophole that is being built into this Act.

There certainly should be some assurance in blood from the Provincial Treasurer that we are not going down the road to creative accounting and creative changes in the legislation that would allow the deficit to be whatever is suitably desired by the Treasurer come March 31. So this may in fact have some merit given the constraints that we face.

However, there are a number of weaknesses with the legislation, and these are certainly issues that we want to address in more detail come the discussion in committee. We want to discuss in some detail, if we can get our hands on it, what the cost has been over the last five years in terms of not dealing with the unfunded pension liability and just shuffling it off into the future.

We would also like to see in what other areas in government is there a double standard in accounting being employed. On one hand, for the purposes of the Deficit Elimination Act the Provincial Treasurer has asked for dispensation with regards to the imputed interest income. What other areas in this budget in fact are shifts, that turn out to be to his benefit, included in the calculation of the net deficit? There are a few areas there, I suspect very strongly, that when it's in the favour of the government, it's in there; when it's not, it's out.

MR. DINNING: He's imputing false motives.

MR. ACTING DEPUTY SPEAKER: Continue please.

DR. PERCY: They're true motives.

Now, with regards to revolving funds and regulated funds, I mean, it's clear that there should be more scrutiny of these funds. The department should have more flexibility and the ability to recover costs for services provided, but, again, the Financial Review Commission did express concern about the multiplicity of funds which had been created by the government. Now we're creating new ones, so there's going to be an array of these funds. The Financial Review Commission was quite specific that they were concerned about this issue, the multiplicity of funds that are out there.

One other issue with regards, then, to revolving funds and regulated funds is that the mandate to these funds has been blurred and continues to be blurred beyond their original mandate. One would like to see, for example, some sunset clauses applied to these revolving funds. So why in this legislation, for example, are there no sunset provisions for revolving and regulated funds? It would make absolute sense to do so.

This Bill also considers, then, sunset clauses, provincial agencies, and Crown-controlled organizations. Now, that's laudable, but why hasn't the discontinuance provision been extended to department programs? Because that is where the problem is, and that is the area that should be addressed. This is a nice, simple first step, step one. The 10th step, the most important step, has to be sunset clauses and program review. That's not in. [interjection] No, you had your chance, Mr. Treasurer.

Again, there are other programs out there. The Nova Scotia program review committee, for example, in its report of June 1993 in its discussion of business assistance – and this was a very thorough report by a province that has historically fed money to every conceivable business that emerged. I mean, it's second only to Alberta in that regard. It recommended that all business assistance programs contain sunset clauses when they are introduced and that they be subject to systematic review, evaluation, and rejustification. But that isn't addressed in this Bill. That really causes a problem, because in part the purposes of this amendment should be to provide greater financial disclosure and

allow us to deal with the structural deficit and the growing debt that we have, but it really doesn't provide us with all the tools that we need to deal with the structural deficit.

5:10

The Bill is also deficient in terms of a number of omissions. While the Provincial Treasurer has in a sense apparently embraced to his heart, his bosom the report of the Auditor General, he has been selective in his affection. For example, three recommendations by the Auditor General to improve financial management have yet to be addressed. For example, "effectiveness reporting." The Attorney General recommended that the government establish a system for promoting effective measures of all programs. There's nothing in this Bill in this regard. While we've been promised time and time again that there's going to be business programs emerging, one would have thought an ideal vehicle for providing a structure to assess the efficiency of those business programs would have been to "establish a system for promoting effectiveness measurement." This would have been the amendment to do that, but it's not there.

Now, we the Liberal opposition have been promoting the use of full, value-for-money audits for years as a means to eliminate waste and duplication, yet we really don't see that in this Bill. We see disclosure, but we do not see any systematic approach to get at waste and mismanagement. Again, it would have been very easy to incorporate that since the Provincial Treasurer has suggested he's going down the road of accepting all of the recommendations of the Auditor General.

To discuss the Public Accounts Committee, which the Provincial Treasurer seemed to have an inordinate interest in, we don't see much action with regards to some of the recommendations. In particular, when will the Public Accounts Committee, for example, be given the ability to perform special audits or to direct the Auditor General to do as such? [interjection] Well, it would be interesting to see if the Tory majority will allow that. Will the Public Accounts Committee be allowed to examine the quarterly budget updates?

A third issue, again which the Auditor General focused on in some detail and which has been brought up on occasion in here as we review some of the appointments by government, concerns appointments to boards, agencies, and commissions. The Auditor General recommended that the government use "the expertise of the Public Service Commissioner to short-list . . . qualified candidates for appointments" to agencies, boards, and commissions. This Act deals with sunset clauses for agencies, boards, and commissions. It would have been a very simple step just to say: why not actually have merit rather than political affiliation determine who is on these boards? That is a recommendation of the Auditor General that has consistently been omitted by this government.

There are other omissions from the Financial Review Commission report that have been discussed by the Provincial Treasurer. Again, they recommended very strongly a management control structure for all government entities. Now, we hear that there is going to be business plans, but we've heard that since May 6. Now we understand they're forthcoming soon. What would be ideal for assessing the effectiveness of these business plans for government departments would be a structure that would require the setting of goals for financial results, productivity and protection of assets, and the measurement of actual performance against goals. There has to be some force in the legislation to deal with that. To have business programs without a mechanism to see if in fact those business programs are meeting their objectives, to actually have a mechanism of comparing actual performance to

the objectives, I mean, is sadly lacking, and again this would be the vehicle.

In principle there are some very positive steps, but there are significant deficiencies in this Act which could have been dealt with and should be dealt with, and we certainly will look forward to bringing these up when we discuss this in committee.

The Financial Review Commission, of course, emphasized as well that we should de-emphasize the use of loans and loan guarantees as an instrument of policy. Again, if we had invoked sunset clauses for loans and guarantees, with a very short time fuse, to the extent that this government keeps going down the road time after time dishing out money to the private sector even when, as in the case of Beatrice, they say they don't need it - why not at least try and minimize the loss by putting sunset clauses on the loans and guarantees?

DR. WEST: Mr. Speaker, would the member entertain a question in debate under *Beauchesne* 482?

DR. PERCY: So to continue . . . [interjections] If you'd like to give me another 20 minutes.

What we would like to see - and again this was the vehicle to do this - is to set a systematic structure in place by which the effectiveness and performance of government programs, government entities could be assessed relative to their objectives. This is the Act that could have been used for that end. We could have, in fact, included then provisions with regards to patronage appointments. That's not there. We could have included provisions with regards to sunset clauses on loans and guarantees. That is not here. So in principle the Provincial Treasurer has made some significant steps, and he did so without legislative requirement. That's positive, but there are significant omissions in this Bill which we think ought to be addressed.

Thank you, Mr. Speaker.

MR. ACTING DEPUTY SPEAKER: The hon. Member for Edmonton-Roper.

MR. CHADI: Thank you very much, Mr. Speaker. Well, I was going to stand up today to commend the Provincial Treasurer and the government on introducing this Bill, but now I've decided to do this instead. I think that I'm going to congratulate the Liberals and congratulate the Auditor General and the Alberta Financial Review Commission for making the different improvements necessary for making up this Bill, such as the recording of the pension liabilities and obligations and things like sunset clauses. Now, that comes right directly out of the Liberal philosophy, the Liberal Mandate for Change, and we thank you very much for implementing it. The Provincial Treasurer sometimes seems to be a bit confused as to where the ideas have come from, but let there be no mistake, Provincial Treasurer: they came from this side of the House.

Point of Order Questioning a Member

DR. L. TAYLOR: Point of order?

MR. ACTING DEPUTY SPEAKER: Excuse me. A point of order.

DR. L. TAYLOR: Will the member on the opposite side entertain a question?

MR. CHADI: No. Let me finish. I'll let you know when I'll entertain a question. [interjection] That's right. This is second

reading and not committee, and possibly in committee we would entertain questions. How's that?

Debate Continued

MR. CHADI: In all seriousness, though, the recommendations of the Auditor General and the Alberta Financial Review Commission to improve financial management and disclosure provisions are excellent ideas. One would serve to expand the definition of the Crown-controlled entities and ensure their financial position is disclosed within the public accounts on an annual basis. That's a wonderful idea. Congratulations for implementing it. The proposed legislation, though, changes the definition of a Crown-controlled entity to include any organization in which the government has a 50 percent or greater but less than 100 percent interest. Currently Crown-controlled entities are defined as organizations in which government has greater than 50 percent but less than 100 percent.

Bill 5 also requires that all Crown-controlled organizations submit information about their budgets as well as their business plans to the Provincial Treasurer on request. The financial position of these Crown-controlled entities would be disclosed within the public accounts. In other words, corporations such as Gainers and Northern Steel, Softco, North West Trust, and Magnesium Company of Canada would have their financial statements included in the public accounts. That's when the government actually takes over their title, I would imagine. They would be included in public accounts rather than the current practice under which their release is solely at the discretion of the government, and we thank the Liberals again for that.

5:20

The second major amendment deals of course with the recording of the pension obligations, the liability on the province's consolidated financial statements: a good move. The recording of the pension obligations on the government financial statements as a liability is a matter which has been brought to the attention of the government for many years, not only by us, Mr. Speaker, but by the Auditor General. In the 1992-93 public accounts this government has finally decided to accept the recommendations of the Auditor General and the Financial Review Commission to record pension obligations as required under the public-sector accounting committee guidelines.

Another major element in this Bill is the sunset clause: all provincial agencies and Crown-controlled organizations as of January 1, 1999, and at five-year intervals thereafter. However, it should be noted that the government has introduced a provision under which the sunset clause may be overridden. An Act can be passed and would specify the continuation of an agency or Crown-controlled organization beyond the first sunset date making it subject to the next sunset date unless further continued by the Act.

So, all in all, generally I do support Bill 5 with some exceptions. I do support most of the elements contained in the Financial Administration Amendment Act, 1993, as a step in the right direction towards improving financial disclosure. However, we don't feel that it goes far enough, Mr. Speaker. We commend the Treasurer again for finally including the pension obligations as a liability on the province's financial balance sheet for 1992-93 public accounts. He could have waited until he had express legislative authority, but he didn't, and that was a great move. We commend him again for widening the definition of Crown-controlled entities to include any organizations in which the government has a 50 percent or greater interest. This has been long overdue, and again he did it without the Legislative authority in place. I honestly feel, though, that these changes we see today

are being made as a direct result of Albertans demanding change. It's high time the government saw that and made these necessary changes.

However, there is still a number of weaknesses, as I said, in this legislation. These are weaknesses in both content and omissions in the legislation. Let's talk about pension obligations first. The Treasurer has recorded the \$4.799 billion in pension obligations as a liability impacting on the province's net debt. Along with other liabilities – school boards, vacation entitlements, long-term disability benefits and accounting changes concerning concessionary loans and recognizing the risks of long-term investments – this has served to increase the net debt from \$5 billion to \$11.8 billion. The Treasurer booked the increase of the pension obligations between March 31, '92, and March 31, 1993, \$364 million. Now, you take \$4.435 billion to \$4.479 billion as a provision which impacts on the consolidated deficit for the 1992-93 fiscal year, the increase from \$3.409 billion to \$3.773 billion. However, he is indulging in creative accounting by telling Albertans that he's exempting the \$321 million increase in pension obligations from the Deficit Elimination Act and the target consolidated deficit of \$2.44 billion. Now, clearly that is creative accounting. No other way of putting it, Mr. Provincial Treasurer.

[Mr. Speaker in the Chair]

Now, the public accounts documents for 1992-93 state that also included in the expenditure is the estimate increase for the year in the province's share of unfunded pension contributions and/or benefit obligations under these pension plans for service provided to March 31, 1993. Also note the following from the overview prepared by the department of Treasury on the 1992-93 public accounts. Mr. Speaker, this is significant. It states that the new accounting on the pensions requires that the increase or the decrease in unfunded pension liabilities be included in the province's deficit each year, not last year. [interjections]

MR. SPEAKER: Order please in the Assembly. There's a little too much chitchat going on.

MR. CHADI: While there is some credence to the Treasurer's reasons for exempting yearly pension provisions for the Deficit Elimination Act deficit targets – the need to change the agreements with stakeholders, further program cuts to compensate for recording these provisions, and the fact that actuarial valuations may adjust the obligation downward or upward on a three-year basis – he knows full well that when the public accounts for 1993 and '94 come out next September, the actual consolidated deficit will be over \$2.7 billion. The Treasurer is only creating two consolidated deficits to confuse the issue. This is creative accounting worthy of your predecessor, sir.

Now, the Crown-controlled entities. I'm tired of congratulating the Treasurer. I'm going to congratulate Albertans on pursuing this and making sure that it's actually happening today. We've widened now the definition of Crown-controlled entities to include 50 percent interest or greater and then to include them in the public accounts. The reason why these Crown-controlled entities have not been included in previous years is evident from the information provided in the 1992-93 public accounts.

Gainers. A \$21 million loss on operations in the 1992-93 fiscal year; \$107 million accumulated deficit; an unmatured debt of \$158 million; assets of \$99 million; total liabilities of \$206 million. Compare the situation when the government took over Gainers in 1989. Assets of \$117 million has decreased now by \$17 million in four years. Unmatured debt of \$114 million is an increase of

\$36 million over four years. Total liabilities of \$132 million has actually increased by \$75 million over the last four years. Now we see the reason, Mr. Speaker, why indeed they have not been included in previous years.

Let's look at Softco, another one. This has been a dumping ground now for soft properties, loans, and mortgages in North West Trust. Losses of \$3 million in the 1992-93 fiscal year; \$22 million accumulated deficit; total liabilities of \$122 million, including \$119 million bank debt recovered under guarantee.

Northern Steel, a steel plant taken over by the province, went into receivership in 1991, a write-down of \$11 million under a guarantee in 1992-93. It still has a \$3.8 million loan guarantee on the books. We're wondering if this is going to be yet another write-down.

Chembiomed, an Edmonton-based research firm . . .

MR. SPEAKER: Is the hon. Minister of Labour rising on a point of order?

MR. DAY: Mr. Speaker, I would suggest that given the hour, I'd like to adjourn debate.

MR. SPEAKER: Does the hon. Member for Edmonton-Roper agree to yield the floor?

MR. CHADI: Thank you, Mr. Speaker. I feel that in light of the time perhaps we could adjourn debate.

MR. SPEAKER: The hon. Member for Edmonton-Roper has moved that debate be adjourned on this matter. All those in favour, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: Carried.

[The Assembly adjourned at 5:30 p.m.]