

Legislative Assembly of Alberta

Title: **Tuesday, September 28, 1993**

1:30 p.m.

Date: 93/09/28

[Mr. Speaker in the Chair]

head: **Prayers**

MR. SPEAKER: Let us pray.

Our Father, we thank You for Your abundant blessings to our province and ourselves.

We ask You to ensure us Your guidance and the will to follow it.

Amen.

head: **Reading and Receiving Petitions**

MS HANSON: I request that the Clerk read my petition that was presented last Thursday.

Thank you.

CLERK:

We the undersigned petition the Legislative Assembly of Alberta to urge the government to reinstate the cuts made to social assistance and in the future to consult broadly with clients, labour and professionals to determine where savings can be made that will not harm Alberta families.

head: **Notices of Motions**

MR. KOWALSKI: Mr. Speaker, I wish to give oral notice of the following government motion:

Be it resolved that the Assembly grant leave for the designated supply subcommittee considering the estimates of Executive Council to meet on Thursday, September 30, 1993, between the hours of 3:30 p.m. and 5:30 p.m. when the Assembly is sitting.

MR. DAY: Mr. Speaker, under Standing Orders I am serving notice that written questions on tomorrow's Order Paper will be standing and retaining their places, and I'll be moving that the motions for returns will be standing and retaining their places with the exception of the following: motions for returns 159, 160, 161, 162, 163, 167, 168, 169, 171, 173, 174, 175, 176, 177, 189, 190, 191, 193, 198, and 202.

head: **Introduction of Guests**

MR. STELMACH: Mr. Speaker, I wish to introduce to you and through you two very special guests seated in your gallery: Mr. and Mrs. John Batiuk. John was an MLA for the constituency of Vegreville from 1971 to 1986, upon which time he retired. He served as a trustee for the Lamont school division for many years, councillor for the municipal district of Lamont, and was the first reeve for the county of Lamont in 1968. He's presently serving as chairman of the advisory board for the Mary Immaculate hospital in Mundare. He's a man well known for his sense of humour. I'd like them to rise, please, and receive a warm welcome from the House: John and Rose.

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

MR. ZWOZDESKY: Thank you, Mr. Speaker. I have the pleasure to welcome a new group today from W.P. Wagner school, one of several important schools in my constituency. They are escorted today by Mrs. Cairns. I would bid them a fond welcome, and I would ask everyone in the House to join me in saluting their presence. Thank you for coming.

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

MS LEIBOVICI: Thank you, Mr. Speaker. I would also like to introduce to you and through you some very important constituents of mine. They are students and their teachers who reside in Edmonton-Meadowlark and are from Elmwood school. They are teachers Mrs. Colleen Adams, M. Gilbert Gosselin, and helper Mr. Brian Burke. Bonjour et bienvenue. These students are currently studying the political system in Alberta, and I am sure we will provide them with some lively discussion in the Assembly today. I would ask that the students and the staff please rise and receive the warm welcome of the Assembly.

Thank you.

MR. SPEAKER: The hon. Member for Lacombe-Stettler.

MRS. GORDON: Thank you, Mr. Speaker. I would like to introduce to you and through you one of my constituents Mrs. Jean MacDonald, who along with her husband, Sam, operates a well-known campground in the Stettler area: Ol' MacDonald's campground. Please would you rise and receive a warm welcome of the Assembly.

head: **Oral Question Period**

MR. SPEAKER: The hon. Leader of the Opposition. [some applause]

MR. DECORE: You're going to stop clapping, Mr. Premier. Mr. Speaker, my questions are in fact to the Premier.

MR. KOWALSKI: We knew that.

MR. DECORE: How did you know that? Have we got a spy in our midst or a microphone or what? [interjections] Nobody would stoop that low, Deputy Premier.

Provincial Tax Regime

MR. DECORE: Mr. Speaker, the government's budget plan talks about some \$963 million of additional revenues over the next three years. Albertans have been told and retold by the Premier that there will be no new taxes, that everything is going to happen on the expenditure side. Yet in creating the Tax Reform Commission yesterday the government used two phrases that I think are worthy of extreme concern for Albertans: the first, "achieving the required tax revenue" and, secondly, exercising our tax flexibility. Albertans could take these phrases as code words for increased taxes. Mr. Premier, if there are no new taxes, just what did you and your government mean when you said "achieving the required tax revenue" in that statement?

MR. KLEIN: Mr. Speaker, achieving the required tax revenue simply means that we want to maintain stability in our tax regime and at the same time have the Tax Reform Commission determine how we can make those regimes even more competitive to give us the edge relative to economic growth and prosperity in this province.

MR. DECORE: Mr. Speaker, \$963 million is a very specific figure; that is, we will have increased revenues by \$963 million over the next three years. I'd like to know, Mr. Premier, how you categorize these moneys. How much goes into corporate tax, how much into personal tax, how much into user fees for these revenues that are going to increase over the next three years?

MR. DINNING: Well, Mr. Speaker, the hon. member has raised a question. I'm glad to know that he's read the budget plan. It's on page 22 of the document where we say that over a period of four years, from '92-93 through to '96-97, our estimated expected revenue increase through no new taxes, no sales tax, and no increase in rates of taxation will average annual growth of some 3 percent per annum. Under historical numbers, under basic, moderate economic growth we believe a 3 percent annual growth in those income revenues is realistic, achievable, and does not put a burden on Alberta taxpayers, but the hon. member across the way just might.

MR. DECORE: Well, Mr. Speaker, we didn't get an answer. I asked for a very specific categorization, and the Treasurer gives us a little lecture about reading the plan.

I note with some interest that yesterday at the health roundtable Mr. Wagner said: there is no plan for health care, and I'm proud of it. There is no plan. We know it and you know it, Mr. Treasurer. Just give us the detail: how much in this category, how much in this category, and how much in that category?

1:40

MR. DINNING: Well, Mr. Speaker, if the hon. member cared what his caucus was doing, he would know that on the Order Paper is exactly that question, a question of some detail that the Minister of Labour has today given notice that we will be debating in this Assembly tomorrow. I look forward to sharing the information in response to the hon. Member for Edmonton-Whitemud's question. That kind of detailed information, the hon. member knows, is quite appropriate for Motions for Returns, and I look forward to sharing that information with him.

MR. DECORE: That's a good way to pass the buck when you've got no plan.

Kerby Centre

MR. DECORE: My next questions are to the minister responsible for Health, Mr. Speaker. Calgary's Kerby Centre has operated a seniors health centre since 1976. The centre is highly cost effective. For \$41,000 spent last year, that translated into \$180,000 of conventional medical treatment. Cynically the government found moneys to fund this centre before the election but hasn't and won't find moneys to fund this centre now. Unless this centre receives funding very quickly, it's going to go down; it's going to close its doors. I'd like to ask the Minister of Health why she and her colleagues have allowed this centre to be put in such great jeopardy.

MRS. McCLELLAN: Mr. Speaker, the Kerby Centre offers a very valuable service to the seniors community in Calgary – and my colleague responsible for seniors may want to augment my reply – but it is a community-based health centre, and there is a Calgary board of health that is responsible for community-based programs. Although the Minister of Health has worked with the Kerby Centre to ensure that they have adequate funding, the Calgary board of health also has a responsibility to community-based health programming in Calgary. Certainly I will be quite willing to accept any recommendations from the Kerby Centre in Calgary and review their funding with them. To date they have not, to my knowledge, made that request of me, sir.

MR. DECORE: Mr. Speaker, that's the key here. This is a community-based centre. That's why it's efficient. That's why

it doesn't cost very much. I'd like to know what's different now, Madam Minister, than before the election. Why could you find the money before the election and you can't find it now?

MRS. McCLELLAN: Mr. Speaker, I think in my previous answer I was quite clear that the Calgary board of health has a responsibility for allocating dollars for community programs. If indeed there is a shortfall – and occasionally this will happen as it has in the past. The Kerby Centre came to us for additional help because of volume pressures on their centre, and we have responded. Again, the Kerby Centre is a very valuable part of community health, particularly for the seniors population in Calgary. We have supported it, and we will continue to support it.

MR. DECORE: Well, we're getting close. We're getting close.

Madam Minister, it's called leadership. When you see something that works, when you see something that makes sense, when you see something that's not too expensive and that provides good service to Albertans, you should implement it all over. I'm asking the minister if she's prepared to say to the local board of health here and to the one in Edmonton and to all of the local boards of health: this is a good system; let's employ it as a high priority concept.

MRS. McCLELLAN: Mr. Speaker, the one thing that I believe in very strongly is community decision-making, and that is what the Kerby Centre and other such operations are based on. I believe the people in Calgary that are involved are the best suited to make those recommendations. There isn't one model that perhaps pertains to the whole of the province. We rely very heavily on the decision-making at a community level and continue to support local autonomy in all of this decision-making. The Calgary board of health is in place to work within that. The minister is quite ready to hear from any of those groups, but the decision-making again should be made at the local level.

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

Health Care System

MR. MITCHELL: Thank you, Mr. Speaker. Last night at the health care roundtable in Edmonton participants clearly outlined the human costs of this government's across-the-board, arbitrary, unplanned cuts to health care: cases of surgical dressings left unchanged for a week, bloodied hospital walls left uncleaned for literally days, a patient's repeated requests for help to stop his bleeding answered only by housecleaning staff because nobody else was available. My question is to the Premier. How many more of these experiences have to be related to this Premier before he will understand that they are the direct result of the manner in which his government is cutting: arbitrary, across the board, unplanned?

MR. KLEIN: This is melodrama at its absolute worst. Mr. Speaker, first of all, the government does not run the hospitals. If the hon. member would be so kind as to give me the specifics, I will have the Minister of Health discuss this particular situation with the hospital officials who are directly responsible for their patients.

MR. MITCHELL: It's not good enough. The minister was there. The Member for Bow Valley was there. There was a battery of consultants and assistants. People taking notes were there. This Premier should have known.

My next question is: can the Premier answer last night's observation by so many participants that it is premature, improper, and not competent to cut \$200 million from Alberta's health care system without first having a plan in place in light of the fact that the moderator for these roundtables actually said that he was glad there is no plan in place?

MR. KLEIN: First of all, Mr. Speaker, I'm so very, very happy the hon. member saw fit to attend the roundtable. Perhaps he can attend more and more and more.

Mr. Speaker, there are two phases to this process. Phase one was the Red Deer roundtable, where people from all walks of life in this province participated with the minister to tell the minister what they could do to achieve efficiencies within their own systems. Patients, doctors, nurses, administrators, people from the public at large all participated in that program, and that is to deal with this year's budget.

The process that is now under way, Mr. Speaker, is a process that will look at the longer term: what we can do as a government to remove cumbersome rules and regulations to allow hospitals to operate more effectively and more efficiently. That's what the process is all about. If the hon. member wants to pick out here and there little horror stories, then I would ask him to please pass these things on to me so again, I repeat, the minister can sit down with the hospital officials and make sure that these situations are addressed on an individual basis.

MR. MITCHELL: Mr. Speaker, how can the Premier stand in this House and on the one hand say how important these roundtables are and this public input is to his ability to make health care policy in this province and on the other hand dismiss the heartfelt human cases that were raised in meetings like the meeting last night as being nothing more than melodramatic horror stories?

MR. KLEIN: Mr. Speaker, that is utter nonsense, absolute utter nonsense.

I challenge the hon. member again to bring me the very specific case: name the patient, name the hospital. These are the people who just yesterday said that hospitals should have the autonomy to run their facilities as they see fit, and government should stay out of it. Mr. Speaker, we do not run the hospitals. Hospital boards run hospitals, just like the Liberals want them. If there are specific cases that are hurtful to people and patients, then I can give you my assurance that the hon. minister will address those situations with the appropriate hospital boards, with the appropriate officials to make sure they don't happen again.

MR. SPEAKER: The hon. Member for Red Deer-South.

1:50 Advisory Council on Women's Issues

MR. DOERKSEN: Thank you, Mr. Speaker. This government has determined that all agencies, boards, and commissions should be under continual review. A sunset clause was announced for 1999 on most of these boards, and that's a wise decision, but I would presume that this does not mean we can't review the functions of these boards and agencies before that time. My question is to the Minister of Community Development. There is one particular advisory council that seems to be on again, off again, and it has to do with the Advisory Council on Women's Issues. I'd like to ask the minister: can you clarify for us what the status is?

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

MR. MAR: Thank you, Mr. Speaker. The hon. member is correct, of course, in identifying that government is examining all agencies, boards, and commissions. I have examined and I have reviewed the mandate of the Alberta Advisory Council on Women's Issues. In my view this government remains committed to funding that agency. Although a great deal has been achieved in the past, women still do not have an equal opportunity to fully participate in all aspects of the life of this province, and accordingly I will continue to be supporting that organization.

MR. DOERKSEN: Mr. Minister, there are other organizations – and I think of one: Alberta Federation of Women United for Families – who seem to be able to raise their own funds to lobby the government on their issues. I'm thinking: isn't this the better route to go?

MR. MAR: In the past, Mr. Speaker, the Advisory Council on Women's Issues has played a very important and significant role in advising this government what the needs and concerns are of women in this province, and in my view the broad need for that continued mandate remains with this group.

MR. DOERKSEN: The budget estimate for this particular advisory council is \$338,000. Can this money not be better spent on different and better priorities?

MR. MAR: Mr. Speaker, I'm not persuaded that that is the case at all.

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

Crowsnest Pass Layoffs

MS LEIBOVICI: Thank you, Mr. Speaker. There currently exists a very serious situation in the Crowsnest Pass, where approximately 700 workers are unemployed, many of whom have worked in the B.C. mines. It's a major problem, and more layoffs are coming. To the minister responsible for Labour: what are you going to do to assist these workers affected by the layoffs?

MR. DAY: Mr. Speaker, the Member for Pincher Creek-Macleod has already brought these concerns to my attention as have others from that area. There are presently and have been for a period of a few weeks now discussions going on with workers in that area, and we are looking to see what can be done. It's difficult, obviously, when a major industry closes down operations the size of these B.C. operations, and we are looking at what can be done to help these workers.

MS LEIBOVICI: To the minister responsible for Labour. This issue has dragged on for more than a year, and as many of these individuals are older workers who are now or who will soon be collecting social assistance, could the minister please tell us why he refuses to access the cost-shared federal/provincial program called the program for older worker adjustment?

MR. DAY: Well, Mr. Speaker, we can't access something that we are not a party to. That particular program has been joined in the past several years by certain provinces. Alberta has not been a partner in that program because it advocates what's called passive assistance, and we believe in active assistance. Passive means don't help the workers retrain or take upgrading or anything like that. There's a reflection there on age, that a worker who's 55 years of age or over can't be helped in any way in terms of

upgrading or retraining. We've seen that that's quite the opposite in the province in that Albertans do want to see what they can do to remain productive. So Alberta did not sign on with that agreement when other provinces did, and we can't access something that we didn't sign on to.

MS LEIBOVICI: As there are currently workers who have not been able to access training or have not been able to get further education, individuals who are currently on social assistance or who will be receiving social assistance when there is a federal/provincial program that exists that can be accessed by this government, is the minister responsible for social services prepared to access that program?

MR. CARDINAL: Mr. Speaker, our three-year welfare strategy, of course, is specifically to deal with an issue of that nature. We spend close to a billion dollars under supports for independence to assist in getting people off welfare into training and employment opportunities. Anyone that is eligible to participate in this program will be able to participate.

MR. SPEAKER: The hon. Member for Highwood.

Home Schooling

MR. TANNAS: Thank you, Mr. Speaker. My questions today are to the Minister of Education. Home schooling has fairly mushroomed in the province of Alberta in the past half dozen years with many innovative arrangements between parents and willing residential and nonresidential boards, something that would make the face of any free enterpriser light up. My question, then, to the minister: given that your department is conducting a review of home schooling, would part of this review include the contracts signed between parents and willing boards, whether nonresident or resident?

MR. JONSON: Mr. Speaker, the review process that the hon. member referred to is nearing its completion, and following that, of course, there will be the normal policy-making and approval process that has to be followed through on. Now, as I've indicated, the purpose of this review is to look at the monitoring of home schooling, assuring that the level of achievement that we expect is there, but we want to verify and we want to review the whole matter of policies and regulations. Now, in a general sense, certainly as these policies might be specified or modified, these changes might impact upon the overall contractual relationships that exist between school boards and home schoolers, but that was not the initial focus of this review.

MR. SPEAKER: Supplemental question.

MR. TANNAS: Thank you, Mr. Speaker. Well, would the minister assure parents, school boards, and members of this Assembly that where the existing contracts don't violate provincial law or regulation, they will not be canceled during the current 1993-94 school year?

MR. JONSON: Mr. Speaker, the impact of any changes that might be made will certainly be considered relative to any commitments school boards may have made with respect to contractual relationships.

Riverside Villa

MR. DICKSON: Mr. Speaker, the Riverside Villa in Calgary is unique. It's the only residential treatment facility in western

Canada for women with drug and alcohol problems. Now that agency can no longer provide the residential program because of cutbacks in AADAC funding. My question to the minister responsible for AADAC: what does she say today to Alberta women waiting to get into the villa and who need that kind of program and treatment?

2:00

MRS. MIROSH: Well, Mr. Speaker, the Riverside Villa Association is a nonprofit society and operates two programs in Calgary. There have been no decreases in funding. As a matter of fact, in the 1993-94 budget they've received a 2.5 percent increase in funding.

MR. DICKSON: Mr. Speaker, I put this supplementary question to the minister responsible for women's issues. What will this minister do to advocate for Alberta women who need this kind of service and now won't be able to get it with the closure of the residential facility?

MR. MAR: Thank you. Mr. Speaker, I'm pleased to discuss the matter with the hon. minister responsible for AADAC and take that under advisement.

MRS. MIROSH: Mr. Speaker, there is no closure. As a matter of fact, the board there have decided that they have a new strategy in place, and they'd like to increase the number of people who can access this treatment as an outpatient centre.

MR. DICKSON: My further supplementary question, then, is to the Minister of Justice. The minister knows that women who sell themselves on the street frequently have severe alcohol and drug problems. My question to the minister is: what steps will he take not only in Calgary but throughout the province to ensure that there are appropriate community treatment facilities for women who offend and have this kind of problem?

MR. ROSTAD: Mr. Speaker, as we recently went through the estimates, there are a number of facilities across Alberta that treat offenders, male and female, young offender and adult offender, and if this particular program has changed such that people who were offenders can no longer be treated, there will have to be an alternative developed.

MR. SPEAKER: The hon. Member for Lacombe-Stettler, followed by St. Albert.

Assured Income for the Severely Handicapped

MRS. GORDON: Thank you, Mr. Speaker. Assured income for the severely handicapped, better known as AISH, is a unique program in Canada. Most provinces do not have such a program and provide only regular welfare benefits. My question is to the Minister of Family and Social Services. Are all cases being reviewed, or are people being cut off and left without benefits?

MR. SPEAKER: The hon. Minister of Family and Social Services.

MR. CARDINAL: Thank you, Mr. Speaker. In the whole process, like the hon. member says, we're about the only jurisdiction in Canada that has such a program. It's a valuable program, very active and effective, and we want to maintain it. My department is only reviewing cases where there is a history of past

employment or a possibility of future employment. For an example, staff will not be reviewing if those with disabilities have been in nursing homes. Those cases will not be reviewed.

MRS. GORDON: How is this review being co-ordinated?

MR. CARDINAL: Mr. Speaker, the review is going to be quite lengthy because we want to make sure we make the right decisions for the benefit of the clients. First of all, the only clients again that will be reviewed are clients that are either working part-time or in training programs or in schools. Those files will be reviewed. A face-to-face interview will be done with the client, and if it is felt at the time that the person is employable or trainable, the decision will be made to transfer those particular clients to the assured income category of the program, which means they become employable or trainable. They will receive a 30-day notice, and they have an opportunity then to appeal. Now, if for some reason the appeal cannot be heard within that time, then we'll extend the time until the appeal is heard and a good decision is made on the client.

MRS. GORDON: What is the criteria for the AISH program, and what is the target for budget reduction in this area of your department?

MR. CARDINAL: Mr. Speaker, I indicated to the Assembly before that when we're talking about cuts – for an example, the \$154 million reduction – that we did increase the high-needs area by \$28 million. So we are very sensitive to the needs of the people that are really needy. The AISH budget, the assured income for severely handicapped, is \$158 million with a caseload of over 15,000 people. I have asked the department to review the program budget with a target of a \$1.3 million savings as a result of this review. I don't know if we can achieve the target, but we will only review employable clients, and people with a definition of a severely irreversible handicap will remain under AISH.

MR. SPEAKER: The Member for St. Albert.

Alberta Mortgage and Housing Corporation

MR. BRACKO: Thank you, Mr. Speaker. My question is to the Minister of Municipal Affairs. Can the minister explain why Alberta taxpayers are on the hook for \$104 million in realizable AMHC losses through the general revenue fund in the 1993-94 budget year?

DR. WEST: Mr. Speaker, the estimates of Municipal Affairs will be up on Thursday, and I'm sure these questions can come forward then.

I came to Alberta in 1967, a tremendous time in the history of this province. The growth from 1967 to now is unbelievable. As I travel around the country and this world, I see a development in this province that I've never seen anywhere else. [interjections] During that high-growth period in the mid-1970s, Alberta Mortgage and Housing took upon itself, because of the tremendous influx of workers into the province and the low housing that was here, to develop what they called the CHIP and MAP programs: modest apartments and core housing incentive programs. At that time they built over a billion dollars worth of property in one of the highest real estate market times in this province. [interjections] Since 1991 we have been in the process of working out the mortgages on those properties or selling them, because many of

them went into arrears and couldn't afford the high interest rates of the late '70s and early '80s.

MR. DECORE: I think we're getting close.

DR. WEST: Those are written into the . . .

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

Supplemental question.

MR. BRACKO: Thank you for that around the world information. What assurances can the minister give that the losses will not be above the \$104 million estimate, given the fact that this government has consistently underestimated the annual losses to the tune of \$45 million per year over the last five years?

DR. WEST: Mr. Speaker, this is an excellent question. He is, indeed, right that in the type of reporting we were making to this Assembly, we did not put in some of the estimated losses that could be brought forward in the sale of these properties. We did do that last year and brought it up to \$104 million in estimate. By the look of the sales that are ongoing today, we will probably not meet that target of losses. We put it in as an estimate so that there would be no misconception by this Assembly as to what could be the potential losses.

We are in the process in Municipal Affairs Sales Ltd. of actually winding down many of the portfolios because we have had a tremendous workout of mortgages and sales in this province. At the present time we are working on some other directions to get rid of some of the rental properties that we have, as well as the tremendous amount of properties in the Fort McMurray area. As soon as those sales are through, we'll make a full report to this Assembly and see how close we come to our target. Hopefully we don't hit it, because we don't want to lose \$104 million. We have stated that in this budget so there's no misconception to the taxpayers of Alberta.

MR. BRACKO: West Edmonton Village has been on the auction block for the past two and one-half years. How much of the \$104 million losses will be the result of the fact that this government will be forced to eat a major portion of the \$60 million mortgage on West Edmonton Village?

DR. WEST: Mr. Speaker, the question is on West Edmonton Village, and it was one of the ones. It was about a 1,117 unit building that went on in those years. It did have a mortgage of around \$60 million, and with accumulated administrative costs it reached about \$64 million, actually. That was the asking price we went into the marketplace with. We held off and kept working at this. In the early days we would have got about \$40 million on this piece of property. We are working at the present time on an offer that came close to the appraised value of \$56,745,000. We have an offer of \$54,500,000, which is on the decks and working out. So if you look at our book value of \$64 million, there is a potential loss of \$10 million on the \$104 million, and that was your question.

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

2:10

Economic Strategy

MRS. BURGNER: Thank you, Mr. Speaker. I have a question to direct to the Treasurer. It has to do with a discussion in my

constituency, and it had to do with the support for our government plan and the continued need to get out of the business of being in business. We wanted to revisit that in a positive way. However, there is a concern that as we deal with that, there's maybe a threshold level with respect to employment below which, if the tax base continues to be eroded, our deficit elimination plan could be compromised. I wonder if the minister could comment on that, please.

MR. DINNING: Mr. Speaker, I appreciate the hon. member's question, but I want to assure her and her constituents that the tax base in this province is not being eroded, and it will not be eroded based on forecasted growth that others across this country, people who look at Alberta from afar as well as Albertans who are here at home, say we will experience. Growth in the order of about 3 percent at least this year: that's our projection. The Conference Board of Canada is calling for a 4.6 percent growth for the province of Alberta. I believe that with the plans we have in place, the economic plan the Premier laid out to the Assembly in April to the four-year plan that the province laid out in the May 6 and September 8 budget addresses, that is going to in fact free up the private sector, free them up to create the jobs that the hon. member and her constituents are concerned about.

Mr. Speaker, when I think about our announcement yesterday on the Tax Reform Commission, the objective of creating a competitive tax environment, getting rid of unnecessary rules and red tape, and a host of other initiatives that we're taking, I believe we're on the right track to creating, to broadening, and to strengthening the Alberta economic base.

MR. SPEAKER: Supplemental question.

MRS. BURGNER: Thank you, Mr. Speaker. If I take that one step further and make an inquiry, then, with respect to the Tax Reform Commission, will it be one of their mandates to perhaps identify that threshold and have a sense of where our economic strengths are vis-à-vis maintaining the quality of programs and the quality of life here in Alberta?

MR. DINNING: Most assuredly so, Mr. Speaker, because what the commission is being asked to do fundamentally is to ask: what is the most competitive regime that we can create in this province so as to not only keep the businesses in this province that are here now but help them and allow them and nurture them to grow? What other steps must we take to ensure that companies are in fact knocking on our door from the likes of Ontario or British Columbia and other places today to say: we want to invest our dollars; we want to invest dollars in this province; we want to create jobs because this Alberta is and in the future will be the right place, the secure place to invest dollars and create jobs?

MR. SPEAKER: Final supplemental.

MRS. BURGNER: Thank you, Mr. Speaker. My final supplementary question has to do with the 110,000 jobs that we've identified as the potential to create in the Seizing Opportunity initiative. My question deals with: will we see in our quarterly reports from Treasury any reflection on that increased employment so that we get a sense of the economic strength of that initiative?

MR. DINNING: Well, Mr. Speaker, I believe my colleague the Minister of Advanced Education and Career Development may want to supplement my answer, but I can assure the hon. member that since August of 1992 there has been an increase of some

10,000 new jobs in this province. In June, I believe, we had the good fortune in Alberta to hit the highest level of employment that has ever been experienced in the province of Alberta. Yes, I can assure the hon. member that in the months ahead and the years ahead we will try to reveal and disclose more and more of that kind of economic information so as to account to Albertans on the progress we are making on our fiscal plan and on our economic plan.

MR. SPEAKER: The minister of advanced education wishes to augment the answer.

MR. ADY: Thank you, Mr. Speaker. I would only augment by saying that there has been a decided trend away from part-time employment in the province and over to full-time employment. It is a direction that we are encouraged by, and we anticipate that it will continue.

MR. SPEAKER: The hon. Member for Lac La Biche-St. Paul.

Canadian Heritage Rivers System

MR. LANGEVIN: Thank you, Mr. Speaker. In April of 1992 the minister of the environment, now the Premier of this province, stated in this House with respect to Canadian heritage rivers system, and I quote:

It will be my recommendation that we enter the program and that the Clearwater be one of those rivers considered for designation.

Eighteen months later, we see no action. My question is to the Premier of this province. When will this government implement your commitment to join the Canadian heritage rivers system?

MR. KLEIN: Mr. Speaker, the hon. member is indeed right. There was a commitment to declare the Clearwater River as one of the first heritage rivers in the province of Alberta. We have indeed adopted a policy that will become part of the heritage rivers program. As to the actual implementation I will defer to the hon. Minister of Environmental Protection.

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

MR. EVANS: Thank you very much, Mr. Speaker. Indeed, as the Premier said, he indicated back in 1992 a commitment as the then minister of the environment to the Canadian heritage rivers program. We are very, very clear in this program that we have to have the active involvement and the support of local communities if this is to be successful in the province of Alberta. The reason for that is because of the advisory committee that was established by the hon. Premier when he was minister of the environment, and one of their recommendations was that any designation of either an entire watercourse or a part of a watercourse should be sponsored by a local community in the province of Alberta.

There have been some concerns raised by local communities as to whether or not development opportunities would be either curtailed or in fact stopped were they to make that kind of a designation, and because we are operating in a regime where we respect local communities and want them to be involved in the decision-making process, we have been going through a review process during the summer. I quite expect that we will be implementing this with caucus approval and through the standing policy committee process before the end of this year.

MR. LANGEVIN: My question, Mr. Speaker, is to the Minister of Environmental Protection. Seeing that the Clearwater River

falls under the FMA area of Al-Pac, will this government promise to prevent logging along the Clearwater River until it can be designated as a heritage river in Alberta?

MR. EVANS: That's a very valid question, Mr. Speaker. Quite frankly the forest management agreement holder, Al-Pac, along that section of the Clearwater River is very, very aware of the Canadian heritage rivers program, very, very aware that the Clearwater has been identified as one of those areas that will likely be in the first number of designations once the heritage rivers program is implemented in the province of Alberta. They are very clear that they do not wish to remove any timber near the buffer at the bank of the Clearwater River in recognition of this program and in recognition of the fact that their forest management agreement provides for an integrated resource approach and that they are good corporate citizens.

MR. LANGEVIN: My final question, Mr. Speaker, is addressed to the Minister of Community Development. Can the minister give us his assurance that because heritage falls under his department, he will give his full commitment to support the implementation of us joining the Canadian heritage rivers system?

MR. MAR: Mr. Speaker, I'm not sure why the hon. member has addressed the questions to me. However, I will be pleased to take it under advisement.

2:20

MR. EVANS: Mr. Speaker, if I may supplement, the intent of the Canadian heritage rivers program is to recognize rivers that have cultural, natural, or recreational national heritage values in the province of Alberta. This program is administered clearly through the Department of Environmental Protection, and the hon. member should have addressed the question to me. We have a process in government, a very open process, the standing policy committee process, that involves all members of our caucus, whether they be cabinet members or private members in the decision-making process, and the hon. Minister of Community Development will have that opportunity, along with all other members, to give his input into the decision-making process.

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

Federal Energy Policy

MR. SMITH: Thank you, Mr. Speaker. In a brochure in the federal riding of Calgary North, which I show to you now, the federal Liberal Party is proposing a return to the suppression and overregulation of our energy markets by central government control. I quote from this brochure from Liberal candidate James Maxim:

Government must help industry protect existing gas sales and acquire new contracts . . . We need to negotiate a common approach to gas pricing.

A question to the Minister of Energy: are the federal Liberals not revisiting the national energy program by their reference to protectionism and government negotiation of pricing, and could the minister state for all Albertans the government of Alberta's position on gas sales and intervention by central government into this policy? [interjections]

MRS. BLACK: Mr. Speaker, we can hear the chipper, chipper over on the other side.

Last spring we had a feeling, Mr. Speaker, that the Liberal Party of course supported the national energy program, because

the Member for Redwater continually yelled across the House: bring back the national energy program. [interjections] Chip, chip; they don't like it.

I'd like to say that I find the words – they were chipping so much you couldn't really hear it. "A common approach to gas pricing": those definitely are words, Mr. Speaker, that I regrettably say were part of the national energy program that was introduced by the Trudeau Liberals and caused the biggest devastation and destruction of the economy, not only in Alberta but also throughout Canada. This was a program that put an economic burden on the industry of around \$60 billion.

Mr. Speaker, in answer to this member's question, I find it inconceivable that any Alberta politician – I'm not surprised it's a Liberal again – could conceivably come forward with any kind of comment on another national energy program.

MR. SMITH: Madam Minister, is not the control, the development, and the management of natural resources a guaranteed right under the Constitution, and as such, would the minister tell this House how she is protecting this guarantee for all Albertans?

MRS. BLACK: Mr. Speaker, the hon. Member for Calgary-Varsity is quite right. Under the Constitution of Canada the ownership of the natural resources and the development thereof do belong in fact to the provinces. Any attempt to intrude on that jurisdictional right of the province of Alberta would not be well suited here. [interjections] Listen to Chip and Dale over here.

I'm surprised, Mr. Speaker, that the Leader of Her Majesty's Official Opposition has not taken aside his Liberal cousins federally and explained to them that this kind of intrusion would not be in the best interests of Alberta or within the interest of this country.

MR. SPEAKER: Final supplemental.

MR. SMITH: Thank you, Mr. Speaker. Gee, I just thought I was asking a puffball.

Could the minister reconfirm the government's position and the successes of the deregulated natural gas marketplace?

MRS. BLACK: Mr. Speaker, any kind of context that would take away from the system that we in the province of Alberta believe in – and that is one of a deregulated system where you have an open market that deals with willing buyers and willing sellers – is not acceptable in this province.

I know members on my side of the House are well aware of the importance of this industry in this economy and in the economy of Canada. I will give just a few examples of how the deregulation that has come into effect since 1985 has been positive, positive for Alberta and for Canada. A prime example of letting our industry go to market and negotiate without government interference: it has given us a share of the U.S. gas market. Our share of the U.S. gas market has risen from 4 percent to over 10 percent. That's from deregulation. In addition to that, we've seen an expansion of our gas markets through our infrastructures and pipelines into the northeast. Now, I know the Liberals don't like this, because they can't stand the fact that the policies of this government are through a deregulated system, market driven.

Finally, Mr. Speaker, I'd like to say that working with industry in a deregulated environment has in fact returned 16,000 people to the oil industry, something they can't stand.

head:

Members' Statements

MR. SPEAKER: The hon. Member for Spruce Grove-Sturgeon-St. Albert.

Blood Fractionation Plant

MRS. SOETAERT: Thank you, Mr. Speaker. Spruce Grove: a dynamic city that takes on challenges with forethought, ingenuity, and just plain hard work. The decision as to where to put the first Canadian blood fractionation plant will be decided shortly. Hopefully this decision will be made in favour of Spruce Grove.

A year ago the city of Spruce Grove put together a committee of four hardworking, dynamic, creative people to deal with the proposal. Bill Kesanko, the deputy mayor and chairman of economic development and tourism; John Cosgrove, the utility manager; Dianne Thornton, assistant to the city manager; and Marian Walker, the executive secretary, put together a proposal for this plant. Spruce Grove has political support. It's an ideal location. It has a stable employee base, a modern transportation and communication network, and the ability to provide everything needed for the success of this plant.

For those of you who are not aware of what blood fractionation is, it is the separation and processing of blood plasma into a range of products for therapeutic uses including surgery, burn therapy, and the treatment of hemophilia and a variety of specific infections. During the next few days Ralph Gilastian, the president of Miles Canada Inc.; Jack Ryan, vice-president of Miles Canada Inc.; Steve Vick, assistant national director of manufacturing and development; Doug Lindoers, secretary general of the Red Cross; and Ed Gdula, vice-president of biological productions are considering this proposal.

The plant will bring about immediate economic growth not only to Spruce Grove but to all of Alberta and in fact will save the Canadian government in excess of \$400 million in the first 10 years of this plant's operation. Further repercussions from this plant in terms of other investors are limitless. This is a win-win situation. If the proposal goes through, Spruce Grove gains industry and countless opportunities, and the blood fractionation plant gets the best location in Canada.

MR. SPEAKER: The hon. Member for Red Deer-South.

2:30

Treasury Branches

MR. DOERKSEN: Thank you, Mr. Speaker. Today I'm giving my technotalk about the performance of the Alberta Treasury Branches. My analysis of the financial ratios of the Treasury Branches for the year ended March 31, '93, will show a potential unrealized net income of an additional \$28 million. That would equate to a net income of two and one-half times the actual income reported in '93. My analysis is based on research conducted by Nesbitt Thompson securities. They have produced a booklet entitled *The Bank Analyzer*, which analyzes the performance of six major banks. Included in their analysis is a page on the income statement, and it is to those ratios I draw your attention.

One of the most critical ratios is the expense-to-revenue ratio. This ratio largely addresses productivity performance. The average of the six banks is approximately 60 percent. This means that total expenses excluding loan losses are 60 percent of total revenue. Total revenue includes both net interest income and noninterest revenue. The Treasury Branch ratio is 67.2 percent. While the Treasury Branches have made significant progress over the past number of years, they still have a long way to go.

To improve on the performance of the Treasury Branches, there are two main areas to focus on. The first is the generation of noninterest revenue. By increasing noninterest revenue to 1 percent of average assets, \$20 million more revenue would be generated. This is clearly within the realm of competitive reality,

as the 1 percent figure reaches the level of the lowest of the six major banks. The second area would be to reduce expenses by \$8 million. These two adjustments would bring the Treasury Branches into line with the average expense-to-revenue ratio of the major banks and increase its bottom line by \$28 million. Not a bad day's work for a private member.

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

Senior Citizens Programs

MR. YANKOWSKY: Thank you, Mr. Speaker. I would like to take this opportunity to remind you and this Assembly of a continuing and growing crisis in our society, that of our rapidly aging population. An illustration: while today there are six workers per dependent-aged person, in the year 2031 the figure will fall to three. Because of the type of social evolution experienced in recent decades, especially since the Second World War, we have come to depend heavily on institutional care for seniors, an approach which is expensive in financial and, more important, human costs. How strange that while we have spent the past 10,000 years trying to live long and grow old, now that we are having some success, we don't know what to make of it.

Mr. Speaker, society is fortunately developing a more wide-ranging approach to seniors care. This includes the establishment of seniors day programs, which show particular promise. Such programs range from seniors drop-in centres to comprehensive day cares. Day programs reduce costs to the system if people use these instead of long-term care. They improve the quality of life for seniors who live alone or with busy young families. They can be implemented in poor and depressed areas to improve health conditions and prevent major illnesses. They provide respite for family members who look after the elderly in their homes. The resulting more relaxed atmosphere has two advantages: it reduces the tendency to elder abuse, and it encourages keeping the elderly at home.

Mr. Speaker, the evolution of these day programs is important, and I recommend their further development to this Assembly.

Point of Order Oral Question Period Rules

MR. SPEAKER: The hon. Member for Edmonton-McClung, a point of order.

MR. MITCHELL: Thank you, Mr. Speaker. I rise to debate a point of order stemming from the question by the Member for Calgary-Varsity.

AN HON. MEMBER: Citation.

MR. MITCHELL: I'm going to get to that.

I would like to state, Mr. Speaker, that it breaches a series of citations found in *Beauchesne*: 409(1) says that a question cannot ask an opinion, it did; 409(2) says that a question must be brief, it wasn't; 414 says that a supplementary must seek supplementary information, it didn't; 409(4) says that a question must not be frivolous, it was. Citation 409(5) says that there must be some urgency. The election is not for at least another month – unless of course the member is worried that somehow his government has hired back former Premier Peter Lougheed who is now recommending that this government should sign yet another such program as he did in the original case. Citation 410(14) says that a question must not anticipate an order of the day. I point out that

today the Energy estimates are up, and we have consistently been told that we cannot ask questions about a topic that will be up for estimates that day. Citation 417 says that the answers must be brief. They weren't.

Perhaps, Mr. Speaker, what's more compelling about this problem that we see is that the question missed some very, very important and fundamental premises. It was misleading and faulty in that regard. First of all, it failed to point out that while the Tories did away with the hated PGRT, it took them two years to do it, and since that time they loaded greater taxes on gas at the pump in this country than the PGRT ever did. Secondly, it did not assess the relative impact of the GST on Alberta's economy, which these people sat idly by and allowed to happen. In fact, Mr. Speaker . . . [interjections]

MR. SPEAKER: Order.

The hon. Deputy Government House Leader.

MR. MITCHELL: Mr. Speaker, I have yet another point.

MR. SPEAKER: Thank you. The hon. Member for Edmonton-McClung will be able to conclude his remarks on the point of order without losing the relevance.

MR. MITCHELL: Thank you very much, Mr. Speaker. What I would say is that while we appreciate that it is difficult to meet each and every rule that is laid out in *Beauchesne* on any given question given the demands of an issue and the importance of an issue and the nature of that issue, and while it is important that members be allowed some flexibility within those rules so that they can raise an issue in this Legislature that needs to be raised and shouldn't be restricted unnecessarily by rules, as I add up one, two, three, four, five, six, seven breaches of *Beauchesne*, I say that it is an open-and-shut case that that kind of question should be vastly discouraged and that kind of answer should be vastly hurried up.

MR. DAY: Well, Mr. Speaker, if ever there's a citation for frivolousness and long-windedness, we've just seen it right here.

Mr. Speaker, can I suggest that *Beauchesne* 410 relates to matters of urgency? I don't think we can find much more urgent to this House than anticipated tax grabs that are going to be foisted upon us again should certain federal parties come into power. [interjections]

Mr. Speaker, I want to bring to your attention the question period today.

AN HON. MEMBER: Getting worried, are you?

MR. SPEAKER: Order please.

MR. DAY: You know, they can hand it out, but they can't take it, Mr. Speaker. We try to raise a point, and they all go berserk.

The point of question period today, Mr. Speaker: we had a case where Calgary-Buffalo asked a question about a certain centre that was closed, was informed it was open and increasing. He carried on questions. [interjections] Calm down.

MR. MITCHELL: A point of order, Mr. Speaker. A point of order on another one.

MR. SPEAKER: Order please. The Chair would remind the hon. Member for Edmonton-McClung it's impossible to raise a point of order on a point of order.

We will discuss this, but the Chair would urge the hon. Deputy Government House Leader to stay with the point of order raised by the hon. Member for Edmonton-McClung.

MR. DAY: The trained seals missed feeding time today, Mr. Speaker. They can't keep quiet over there.

I will go on. In closing my remarks, we saw an excellent example of a ridiculous pursuit of questions that had already been answered. We saw Edmonton-McClung ask the Premier about wiping blood off a wall, and we saw a member over here, after addressing a river question to the environment, then ask the Minister of Community Development what he was going to do about rivers. Boy, I can't believe the . . . [interjections]

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

AN HON. MEMBER: It's just Tuesday.

2:40

MR. SPEAKER: Only Tuesday you say? It seems like Thursday. [interjections] Order please.

The Chair would urge the hon. Deputy Government House Leader to conclude his remarks as expeditiously as possible.

MR. DAY: I've been trying to, Mr. Speaker, and I've not been permitted to.

So to go on, we had another example of a member asking a question on rivers of the minister of environment. He got the answer. So he jumped over and asked Community Development if he was going to shut down the rivers.

In closing and before the Opposition House Leader's voice pops again, I'd like to suggest that your ruling, Mr. Speaker, which we will definitely abide by, which we always do – should our member's question be ruled illegitimate, I suggest the illegitimates across also be dealt with.

MR. SPEAKER: The point of order as raised by the hon. Member for Edmonton-McClung. The Chair must say that the Chair accepts some responsibility for the point raised by the hon. member. It regrets to have to say that, but there were a few things that happened in question period today and that have been happening over the last number of days that were leading the Chair to come up with another Thursday afternoon sermon to close the month. Thursday will be the end of the first full month of our operations. Because of the point raised by the hon. Member for Edmonton-McClung today, perhaps the Chair should try to deal with it now.

The Chair particularly regrets not enforcing the rule against anticipation. That should not have happened. The Chair will try to see that that doesn't happen again.

The Chair is going to take this opportunity to make the sermon now. First of all, today there was a question asking for comments by a minister. That, hon. members, is not a proper way to craft a question. Under *Beauchesne* a question is to seek specific information and not to ask for a general commentary. That is not the role of question period.

There also has been a tendency over the last few weeks to get away from directing questions through the Chair. That is leading to an escalation of emotions and noise in the Chamber that delays matters. So the Chair starting from now on is going to interrupt people who ask questions of the Premier or the Treasurer or whatever minister, and the Chair will also interrupt those ministers who reply personally to the questioner. That is not proper and is leading this Assembly in the wrong direction.

The last question took six minutes. That was one reason why the Chair didn't interrupt. He was going to see just how long that exercise was going to take. The hon. Member for Edmonton-McClung is perfectly correct when he says that there were unrelated supplementals. The question was asked in not a very precise way, and because of that the hon. minister took an opportunity to make a speech instead of giving an answer.

I hope that the Chair has answered this point of order in a way that will lead other hon. members to deal with their questions and the answers in a more precise way.

Thank you.

head: **Orders of the Day**
 head: **Public Bills and Orders Other than**
 head: **Government Bills and Orders**
 head: **Second Reading**
Bill 204
Stray Animals Amendment Act, 1993

[Adjourned debate September 22: Mr. Hlady]

MR. HLADY: Mr. Speaker, I would like to just start off by summarizing what I had started with when I finished last time. Putting together the two herds – there was the one herd at Suffield. I don't believe this Bill addresses this herd. It does deal mainly with the herds in the Sundre area. I would like to put my support behind Bill 204 in protecting this herd under the Stray Animals Act by amending it. I think it's important that we go to a legal protection for these animals, as it's something that is seen by people outside of Alberta as an important integral part of tourism and an attraction of the wilds of Alberta.

At this time there is no protection for the feral horses, and they are prey to anyone who chooses to set up the snares and traps or corrals in the backcountry. It is estimated that approximately 80 horses in the Sundre herd have been captured this season alone. Many of these horses are being put up at auction for the higher prices of horsemeat. Currently in Europe horsemeat is being sold at higher prices than beef. This is easy money for people who wish to go through the procedure. I'm actually not sure what kind of income this makes for people who are doing this, but I don't think it fits into current or traditional business of Alberta.

I don't think this can cover Suffield at this time as well unless we're considering looking at moving these horses. This is a separate problem that's under federal jurisdiction, and I don't truly think we should be addressing that through this Bill.

The licensing requirement. Bill 204 proposes to protect those horses living on Crown land by requiring anyone who captures a horse on Crown land to get a licence before doing it. This would allow the government to keep an active track of the numbers of the feral horses, and we can maintain the environment by controlling the numbers.

Just in conclusion, Mr. Speaker, what I would like to say is that this Bill not only offers protection to the Sundre horses under law; it also gives the government leeway to make regulations in a responsive and proper way.

Thank you.

MR. SPEAKER: The hon. Member for Lac La Biche-St. Paul.

MR. LANGEVIN: Thank you, Mr. Speaker. It's my pleasure to rise today in the House to speak to Bill 204. I would like to commend the hon. private Member for Olds-Didsbury for bringing this problem forward to the House. I think it's a problem that has

to be dealt with. It's a problem that has existed in this province for a while. I believe that trying to deal with the feral horses, or the wild horses, under the Stray Animals Act is probably the wrong Act to try to deal with them because the Stray Animals Act is mainly meant to deal with farm animals.

I think in the past it has done a very good job of dealing with farm animals who stray away from their owners. The Act is very specific if you look at it. It talks about the liability of trespassing livestock. It talks about the liability of opening and not closing gates. Then it goes through the procedure of putting an animal in a pound; the power of the inspector; how you dispose of an animal that has been impounded; how an owner can retrieve such an animal; and if it's not retrieved, how you have a public auction sale and how the funds are disposed of. I think it's doing a good job of handling farm animals.

The feral horses, or the wild horses, are not farm animals. They have for generations lived in the wild, and they have adapted very well to their wild environment. I think they do as well as the moose or the elk or the deer that live in the same environment. A domestic animal or a farm animal cannot adapt as fast to life in the wild. I think every winter you see on the TV news where owners are charged because they don't care for their animals properly on a farm. The animals are not given the proper shelter, feed, or attention and care. The wild horses don't need that care. They don't need shelter, and they don't need to be supplemented with feed during winter. They adapt very well, and they can tough the harsh environment that we have in Alberta. They have done that very successfully, because their numbers have increased. I think they have truly become wild animals. It should be dealt with under the wild animals Act.

Another proof of how these animals have adapted to the wild is that they have gone as far as to adapt their sex life to compete in the wild. If you look at wild animals, they have a certain breeding season, and the offspring are all born in the spring. A horse in captivity, a horse on the farm the owner has to regulate when he wants his offspring to be born, and when they're born in winter months there's extra care and you have to provide heated shelter for that. Wild horses have taken the same route as other wildlife in the wild: the offspring are all born in the spring. They regulate that on their own because any offspring that is born late in the summer or in the winter would not survive the harsh winter. The female would not survive because it would be too much of a burden to go through winter and at the same time have to produce milk for the offspring. You can see that these wild horses have made that adaptation very well. In my opinion, they have become truly wild animals in the adaptation to living in the wild and surviving the harsh winter and in their reproduction cycle that they have regulated themselves.

2:50

For these reasons, Mr. Speaker, I would ask the members of this House to defeat this Bill, and I would ask the members to consider including in the Wildlife Act a section which will deal with feral horses. I believe that if we put the feral horses under the farm animals control, which is the Stray Animals Act, we'll have to revisit this problem in a short while to deal with it again. I don't think Bill 204 gives us the power to truly deal with the feral horses in this province.

Thank you, Mr. Speaker.

MR. SPEAKER: The hon. Member for Three Hills-Airdrie.

MS HALEY: Thank you, Mr. Speaker. I rise today to speak in support of the Stray Animals Amendment Act, 1993. One of the

things I admire about this Bill is its simple and direct approach, and in that spirit I will try to keep my comments brief and to the point.

At this time we have two herds of wild horses in Alberta that are capturing the majority of the media attention and public imagination. The largest herd, at CFB Suffield, is at the centre of a storm of controversy about the needs of horses versus concerns about the very sensitive sandhill environment that they live in. The military is in favour of completely removing the herd and is currently considering their options for accomplishing that goal. These options range from immunocontraception to an adopt-a-horse program to relocation. I look forward to the military making a decision shortly. I hope that it is a humane one and will balance the needs of the horses and the environment.

The other herd roams in the mountains and the foothills near Sundre. It is that herd that this Bill is intended to protect. The rugged mountain environment that the horses live in is suffering no negative impact as a result of their activity. The main problem that affects them is simply that as feral horses roaming on Crown land they are entitled to no protection under Alberta law. Since they are not indigenous to Alberta and are not descended from wild mustangs, they are not designated as wildlife under the law. As a result, anyone can walk in and capture them for whatever reason they wish. Many of them are being sent to auction for slaughter by people taking advantage of the high prices for horsemeat in Europe. Some horses are being lured by salt licks into makeshift corrals and caught. Others have been snared. Many of my constituents in addition to myself have seen the terrible footage of the mare that was caught in the snare bleeding and frightened. Anybody that did see that footage continues to be shocked and saddened at the wanton cruelty of catching such a magnificent animal in this way. The government must act to ensure that this never happens again. We must act quickly to extend the same protection to feral horses as we do other animals living in the wild. For all intents and purposes these horses are wild. It seems much more natural to call them "wild" rather than "feral." Many of them have not only grown up wild but were in fact born in the wilderness.

Bill 204 would require a licence for anyone who wishes to capture a horse running on Crown land. This way, if necessary, we can control the numbers of wild horses in a responsible manner. The government can set stringent regulations governing the means of capture and what can be done with the horses once they are caught. Bill 204 will enable the government to balance the needs of the Sundre horses, their habitat, and other species that they share it with. It will ensure humane treatment for these beautiful animals, and it will put an end to the meaningless distinction between "feral" and "wild" under Alberta law.

As a person who admires our beautiful and pristine wilderness, I can't help but feel that we have room for these horses along with the moose, elk, deer, and the multitude of other wild and domestic animals that share our province with us. For these reasons and many more, I urge this Assembly to support Bill 204.

Thank you, Mr. Speaker.

MR. SPEAKER: The hon. Member for Redwater.

MR. N. TAYLOR: Thank you, Mr. Speaker. In the nature of all the new Bills having a free vote, I'd like to tell the Member for Olds-Didsbury that I will be supporting his Bill. [some applause] I think my ancestors would turn over in their graves if they heard cheers coming from the Tory side.

On open debate such as this I think we're concentrating a little bit too much on legalisms, as to where it fits and where it doesn't

fit. I'm listening to both sides of the House. I can agree with both sides of the House as to the idea of having quotas and managing, let's say, our wild horse population much the way we manage the population of other game. I think it makes sense. In Suffield we have an area that's overgrazed, and in Sundre we have an area that's undergrazed, you might say. Also, to trap them or use them for food should be under restrictions, as it is for any other animal, and it should be done in a humane way.

Mr. Speaker, what I'd like to do is refer the House maybe to *Beauchesne* clause 692. In that is what you call a "Postponement of Preamble and Clause 1". In effect, if it's passed here and gets moved to the committee stage, if they want to change the title of it - we're talking about "wild" horses and "feral" - that can be done. If they want to push it under a different area to be applied under, they can do that. Actually, too, under the referrals you can just give it to the government, which is usually what happens with a private member's Bill that passes. I've only seen a couple pass. It's just given to the government, and the government quite often does the fitting in and brings it back to the House. It might have to go into three Acts for all we know. I mean, we're just sitting here as legislators and giving a message generally which direction we want the government to move in. They might have to alter one Act; they might have to alter three or four. That's what they're there to do. So I find no trouble in supporting the Bill of the hon. Member for Olds-Didsbury. I think it's one that's long overdue.

I can remember - I can't remember his first name; he was a Speaker many years ago - Dixon, a Social Creditor, standing up in this House in the 1950s and moving a Bill very similar to this. It died. Everybody thought it was kind of cute; they all laughed at him. But the point was that the problem that he pointed out in the 1950s has become very much so today. So it's not a new issue, and I think we should dispose of it. I want to tell the member that I for one will certainly support it. I'd like to assure those that I've heard speaking against it that we can get all the changes that they would like to see done in the committee stage, and I think we can all work on this together.

Thank you.

MR. SPEAKER: The hon. Member for Calgary-Fish Creek.

MRS. FORSYTH: Yes. Good afternoon, Mr. Speaker and members of this Assembly. It gives me great pleasure to rise and speak to this important and timely Bill. It is so good to see so many members expressing concern over the fate of the feral horses in this province. It is a serious matter that we have before us in the form of Bill 204, deserving of the immediate attention of this Assembly and government. It impacts not only the wild horses at Sundre but also feral horses running wild in the Edson forest and the Rocky-Clearwater forest and those running near Lac La Biche, Grande Prairie, and Peace River.

Many people around Alberta have been touched by the plight of these horses in recent months. I myself have been saddened to hear of horses being snared and otherwise trapped by people interested in selling them for slaughter. It is doubly saddening when we hear that feral horses are denied protection under law because of a meaningless rule which designates them as "feral" rather than "wild." This Bill would eliminate that distinction and extend protection to all horses running on Crown land. I am in favour of protecting these horses. They are a beautiful and a noble animal, and they are a powerful symbol of our western frontier heritage. They have a grip on the imagination of us all, young and old.

3:00

A good example of the effect these horses have on people is a letter I recently received from a young constituent named Heather Waddell. She wrote:

More and more animals are losing their homes. Why take the wild horses home away?

I believe that if you take the wild horses away either to a new land or to the slaughter house you may be taking a part of our history.

Sometimes young people are able to state something clearly and succinctly that we adults may take for granted. This is the case with this letter. Generations of young people are growing up watching species after species disappear and become extinct, and there's not a thing that we can do about it. Now they are hearing about wild horses in their own backyards that this government is failing to protect. It's enough to make the most innocent child a cynic, Mr. Speaker.

This Assembly has a chance here to take action and show that we care about the feral horse population in Alberta. Bill 204 is a simple solution to the problem of protecting these horses. It requires anyone who wishes to capture a horse on Crown land to receive a permit from the government. The government has the ability to set any conditions upon those licences it wishes. It can set firm restrictions on the means by which these horses can be captured. It can also set rules governing what can be done with the horses once they have been captured. This will ensure that no horses are snared in the future and that no more horses living on Crown land will be sent to the slaughterhouse.

Bill 204 enables the government to balance the needs of the horses, other wildlife, and their habitat. Should the horse population grow too large and begin to have a negative effect on their environment, the government may license individuals to reduce their numbers in a sound, humane manner. This way we can assure that future generations enjoy knowing that wild horses run free in the province of Alberta.

I understand that the department of the environment has been looking into the situation and consulting with people concerned about these horses. I suggest that Bill 204 would be an excellent means of dealing with this problem. It is a sensitive and humane Bill and allows the government the flexibility to set stringent regulations on how horses may be treated. For those reasons I urge this Assembly to join me in supporting Bill 204.

Thank you.

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

MR. BRACKO: Thank you, Mr. Speaker. I also rise and consider it a privilege to speak in support of Bill 204, the Stray Animals Amendment Act, 1993. I've had the opportunity to spend 30 years in the horse industry. In fact, I spent a great deal of time in the Member for Olds-Didsbury's riding and also in the Member for Rocky Mountain House's. I want to thank him for bringing forth the Bill, a very appropriate one at this time.

Horses have a great impact on the citizens of this province and also on our tourism industry, and I would just like to share a few examples of this. For over 30 years at the Pioneer Ranch Camp I have taken out trail rides, taught riding, and been involved in the sale and purchase of horses. In this area I've had campers from every province of this great country, as well as both territories, come and ride. You know, it's amazing what horses can do for people. For example, I took out a trail ride from Ram Falls up Ranger Creek up the beautiful Clearwater River to the peak where the Siffleur River goes one way, the Pipestone the other, the Clearwater down the third. These grade 10 campers went along

for a 10-day trip enjoying the beauty, enjoying the scenery, enjoying the outdoors, and appreciating our great province, just the magnificence of it. Mr. Speaker, in that 10-day period they learned more than they could have perhaps in a year or two just reading about it. They also made a commitment that they in turn would take out trail rides in the future, and five out of the six did come back and take younger campers out over the years.

Another example was a seniors' camp at Sundre. I arrived at this camp just to stop in for a few minutes, and they asked me to take out a hayride with these big Belgian horses. The seniors were on it. The youngest was 73; the oldest was 108. They said to take them out on a slow ride to the gate and back, a mile and a half. I did this, came back, and the youngest senior got off, left the ride, and the others said, "Now take us on a real ride." So we went on a trail ride for two and a half hours. We stopped and shared the outdoors. They came back, and they couldn't stop talking of their enjoyment. You can see that the horse industry and horses have a tremendous impact. There are others. Campers of all ages build up their self-esteem, their self-worth working with horses. When a seven- or eight-year-old camper can get on, control a big horse, and take it where this person wants it to go, it's a tremendous learning experience. So horses have made a tremendous impact on many people in our country, from the very youngest to the very oldest.

We have horses in the wild. These horses need to be protected. They maybe have to be cut down on numbers at times. The wilderness has to be protected. This Bill, I believe, will do that. When it goes back, changes can be made in the next reading to fit in the different areas, to redo it if necessary to make it the most beneficial. I'm one who doesn't believe in a lot of regulations and rules. Keep it simple. I believe there should be management of these animals in Sundre and throughout this province for the betterment of all Albertans. Because I believe this Bill can do it, I will support it in the voting.

MR. SPEAKER: The hon. Member for Wainwright.

MR. FISCHER: Thank you, Mr. Speaker. I'd like to say thank you very much for giving me the privilege to speak to Bill 204. I don't need to remind everyone here of the beauty and nobility that horses have. They are majestic and intelligent animals. Horses have a complicated social structure that reflects both their sense of community and their sense of rugged individuality, and certainly that has led us to a term that we often use: having good horse sense. It is this individuality that makes such a fine symbol of what this province stands for. Alberta pioneers were a tough lot who didn't let themselves be beaten by tough winters or hard work. It took courage and strength to build this province. Those qualities are embodied in the horse.

Countless stories have been written about horses and their relationship to man. Stories such as *My Friend Flicka*, *Black Beauty*, and *Black Stallion* have become classics. Each of them tells the story of a close relationship between a horse and a person. In each case the horse has helped to bring out the best in a person, has helped them realize the grace and strength that we admire in horses. To bring out the best in a person: horses today are still doing that, Mr. Speaker.

I want to compliment the Member for Olds-Didsbury for bringing forward this Bill. Certainly this issue has been very controversial the last number of years. I certainly enjoyed his remarks and his experiences. I was somewhat apprehensive and maybe a little bit nervous when he started to talk about the piles of horse manure that were three feet high in this House. However, I do know that this is a very serious issue. I, too, want to see the

groups of wild horses that run wild and free. I would like to say also that the Member for Sherwood Park had some good thoughts about the preservation and control of the wild horses. I think we have to ask ourselves, though, how much control and how much regulation do we really want on this?

I kind of disagree that these horses should be classified as wild animals. Certainly every animal that we have domesticated has been wild at one time, but how would you define a wild animal? I would have concerns about that. I know everyone who had a lot to do with the riding horses in the earlier years – those horses were fairly wild at that time. I can recall going to school on a horse, and once in a while it would get away on you, and it would be a few days before you would get it back. If you picture this being near the mountains and this horse joining a group of wild horses, can you imagine the red tape that you would have to go through if you were governed under the Wildlife Act?

Also, Mr. Speaker, the other side of that is that stray horses would not always fit in. The group of wild horses that are out there now are really not considered stray horses either, yet there would be some stray horses among them. It is a bit confusing. Certainly I'm going to listen with a lot of interest to some of the other debates before I make my final decision.

I do caution members that each time we put in more regulation, whether it's horses or whatever it is, we cost somebody a lot of money. Either it's industry or it's government. Quite often it's both. I do know that when we talk about injuring or snaring horses and so on there is provision now. We have to police something that we've got now, and we don't seem to be doing a very good job of that. Mother Nature does a pretty good job of controlling the numbers of horses that are out in the wilds now. I'm not sure that we want somebody to go in there and kill them all off and sell them for meat. I feel that I would like to go get my own horse back if it got away. I guess what I'm saying is that I really would be careful about more regulation on this issue. I firmly believe there are a number of areas that look after that now, and we should enforce it and be a lot tougher.

Thank you, Mr. Speaker.

3:10

MR. SPEAKER: The hon. Member for Leduc.

MR. KIRKLAND: Thank you, Mr. Speaker. I stand in support of Bill 204. I won't attempt to improve on the eloquence that's been articulated here in describing the beauty, the romanticism, and the symbolism to our western heritage with the horses. The thrust of the Bill is protection. I think it's timely. I think it's necessary. I think whether they're protected under Bill 204 or under Bill 234, which is the Wildlife Amendment Act, is really a matter of splitting hairs. I think we have to move on with it, capture it before it's too late, which has happened too often in this province, and we should support it.

Thank you.

MR. SPEAKER: The hon. Member for Bow Valley.

DR. OBERG: Thank you, Mr. Speaker. I, too, rise in support of this legislation. As one of the MLAs directly involved, having the stray animals in the Suffield Block, I feel that this amendment is an extremely positive step forward. There have been a lot of arguments made that bring into effect emotions. I tend to speak more from a practical point of view having seen living proof of animals that have been caught in leg-hold traps and snares. I think it's totally inhumane for this to happen, and I feel that this Bill does protect these stray animals.

The point that I would like to make is that often there are other considerations, and the horses on Suffield Block are a prime example of that. There's a very delicate ecosystem there that is being ruined by the 850 to 1,000 horses in the Middle Sand Hills. I think any legislation dealing with stray animals must take into account all factors, such as the extremely delicate ecosystem of the Middle Sand Hills.

Thank you.

MR. SPEAKER: The hon. Member for Rocky Mountain House.

MR. LUND: Thank you, Mr. Speaker. I wish I could rise and speak so supportively of this Bill as the Member for Bow Valley did. I'm coming at it from just a little different angle. The problem I've got with it is that currently in the Rocky Mountain House constituency the native population has a lot of horses running on Crown land, and if we proceed with this as it is written, we're going to have a major problem with those folks having to go and get a permit every time they want to go and catch one of their horses.

Now, I certainly don't condone what has been happening – some of it within the Rocky Mountain House constituency, albeit west of Sundre – with the way that people have been snaring them, building corrals and corralling them. I think that is absolutely wrong. I'll be watching with a great deal of interest the court case that will be occurring as a result of the most recent charges that were laid against an individual who was using a leg trap or snare. Quite clearly that is cruelty to animals and should be dealt with very harshly. However, I'm not sure that maybe we couldn't control this problem by really getting strict and enforcing the cruelty to animals Act. We also can cause a major problem for these people by restricting their activities when it comes to building corrals. They quite clearly are using green trees. Under the Forests Act that is illegal. I think we should be pursuing those angles as well.

Getting back to the problem that the natives have, it's not only the band at Nordegg that would be very adversely affected by this but all along the Eastern Slopes. The history goes back a long way. As a matter of fact, if you read the history of Martin Nordegg, you will find that in fact to get to Nordegg he got off the train in Cochrane and came up with the natives from the Stoney band at Morley. They went far beyond just Nordegg. They were up to Muskiki Lake. They went back into Mons Lake. As a matter of fact, to start with, Martin Nordegg was not going to develop at Nordegg. The right-of-way for the railway was even cleared back into the Blackstone Gap heading for Mons Lake, which is quite some distance northwest of Nordegg. Clearly, the Stoney band has been using that whole foothills for a whole number of years. They still have horses grazing in the area. I would be very interested in hearing the comments of the sponsor of the Bill as to how the natives – particularly in the area right around Nordegg, where they use the Crown land to graze their horses. They do not have brands on the horses. So if someone says, well, that they're just capturing their own horse, they do not have that proof. I think we would be putting ourselves in a very difficult position forcing them to take permits every time they wanted to go catch one of their horses.

Thank you.

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

MR. EVANS: Thank you very much, Mr. Speaker. I'm very pleased to have an opportunity to join in the debate on Bill 204.

I want to begin by commending the hon. Member for Olds-Didsbury for bringing this private member's Bill forward.

When I first learned, Mr. Speaker, that we had a problem, particularly in the Sundre area, with diminishing numbers of wild horses, I made the public comment – and it was reported fairly widely – that I thought that the wild horses in Alberta were very much a part of the old west, the heritage of Alberta, and the tradition of Alberta and that if indeed there were increasing numbers of horses being captured and slaughtered, particularly for horsemeat, I thought that this was a poor rationale for taking away from future generations of Albertans this opportunity to have a visible link to the past and that I was going to do what I could to convince my hon. colleagues that we should be addressing this issue and dealing with it in a proactive type of way.

It is interesting that the debate has really centred around horsemeat, and quite frankly now with horsemeat prices rising, there's an added incentive for people to go into the backwoods areas and capture horses. I don't know how many hon. members here may have eaten horsemeat, but it is quite a tradition in Europe. Actually, when I was a young fellow in between degrees in university, I spent some time in Europe and one evening in Amsterdam had a dinner that looked like roast beef, tasted much like roast beef but in point of fact was not roast beef. I found out afterwards that it was horsemeat. This is my confession of the week, Mr. Speaker. So I do very much have a personal knowledge of the issue that we're dealing with here.

3:20

That being said, I think this whole issue of the marketing of horsemeat is a separate issue that we shouldn't get involved in, except to recognize that the prices are increasing. As a result of that, people are coming into the Sundre area and other areas in the province where these wild horses are prevalent: people who do not have a tradition in the area, do not know the local landscape, do not know the horse numbers, the locations, et cetera. It tends to be these people, Mr. Speaker, who are using methods that all of us would find reprehensible. I don't think there's anyone in this Assembly who would condone the use of a leg snare to capture a wild horse. We certainly today have legislation already on the books, the Animal Protection Act and in very extreme examples the Criminal Code itself, that addresses the issue of cruelty to animals. That doesn't make it any less repugnant when we see an example of cruelty such as was in evidence over the summertime with the reports from the media about some activities occurring in the Sundre area.

When we took a look at this issue and talked to some of the people who had been capturing horses for upwards of 40 and 50 years out in that area, we recognized that there is a need. Perhaps need is going too far, but there's a justification for having a harvest ongoing in the Sundre area and in other areas of the province. We have to remember that we have range issues to deal with, we have safety of animals, safety of wildlife, and we have human safety issues to contend with. In point of fact, the history of this issue is that back in an earlier time we had a permit system which was abandoned because the numbers became too large. Areas in the province couldn't sustain the kinds of numbers that we had as a result of that permitting system. Some of the members here have made comments, Mr. Speaker, about the need to be flexible with a permit system and to ensure that we were not creating more of a problem with a permit system than we were solving. I thoroughly agree with that kind of comment.

Again that being said, we have a number of pieces of legislation that could deal with this matter in a part way, not an entire way. There have been some suggestions of amending the Wildlife Act

to deal with these horses. With all due respect to the member who was proposing that in another private Bill, I don't think that's the way to go, because clearly these are not wild animals as wildlife is described in our Wildlife Act.

At a time very far and long ago in our past there were wild horses in Canada and Alberta, but they were wiped out, Mr. Speaker. They were reintroduced by the Spaniards when they came to Central America and South America in the 16th century. So all of the animals that we now call feral horses, wild horses, are either descendants of those times – and I dare say that there aren't many of those in the Sundre area or elsewhere in the province of Alberta – or they are horses that have either escaped or horses that have been allowed to run free. The hon. Member for Rocky Mountain House has talked about one particular example of that occurring, and that's with the aboriginal peoples along the Eastern Slopes. There are also a number of outfitters and guides who have allowed their animals to run free. I think we have to try to create a balance here, because obviously those individuals want their animals to run free. They don't want full-scale slaughter of those animals either, because that would defeat the purpose of allowing them to run free. So I think we're all working from the same criteria. We want to maintain some type of a viable herd of wild horses in the Eastern Slopes.

We may have had at times between 800 and 1,000 of these animals, Mr. Speaker. Although we don't have any official count going on to determine the numbers, our estimate in our department is that we probably have about 800 animals throughout Alberta that would be identified as feral horses. In the Sundre area we have well in excess of 100 animals. Although there have been a number of animals taken this year, there's really a range in the years past of animals being captured. I think, although this year may have been at the high end of that range, it's still within that range. So we've got to keep track of that, and we've got to recognize that the numbers could get higher, particularly if the horsemeat prices stay high, but recognize that we don't have a particular need right now to deal with any threat of loss of the herd in that Sundre area.

Again that being said, we have to look at a way to create a system that will work for all of the people who live in that area and for those who have been coming into the area and wanting to access these creatures in the wild. I think that's where the focus should be, rather than on those who want to come into the area to harvest the horses.

Under our Public Lands Act we do not allow corrals to be set up on public lands without a permit. We do not allow green trees to be cut down and corrals to be established. So we do have some controls, and our forest rangers have been doing a very good job of charging these people, Mr. Speaker, when they find these corrals and when they find anyone operating on public lands outside of the jurisdiction of the Public Lands Act. So we have that kind of a control, and we also have the control at the level of the cruelty to the animals.

What we have suggested – and this is going to have some further debate – is some type of a permitting system, though, that would not be overly bureaucratic, would not force those individuals who can show some kind of colour of right, some type of ownership line to obtain a permit if they were to go out and capture their own animals. There may be some difficulty in making that work on a practical level however, Mr. Speaker, because again, as the hon. Member for Rocky Mountain House stated, many of these horses have been left out on the range for one, two, and sometimes three and four generations. So we have to be conscious of that and not create an overly bureaucratic system.

The Bill 204 that we are debating talks about some kind of a licensing requirement before an individual could go onto public lands.

MR. SPEAKER: The Chair sincerely regrets interrupting the hon. minister, but the time allotted for this order of business has expired.

head: **Motions Other than Government Motions**

3:30 Rural Development

203. Moved by Mr. Decore:

Be it resolved that the Legislative Assembly urge the government to demonstrate its commitment to promoting a revitalized rural Alberta economy through the following initiatives:

- (1) the immediate implementation of the recommendations of the local development initiative report produced by the Minister's Council on Local Development,
- (2) placing greater focus on the importance of small businesses in rural Alberta, including the removal of government interference in the private sector,
- (3) the creation of a coalition of western Premiers to work with the Prime Minister and leaders of farm organizations and agribusiness to find a solution to the international subsidy wars, and
- (4) the creation of a roundtable of stakeholders in the agricultural industry.

[Debate adjourned September 21: Mr. Friedel speaking]

MR. SPEAKER: The hon. Member for Peace River.

MR. FRIEDEL: Thank you, Mr. Speaker. With all the members of the opposition supporting Bill 204, I don't feel quite so badly today speaking in favour of their Motion 203. It may be a bit awkward today to continue my presentation, because I think all those people that were listening so intently last week may even have forgotten where I left off. If I had the time, I'm sure everybody would love to hear me start from the beginning, but since there are only three minutes left, they're going to have to be deprived of that pleasure. I suppose if I don't get on with it, I may have the dubious distinction of being the only person to be interrupted twice or cut off twice on the same debate.

Nevertheless, Mr. Speaker, we were talking about rural revitalization, and even though this motion is flawed because it urges the government to do something it already has done, I'm still going to support it for its concept and its spirit. There's really nothing wrong with continuing a good idea. Last week I outlined many areas in which this government has already undertaken the actions that this motion suggests, and that's all a matter of record.

Rural Alberta still provides the major portion of the fuel that keeps our provincial economy running. The people in rural Alberta are not asking for any special treatment. They just want a fair and equitable share, and that request is not unreasonable. We just have to remind ourselves once in a while that we don't lose sight of that objective. I take the introduction of this motion as an indication of the opposition member's intent to work with this government in its ongoing efforts to promote rural Alberta.

On June 15 Albertans expressed their desire for a new partnership between the people and their government. The people want access to and they want service from their government. They want the government to listen to them, and they want the govern-

ment to respond to their input. They asked us for focus in direction with flexibility in delivery, and they wanted a more united approach from government departments rather than each department going its own way. Most of all, Mr. Speaker, Albertans want their government to be a steward for the province. They want their government to accept the responsibility for those things that communities cannot provide for themselves, and they want the communities to regain the ability to serve the interests and needs of their people and to be accountable.

Mr. Speaker, I'm pleased to have had the opportunity to address some of these concerns, and I'm pleased to be a part of a government that will deliver on these concerns.

MR. SPEAKER: Thank you.

All those members in favour of Motion 203 proposed by the hon. Leader of the Opposition, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

[Several members rose calling for a division. The division bell was rung at 3:34 p.m.]

[Ten minutes having elapsed, the Assembly divided]

For the motion:

Abdurahman	Gordon	Sekulic
Beniuk	Henry	Soetaert
Bracko	Hewes	Taylor, L.
Bruseker	Kirkland	Taylor, N.
Carlson	Langevin	Van Binsbergen
Chadi	Leibovici	Vasseur
Collingwood	Massey	White
Dalla-Longa	Mitchell	Wickman
Decore	Nicol	Yankowsky
Dickson	Percy	Zariwny
Friedel	Renner	Zwozdesky
Germain	Sapers	

Against the motion:

Ady	Forsyth	Mar
Amery	Fritz	McClellan
Black	Haley	McFarland
Brassard	Havelock	Mirosh
Burgener	Herard	Oberg
Calahasen	Hierath	Pham
Cardinal	Hlady	Rostad
Clegg	Jacques	Severtson
Coutts	Jonson	Smith
Day	Klein	Sohal
Dinning	Kowalski	Tannas
Doerksen	Laing	Thurber
Dunford	Lund	West
Evans	Magnus	Woloshyn
Fischer		

Totals: For - 35 Against - 43

[Motion lost]

Casino Regulations

204. Moved by Mr. Jacques:

Be it resolved that the Legislative Assembly urge the government to change casino regulations to permit chartered nonprofit organizations to fund-raise anywhere in Alberta.

MR. JACQUES: Mr. Speaker, I rise today to commence debate on Motion 204. The intent of this motion is to lessen the restrictions that nonprofit organizations are faced with as it relates to fund-raising by means of casinos and bingos. This motion also indirectly seeks to recognize the charitable efforts of these organizations and the contributions that they make to our communities.

At times, we as a society tend to get caught up in economic agendas, bottom lines, paying the mortgage, and so forth. However, in order that a society may be truly prosperous, that society ought to concern itself with the plight of the disadvantaged and the less fortunate. To be sure, government has a role in performing and addressing these functions, yet a government that attempts to be all things to all people can quickly take on the appearance of the proverbial dog chasing its own tail. It is for this reason that charities play such an important role in taking care of the people in our society who need it the most. Volunteer agencies that work countless hours to further a worthy cause represent the pinnacle of humanitarian effort and compassion. Still, their efforts may not be enough if they are lacking the funding they require to achieve their goals. As such, charities have long recognized the need to actively fund-raise within the communities they serve.

Mr. Speaker, fund-raising by these nonprofit charities has included such things as door-to-door canvassing, telethons, car washes, bottle drives, and the list goes on. Aside from the foregoing, one of their greatest opportunities to raise money exists through recreational gaming. Specifically, I am referring to bingos and casinos. Statistics show that each year nonprofit organizations are seeking more and more licences to hold bingos and casinos. Consequently, the revenues they obtain from gaming activities are also on the increase. These statistics of which I speak are from the 1990 annual report of the Alberta Gaming Commission.

Mr. Speaker, before I highlight some of the information from that annual report, allow me to briefly explain the mandate of the Alberta Gaming Commission in order that we can have a reference point to work from. The Alberta Gaming Commission is the provincial authority that licenses charitable and religious organizations to conduct bingos, casinos, raffles, and pull-ticket sales. The commission was established in 1981 in accordance with section 207 of the Criminal Code of Canada. The Alberta Gaming Commission operates in an arm's-length relationship with the Department of Justice and the Attorney General. They work within the broad guidelines set down by the minister's department, but from what I can ascertain, the commission enjoys a relatively high degree of autonomy.

3:50

Mr. Speaker, the annual report reveals that in 1988 there were 3,142 bingos and casinos in the province of Alberta. The net profits – and the net profit refers to the money that the nonprofit organizations are left with after paying out all winnings, renting facilities, purchasing licences, and so forth – for those years were approximately 45 and a half million dollars. In 1989 there were 3,575 licences issued for both casinos and bingos, and net profits were approximately \$57.1 million. In 1990, the most recent year

for which information is available, there were 3,600 licences issued, and profits rose to \$65.1 million. In that two-year period profits rose by some 44 percent.

It begs the question then: why is the Member for Grande Prairie-Wapiti proposing this motion? The simple answer is that while fund-raising is going relatively well, I believe there is great potential to raise significantly more funds. In turn, the benefits that will be realized are immense. I believe most members of the Assembly will agree with me when I suggest that the more money the charities have available for their programs the better. Of course, it is much more complex than that, but the end intent of this motion is to free up regulations that arbitrarily restrict the ability of nonprofit organizations to raise funds by way of casinos and bingos. However, in doing so, we will have to proceed with caution. If all or too many of the regulations and restrictions are taken away, the gaming system may collapse from saturation, and then nobody would benefit. However, I do feel there is room for compromise, and I am prepared to make some suggestions.

Before doing so, Mr. Speaker, it would be appropriate for me to outline what those current restrictions are as they relate to the goal of this motion. Firstly, with regard to casinos, the major urban centres of Calgary and Edmonton issue eight casino licences per week and no more. This works out to just under 400 licences per year in each city. A given organization or even a subsidiary of that organization is only allowed one casino licence per year. No organization that is not based in Calgary or Edmonton may run a casino in either of those cities; for example, an organization from Airdrie cannot run a casino in Calgary. No organization that is based in Calgary or Edmonton may run a casino outside of their city limits; for example, a group based in Edmonton cannot hold a casino in St. Albert. In 1991 the restrictions were relaxed somewhat allowing for rural charities, religious groups, sports organizations, et cetera, to operate casinos in a central location. For instance, charities from Spirit River or Beaverlodge may hold casinos in Grande Prairie, or sporting organizations from Vulcan or Cardston may hold casinos in Lethbridge.

With regard to bingos, there are no limits on the number of licences that may be issued for bingos, as there are for casinos. However, a similar policy does exist for location.

Some other relevant information. In the major urban centres of Calgary and Edmonton the demand for casinos exceeds the supply, thereby resulting in a waiting list. In Edmonton the waiting list is 21 months long; in other words, the next available date to obtain a casino licence is in the second quarter of 1995. In Calgary the waiting list is approximately 14 months long; the next available licensing date is the fourth quarter of 1994. Outside of major cities up to three nonprofit organizations may be licensed per week. However, there are not sufficient groups to fill all of these dates, so no waiting list exists. In actuality, there is a surplus of available licences outside the two major urban areas.

One of the things that struck me in reviewing this data, Mr. Speaker, was the lengthy waiting lists that exist in both Calgary and Edmonton. The main thrust of this motion is to allow for the greatest opportunities possible for nonprofit organizations to fund-raise. When a waiting list of almost two years occurs, then those opportunities are obviously restricted by regulation.

The first thing this motion seeks is to eliminate the geographical restrictions on casino and bingo licensing. In order that this step will not make waiting lists even longer, it is necessary that the Alberta Gaming Commission issue more licences in Calgary and in Edmonton. By doing so, it will allow more opportunities for more groups that are based in these two cities. What it will also do is open the door for charities, religious groups, and recreational

organizations from rural areas to access the more lucrative gaming markets of Calgary and Edmonton. The money to be made in these markets is much greater, and rural groups should not be excluded from these opportunities. The statistics from the 1990 annual report of the Alberta Gaming Commission show that on average the large urban centre casinos earn profits of approximately \$10,000 more than that which can be raised in the smaller cities. For example, if you compare Grande Prairie versus the city of Edmonton, the disparities are astounding. The average net profit for a Grande Prairie casino in 1990 was a mere \$1,500. Compare that with Edmonton, where the average take was over \$27,000 per casino licence. It highlights the need for open access to all markets for groups from throughout the province. The average profits per casino licence in Medicine Hat, St. Albert, and Fort McMurray are all well below the \$5,000 level.

The discrepancies in bingo profits are not as marked but still tend to favour the larger cities. Bingo licensing is already unlimited in the number of licences but is still subject to these geographical limitations. Fund-raising efforts by means of bingos could also benefit from open access, albeit not as much as casinos would. Regardless, it is something that should also be examined.

What I would like to address is the apparent discrimination that smaller centres like Grande Prairie are faced with. Quite simply, the existing regulations do not allow them to access the larger markets that exist in Calgary and Edmonton. I will not attempt to delve into the social, economic, or cultural reasons, Mr. Speaker, but the simple truth is that there is a very large difference between the markets for recreational gaming in Edmonton and in smaller centres like Grande Prairie. That is why, for example, the Grande Prairie nonprofit organizations need the opportunity to hold casinos in Edmonton if they so desire. Mr. Speaker, it is apparent that the regulations regarding the licensing of bingos and especially casinos are unduly restrictive. Therefore, I believe that a carefully monitored increase in the number of licences combined with free access to all markets for all groups would assist organizations immensely in raising the funds that are so essential to their activities.

Mr. Speaker, I present Motion 204 before this Assembly and sincerely hope that members will recognize the great opportunities it can provide. If this motion receives the approval of this House, I trust the hon. Minister of Justice will raise these concerns with the Alberta Gaming Commission. I believe that an arrangement can be made that will satisfy all of those involved.

Thank you, Mr. Speaker.

[Mr. Deputy Speaker in the Chair]

MR. DEPUTY SPEAKER: Edmonton-Rutherford.

MR. WICKMAN: Thank you, Mr. Speaker. I'll keep it short, Lance; you'll get a chance.

MR. DEPUTY SPEAKER: Did I miscall that? I don't have the benefit of my glasses.

MR. WHITE: Sir, he's definitely Edmonton-Rutherford, but Edmonton-Mayfield in fact is the critic here.

MR. WICKMAN: Mr. Speaker, I wanted to be on the speaking list but after the appropriate member had spoken. I guess that's my mistake.

MR. DEPUTY SPEAKER: All right.
Edmonton-Mayfield.

MR. WHITE: Your glasses are working fine, sir.

Mr. Speaker, I rise today to speak to the motion from the hon. Member for Grande Prairie-Wapiti. I have no difficulty understanding what the motivation is; I have difficulty with the solution. Therefore, it is difficult to speak against a motion that has the fundamental wish of allowing a freer market for all to participate in the casino and bingo business. However, there's a great deal of difficulty with it, as fund-raising, as the member aptly put, fundamentally is for charitable groups and groups that have very little other means of raising funds.

4:00

I guess there are some subissues that really, really have to be dealt with when you're looking to change some regulations here. It stems from the smaller versus larger centres, as the member aptly put. Dealing only from the smaller centres' point of view, I suggest to you that there are centres smaller yet than Grande Prairie. They're certainly not very far from this city. Some of the members in the House at the moment represent some very small centres that do not even have the centres to raise the kinds of funds that even a Grande Prairie can raise.

The smaller centres of course have those difficulties, as do the larger centres, but presumably the need for these kinds of fund-raising ventures, for those that raise those funds, is pretty well on an equal basis throughout the province. If you take that as a proposition, then what you end up having to do – at least in the perception of either a larger centre or a smaller centre or a very small centre – is having one poaching upon the other's turf, if you can read into it that one is marketing a product, whether it be bingo or casino, versus the seller of the bingo or casino and the deliverer of that eventual service to the public. If you break down those barriers you could – not necessarily shall – open the floodgates to some very, very, very great difficulties in turf wars, if you will.

I have the greatest respect for those that go out and raise these moneys, as I'm sure all of us in this House do, and the last thing you want to do is set up a system that is so competitive that these people work at these things with such concern that they honestly believe their concern is the most important. They work to that end and in fact must; otherwise you can't continue to raise these funds. I say to you, Mr. Speaker, that there's an inherent difficulty in that that we should not ignore.

There's another subissue that should be brought on the floor. In raising money for these charitable organizations, one must be ever mindful that the reason a lot of these organizations are in difficulties or must raise these funds is because the government simply cannot afford – at least that's what we're told in this House – to fund these agencies. Some of these agencies in fact do deserve government funding, in the opinion of this side of the House.

Another subissue that should be raised is that one of the reasons these groups are having such difficulty raising funds or raising them to the extent they wish is that the payout for the bingo has been restricted. Payout is very important when there's this proliferation of gaming. The gamer, if you will, or those that play these games, would choose the one that has a much higher return. With the restriction the government has put on it, which I notice the member opposite did not ask to have changed, which I might like to have changed if we were able to amend a motion – that restricts those people also.

Another subissue. If you read this motion and take it for what it says and take the difficulties we have seen throughout Canada with the difficulties the indigenous people are having in raising funds in their bingos, casinos, and the like, presumably what would happen under this motion: urging the government to ease

up on the enforcement of the regulations in fact would be to allow that kind of gaming to go on reserves. It's quite possible, depending on the draft of these amendments. Conversely, it would allow reserves to move their facilities into the cities and do likewise, which in fact may not be all that bad, but it should be and has to be examined somewhat.

There's a main issue here too that we should talk about in this House: when you're coming to change regulations, that brings up the examination of the entire area of gaming. The advent and the proliferation of VLT machines and the location of those should go a long way to dispel the intent of this particular notion that I hate to spread the wealth out, because in fact the wealth coming into these organizations will be greatly diminished. We have seen ample demonstration of that. There's no question about where those funds are going. In the long term the funds are not going anywhere other than straight into the government coffers, which is not necessarily bad if those organizations out there that are working their proverbial tails off are in fact going to realize some of the benefits, which clearly they are not.

The last issue, speaking of gaming again, is that you're speaking of gaming as though it were an infinite market. The member opposite spoke of expanding the markets – and rightly so, from his point of view – from the perspective of the Grande Prairie service organizations. It's true that they may be able to expand markets at the expense of someone else, which was gone through, but the market in fact is finite. In most studies I've read there is a finite amount of gaming that will go on unless one changes the game. The game is now changed with the advent of VLTs. But even if the game does change, there is an upper limit somewhere. We're only talking about bingos and casinos. So the bingo/casino area will in fact be diminished, as we have seen, and you cannot expand that unless you go on beyond the borders of Alberta, which is not likely to occur and which certainly couldn't occur under the laws of our neighbouring provinces. If you intend to rob Peter to pay Paul, then it is this member's belief – and I suspect most members on this side of the House would agree with me – that this particular motion has a long way to go to satisfy those needs, to expand those markets.

Finally, I suppose the last thing that should be said is that proliferation of gaming can in fact be dangerous. I think any time this issue is raised in the House there should be some mention made of the fact that there are those in this society that, while professing to engage in gaming for the fun of it, in fact come to an addiction. There doesn't seem to be or, at least, we haven't seen anything that this government is likely to do in the near future. At least, we haven't heard any announcements as yet – we look forward to that – that something will be done for these people. It's one thing to go out and spend one's loose change, as it were, on something that is for an end: profits going to a charitable organization or to a group in the community that can benefit from it. That was the original intent introduced in this House. Some of the members opposite were in the House when those things did occur. That is not the case today, and there are those people. We would like to think that if there are amendments to the regulations, there are amendments that recognize that there is this danger in proliferation of gaming in this province and there's something done about it.

Thank you kindly for your time, Mr. Speaker.

4:10

MR. DEPUTY SPEAKER: Calgary-Fish Creek.

MRS. FORSYTH: Yes, thank you, Mr. Speaker. I'm pleased to join in the debate over Motion 204. I would like to voice my support for this motion as sponsored by the hon. Member for

Grande Prairie-Wapiti. I am happy to acknowledge that we have a large number of nonprofit organizations in Alberta, particularly in the city of Calgary. My hon. colleague phrased it very nicely when he commended the efforts and the positive contributions these groups provide within our communities. I would like to strongly second this motion.

When we speak of nonprofit organizations, charitable agencies such as the Canadian Cancer Society or a battered women's shelter immediately come to my mind, but the classification of a nonprofit organization also encompasses religious groups and sporting associations. The benefits they provide in our province should not be underestimated. The religious organizations foster and contribute to the moral values that are essential to caring, stable, and co-operative communities. We must encourage their efforts to spread the message.

Mr. Speaker, the sporting organizations' contributions should not be overlooked either when we acknowledge nonprofit organizations that benefit society. Sports teams are about more than just playing games. Athletics teach children extremely valuable life skills. Athletics teach sportsmanship, co-operation, dedication, and perseverance that will help them in their lives long after they leave the field, pool, arena, or whatever the venue. Then they apply their qualities as leaders to their communities.

Another aspect of sports is a little more subtle but important just the same. When a young boy is busying himself with a hockey stick or puck or a girl is chasing a soccer ball, what they are not doing is getting themselves into trouble on the streets. This is doubly important in larger cities like Edmonton and Calgary where there seems to be more opportunity for mischief. In this regard, sporting associations should not be overlooked as we're praising the benefits of Alberta's nonprofit organizations.

Mr. Speaker, I think it is important to take a little time and highlight the importance of nonprofit entities in order that members of the Assembly can recognize the urgency of what this motion specifically seeks, and that is to lessen the restrictions that hinder these groups in their efforts to raise as much money as possible by means of casinos or bingos. The situation that exists at present does not fully accommodate their fund-raising efforts. The hon. Member for Grande Prairie-Wapiti did a fine job of pointing out the shortcomings of the licensing system as operated by the Alberta Gaming Commission. This is not to say that the commission is wholly deficient; it certainly is not. The motion simply recognizes that the situation could be even better.

Now, what struck me most as I was receiving the data from the 1990 annual report of the Alberta Gaming Commission – and I hope it stands out to the other members of the Assembly as well – was the huge waiting lists in Calgary and Edmonton. One and a half to two years to get a casino licence is a very substantial wait that surely stifles the efforts of many charities and other organizations. Once the group finally does get their opportunity, there is very good money to be made. I did some basic math with various figures available in the 1990 annual report. By dividing the total number of casinos in Alberta into the total net profits the groups received provincially, one finds that the casinos provide an excellent source for fund-raising. In 1988 the average sum a group made on a casino was roughly \$19,500. In 1989 it was \$16,500, and in 1990 the average profit per casino licence was \$19,600. These are very good profits indeed, Mr. Speaker, yet with a waiting list of almost two years in the big cities, it makes it very difficult to access the profits. So part of what this motion seeks to do is make licences more accessible. To do this, I am proposing that more licences be issued. I am not sure whether to go as far as to remove any and all limits on casino licensing, but

certainly nonprofit organizations would benefit from a raised ceiling on these limits.

I was curious as to the reason behind the strict limitations on casino licences. You'll recall that only eight are issued per week in Calgary and Edmonton. When the issue was raised with the Alberta Gaming Commission, they justified this as follows. They said that since there is only a limited market, if more licences were available the organizations would suffer from diluted profits. Now, that seems to make sense on the surface, and this is why I say I am hesitant to propose a total lifting of casino licensing limits, like you have with bingos. However, if the commission would just raise the number from eight to 12, or possibly double it to 16 casino licences per week, there would be a better environment for these group fund-raising endeavours. This may dilute the profit somewhat, but charities and sports organizations have approached me saying that they would much rather make less money more often. In other words, they would prefer to make \$13,000 or \$14,000 once a year instead of \$20,000 every two or three years.

The other component would be to allow any one group two casino licences per year instead of one, as it currently stands. Again, approximately \$8,000 to \$9,000 twice a year would be better than \$20,000 every other year. Of course, these are just rough estimates of profit scenarios, but the point to be made is that most nonprofit organizations want opportunities to fund-raise through casinos expanded.

Mr. Speaker, my contention is that raising the number of licences issued within reason would allow for more money to be raised by more groups more often. Even if it does not result in more money but simply equal money – for example, \$10,000 every year rather than \$20,000 every other year – there would still be an advantage. These groups would not be forced to concern themselves so much with long-term financing considerations. This would give them increased flexibility and options.

Mr. Speaker, allow me to draw a parallel with this concept. Take someone whose yearly salary is \$60,000. Now, would anyone expect that that person, if given a choice, would opt for a \$60,000 cheque at the end of the year, or would he or she prefer \$5,000 at the end of each month? Obviously, a more regular installment, even though the dollar amount is the same, offers much more financial flexibility for those groups to carry out their community-oriented activities. Again, this is the very least a raised licensing ceiling could do. At best, it may even allow the nonprofit organizations to access more fund-raising dollars overall.

What I would also like to see result from this motion is a lifting of geographic barriers. This would be especially important if we fail in getting the number of licences raised, for if they are not, we will continue to have an incredibly unbalanced situation in which Edmonton and Calgary are backlogged with a one and one-half to two years waiting list while there continues to be a surplus of available casino licences in the smaller centres. Granted, some of the smaller centres are not exhibiting a market for more casinos. My colleague sponsoring this motion pointed out the lack of market in Grande Prairie, Fort McMurray, Medicine Hat, and St. Albert. However, statistics from the 1990 annual report reveal that the smaller centres of Lethbridge and Red Deer did quite well. The average net profit per casino in Lethbridge was almost \$12,000, and the take in Red Deer averaged over \$17,000. Now, since the Alberta Gaming Commission reports that Lethbridge and Red Deer are among those cities having a surplus of licences at their disposal, a nonprofit organization from Calgary faced with a 14-month wait certainly could organize themselves for a two-hour trip to Lethbridge. Similarly, that same group or another organiz-

ation from Edmonton that must wait 21 months conceivably could make the hour-and-a-half drive to Red Deer.

Mr. Speaker, these organizations are frustrated with all the restrictions they face under the current regulation. Since they are providing such a crucial service to our communities, I strongly suggest that the government listen to their concerns and accommodate them.

Since June 15 of this year, we have had a new government which has made very positive changes and policy directions. Among those was a commitment to reduce government red tape and overregulation. The issues we are discussing right now as they relate to the regulatory scheme of the Alberta Gaming Commission are a prime example of a system that could be deregulated. We have deregulated the Alberta Liquor Control Board in favour of providing Albertans a greater economic opportunity. We have privatized Alberta registries in an effort to streamline a system that was once plagued with red tape in the name of convenience and efficiency. So I see no reason why this government cannot continue in the same direction and deregulate casino licensing in the name of furthering the cause of communities. Supply and demand market forces can dictate how many casinos will be viable and profitable. I am convinced that such a scenario would increase the fund-raising capabilities of nonprofit organizations for the direct and indirect benefit of all Albertans.

So I urge members of the Assembly and the department involved to lend their support to this motion. I think great opportunities would be realized by decreasing restrictions on the number of licences issued and opening access to all locations.

Thank you.

4:20

MR. DEPUTY SPEAKER: Edmonton-Rutherford.

MR. WICKMAN: Thank you, Mr. Speaker. I rise on the motion in front of us. The first thing I want to do is just throw out a few cautions when we talk in terms of deregulation of the casino concept. I don't know just how many members have been actively involved as a volunteer, but I can recall that in the early '70s when the concept of casinos first started to become a reality in the city of Edmonton, three organizations I was involved with put together three applications three weekends in a row at the Capilano. In those days it was very, very loose. In those days there was very little regulation, very little demand for casino applications, because people weren't prepared to put up the \$10,000 front money that was required by a nonprofit group. In our particular case, a whole bunch of us went to the bank, signed promissory notes, and got \$10,000, and the bank threw it in the trunk of my car. I drove to the Capilano – and that was the floater. After the third weekend we had \$120,000 that had been parlayed over the three weekends, and we had arrangements to drop it in a night box at 4 o'clock in the morning. Someone turning the key broke the key, and we were stuck holding \$120,000 with no place to go. We stayed up that night.

Back in those days it was terrible. People could come and cash cheques, and it did create a real, real problem. There was very little supervision in the count room and so on and so forth. So what I'm trying to point out is let's be a little careful when we talk in terms of deregulation of casinos. Casinos are gambling. It's not like a 6/49 lottery. It is out-and-out gambling.

There's never any harm in doing a review of things as long as the participants or the players are involved, not having a commission sitting back like they did with the bingo operation. It imposed new rules that have virtually killed bingos throughout the

province, and there is some speculation that that was done intentionally by the casino commission, whose members were appointed by this government, to make bingos less attractive, thus making the VLTs a bit more attractive in terms of siphoning gambling dollars throughout the province. When we look at the smaller communities, certainly they are penalized in terms of the opportunities for sponsoring casinos. They can sponsor their raffles, but they can't really sponsor a casino, because there is no way a casino in a small community is going to compete against the VLTs in the local bar in terms of the population of those particular areas. It simply can't happen.

I can recall that a year ago when I was down in Innisfail, groups in Red Deer were protesting because a group from Innisfail had gone to Red Deer to hold a casino. Their concern was that money going into Innisfail was being siphoned from Red Deer, and of course the nonprofit groups in Red Deer were protective of their turf. So there are those types of problems one has to anticipate. That's where you have to have nonprofit groups involved, that's where you have to have a review done in an orderly fashion, so you don't go overboard on this whole question of deregulation and kill what a lot of nonprofit groups see as the goose that lays the golden egg, because some of these casinos in two days can net \$40,000 or \$50,000. You look at the exhibition over 10 days. That casino there with their countless tables nets close to a million dollars. It's very, very easy to say let's just make it wide open and anybody from any part of Alberta can apply in any other part of Alberta to hold a casino. You're going to have some resistance from municipalities, because the whole concept of fund-raising in any part of the province of course takes away the municipalities' rights under the charitable appeals mechanism to issue permits and control the fund-raising activity in their own particular communities. That becomes a problem. There are a number of other factors, too, that have to be looked at.

Mr. Speaker, the growing concern out there by nonprofit groups is not the bingos; it's not the casinos. The growing concern – and it continues to grow and will continue to grow as the VLTs multiply in number, as we head toward the coin-in, coin-out, as more and more people are attracted to these machines – casinos, bingos, and raffles simply cannot compete against the VLTs. For any of you that have been to Vegas, I get down to Vegas about once a year and enjoy the machines. I've gone here and tested out machines at the urging of the minister responsible for lotteries, so I know exactly what I am talking about. I went there to lose \$100. On my third spin I pulled three double bars with a double loon that ended up paying out 400 credits. So much for my theory that you can't win at those machines. Nevertheless, I was doing research, profitable research at that.

But the VLTs are very, very attractive to people, and they're going to pose more and more of a threat to the nonprofit groups. They're the ones that are going to siphon away those dollars. Somehow there must be a mechanism so groups can share in the riches being fed by these VLTs. There can be if those dollars are properly administered through programs like the CRC, where municipalities get a per capita grant and then those dollars are administered by the municipality in areas like Vermilion. That council in Vermilion knows what the problems are, what groups need money, what services, what programs have the greatest priority. That's the benefit of having a mechanism or an avenue where dollars are funneled to the decision-makers at the local level, because they know much better than we do sitting here in Edmonton or a minister of lotteries sitting back making these types of decisions. So, yes, they can share in it. But I would venture to say that two or three years from now, other than VLTs you're going to have very little opportunity to rake in profits from

other forms of gambling. It's impacted in every area. In horse racing, raffles, bingos, it doesn't matter what, the VLTs are the king when it comes to gambling.

I want to make one other point before the 4:30 cutoff. I'd like to see some aggressive approach made to the federal government to change income tax regulations, that a greater share of credits is given for charitable contributions so organizations don't always have to rely to such a great extent on government and also rely on speculative dollars like gambling dollars, raffles, and such. For example, if I were to donate \$100 to Humans on Welfare knowing I would get a 50 percent tax credit – if I contribute to a political party, I can get a maximum credit of 75 percent – that's going to encourage me, motivate me to give more dollars to charitable organizations. That's decreasing the demand on government and decreasing the need of nonprofit groups to go out there and spend 90 percent of their time to stay in existence, to fight for the programs this government is trying to take away that they think are so desirable.

On that note I'll conclude, because I believe it's about 4:30.

MR. DEPUTY SPEAKER: Well, I was about to interrupt the hon. Member for Edmonton-Rutherford. The time limit has run out for consideration of this item of business, so we have concluded it.

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

head: **Government Bills and Orders**
head: **Committee of the Whole**
4:30

[Mr. Tannas in the Chair]

MR. CHAIRMAN: The committee is now at order.

Bill 7
Alberta Energy Company Act Repeal Act

SOME HON. MEMBERS: Question.

MR. CHAIRMAN: Okay. The question has been called.

MR. DALLA-LONGA: Mr. Chairman, I'd like to rise to speak.

MR. CHAIRMAN: Hon. Member for Calgary-West.

MR. DALLA-LONGA: Mr. Chairman, I'd like to rise to speak in favour of this Bill. I support the Bill with some reservations. I talked about them yesterday, so I won't go through them again. Thank you.

[The sections of Bill 7 agreed to]

[Title and preamble agreed to]

MRS. BLACK: Mr. Chairman, I'd like to move that the Bill be reported.

[Motion carried]

Bill 5
Financial Administration Amendment Act, 1993

MR. CHAIRMAN: The committee is reminded that we are considering the amendment moved by the hon. Member for

Edmonton-Whitemud, the first amendment, dealing with 3.1, section 2(5).

Who was debating this at the last? All right; Mr. Woloshyn. The hon. Member for Stony Plain, continuing the debate on the amendment.

MR. WOLOSHTYN: Thank you very much, Mr. Chairman. With all due respect to the hon. member from across the way, it's just a continuation of where the time caught up to us last day.

After reading through *Hansard*, I'm still not understanding why the hon. Member for Edmonton-Whitemud brought forth this particular amendment. If I may take hon. members back to his comments on September 21, when the original Bill was amended, I quote from *Hansard*:

As I understand it, I'm speaking solely to the amendment and not other details of the Bill. The amendment proposes, then, financial disclosure for those working for management in Crown-controlled organizations, provincial bodies, and agencies. That certainly is a laudable objective. It is time that it came forward, and certainly we'll speak in favour of it. However, in speaking in favour of this, I would like to make clear as well that if the issue is one of timely disclosure, one would also like . . .

Then he goes off into the wilderness of MLA perks and disclosures and so on.

The same can be said with his amendment. He then decides that for some reason or other he would like to come back and amend something this week that he was totally in favour of last week. I could go on and point out, Mr. Chairman, that he again says in *Hansard*:

So while I certainly am speaking in support of this amendment,

I do not think it goes far enough.

That's on page 392 of *Hansard* on September 21. "I do not think it goes far enough," yet the amendment was brought in because it went too far. Now, I certainly don't understand the hon. member's intentions. One day he's speaking in favour of it and telling us the amendment isn't strong enough. A week later he's telling us it's too strong. I guess, Mr. Chairman, in view of that, I'm not too sure the hon. member who proposed the amendment is terribly up to date with this particular Bill.

I would like to close with one last quote, on which I certainly agree with him totally. Yesterday, when he was speaking to his amendment, he said as follows:

My view is that it was never the intent of the amendments introduced by the hon. Provincial Treasurer to somehow provide the potential of day-to-day interference into the operations of duly constituted boards.

I totally agree with him. I know the Provincial Treasurer's amendments were totally honourable.

On that note, Mr. Chairman, the last thing I have to say is that these amendments make the access of information, which the members opposite have often sought, accessible. I agree with the hon. Member for Edmonton-Whitemud that the Provincial Treasurer's intent is totally honourable. On that basis, I would urge all hon. members to vote against this particular amendment.

Thank you very much.

MR. CHAIRMAN: Edmonton-Whitemud.

DR. PERCY: Thank you, Mr. Chairman. I'm pleased to see the Provincial Treasurer here so that I can address him directly.

With regards to the amendment, I just want to clear up a point of confusion for the hon. Member for Stony Plain when I made the comments with regards to the intent. That is why my amendment is there, to ensure that the intent is not to interfere with the autonomy of such boards. In light of the Blues I had quoted from

in the subcommittee for Treasury, it was clear that that was the perceived intent of the Provincial Treasurer.

Let me just reiterate the basic concerns that we on this side of the House have about the amendments. Let me also reiterate why we're bringing these concerns forward now. First of all, there is no doubt that we are in favour of both greater disclosure and accountability. As I said at the tail end of debate last night, we believe that section 6, which is in the amendment, is appropriate because it requires the boards, provincially controlled entities to submit information about their performance in terms of their powers and duties as an organization. This is consistent with the recommendations of both the review commission and the Auditor General.

We are in favour of 17(3) because it requires these entities to provide financial statements to the Provincial Treasurer. We're in favour of 77(2) because it again requires the provision of accounting information and would allow disclosure. We're in favour of 81 because it means that these entities would only be able to borrow money and incur debt with the approval of the Provincial Treasurer. We're in favour of that. Section 80.1 would ensure that these organizations could not be dissolved, liquidated, or wound up without the approval of government. It would also prevent the incorporation of new organizations without the approval of government. Again, we accept that. We even agree with section 21.1, which deals with the provisions for net budgeting and allows for the establishing of revolving and regulated funds, even though, as I've mentioned, I have some reservations about the incentives that are set up. This would prevent UniCare from emerging and would allow for scrutiny.

Our concerns are solely with sections 5 and 7. Again, let me just repeat for the hon. members what the force of section 5 is. Section 5 states that "the Treasury Board may formulate general management policies relating to the business and affairs" of these organizations and ensure that these management policies are carried out. The government through order in council may "order, amend or revoke an action of the [Treasury] Board." Section 5 is a blank cheque.

Section 7 is similarly open-ended. Section 7 says that the Treasury Board may make regulations and issue directives that it considers necessary in connection with the exercise or performance of its powers and duties under this . . . Act.

Both of these are blank cheques. If the intent is to somehow ensure better performance on the part of boards, it is through the Universities Act, it through the Technical Institutes Act, it is through the various measures or legislation that define the powers of these boards that the government should act. It should not open the back door for government to go in on a day-to-day basis on these boards. It's really an issue of the performance of these boards and an issue of autonomy. If you set up boards and they're not performing, do the right thing and deal with the board. Don't have the Treasury Board come in through the back door while leaving the board in place. That is what the issue really is.

The hon. Member for Stony Plain mentioned that I was in support of the amendment as brought forward. If you read *Hansard* of the Tuesday afternoon session, and I urge you all to do so, the hon. Provincial Treasurer spoke in terms of the issue of disclosure and accountability. I spoke in favour of disclosure and accountability, and that is what my comments were restricted to.

4:40

Upon getting legal advice, and we did get legal advice on this, which took a couple of days, it is clear that when you read sections 5 and 7, it goes on to the issue of control. Sections 5 and 7 are not necessary to achieve any of the issues of disclosure, any

of the issues of accountability, because those specific sections deal with them. This moves us that very fundamental step to control. I much prefer to see boards autonomous, make their mistakes, and then you deal with the boards through the various Acts, but don't allow the Treasury Board to come in on a day-to-day basis.

Now, the hon. Provincial Treasurer says that is not the intent. Certainly, then, all our friendly amendment does is ensure that that's not the intent. It is not inconsistent with the intent of the legislation as set forward by the Treasurer. Our goal is simply to ensure that there is no vehicle for government to manage on a day-to-day basis these organizations. If the hon. Treasurer is against these amendments, then it's very clear that he views these amendments as being a vehicle to deal directly with the autonomy of these boards. If that is the case, the boards should have been notified, there should be a public discussion of this, and there should be the consultation that is so much required. The boards have not been notified of the intent of this legislation.

Again, we support virtually all the elements of the amendments, with the exception of those that we feel go beyond disclosure and accountability and move towards the issue of undermining the autonomy of these boards. Again, if that is the intent of this legislation, then it is the responsibility of the Provincial Treasurer to talk to the university presidents, to deal with the hospital boards, to deal with the presidents of these technical institutes and tell them that his intent is to undermine their authority. So if the issue is control, I would like the Provincial Treasurer to front up and say, "Yes, we are interested in managing on a day-to-day basis the affairs of these entities." If it is not the intent of the Provincial Treasurer, I urge him to support the friendly amendment that has been brought forward.

Thank you.

MR. CHAIRMAN: Clover Bar-Fort Saskatchewan.

MRS. ABDURAHMAN: Yes, Mr. Chairman. Speaking to the amendment that's before us, it is indeed a friendly amendment. If there is nothing hidden in the amendment to the amendment, then I believe the honourable thing to do would be for the Provincial Treasurer to clearly state that the autonomy of our educational institutions and our provincial hospitals is not indeed threatened at this time.

When you look at sections 5 and 7 and you look at the Universities Act, as was stated by my colleague from Edmonton-Mill Woods yesterday, it clearly would suggest that the autonomy of these facilities is indeed threatened. I can't believe for one minute that anyone within this Legislative Assembly would want to see the undermining of that autonomy, far less the Provincial Treasurer. What I cannot understand at this point in time is why there's a silence with regards to clearly stating what the intent is of not supporting this friendly amendment.

I also have to ask the question: if indeed sections 5 and 7 are a threat to the local autonomy of our universities and our provincial hospitals, why are they not being consulted? I think every member has to ask that question. To suggest that we cannot have fiscal accountability and full disclosure and deal with sunset clauses without the Provincial Treasurer's amendments 5 and 7 I would suggest is not correct. We can have that full accountability.

I'd also ask the Provincial Treasurer that if indeed he's sincere in putting our House in order from a fiscal perspective and bringing some integrity back into the system, we wouldn't hesitate in ensuring that the Report of the Auditor General on NovAtel Communications Ltd. – and I refer you to page 20, section 3, the recommendations: "To help prevent future loss of public funds, I have the following recommendations." It clearly states how we

as a Legislature can assure full public accountability by using the expertise of the Public Service Commissioner in shortlisting suitable qualified candidates and ensuring that these people who attain those positions are fully accountable back to the people they indeed serve, Albertans.

To suggest that this is not a friendly amendment – I once again would invite the Provincial Treasurer to clearly state in this Assembly that this is not a threat to the autonomy of all universities, postsecondary educations, and provincial hospitals.

I don't accept what the good Member for Stony Plain is suggesting is behind this friendly amendment. Any of the areas we have been dealing with with regards to our hospitals could clearly have been dealt with in a meaningful way if the funding process of this present and past government ensured that we had benchmarking and outcome measurements. There is no point in funding facilities if we don't give them the ability to measure the very programs they're asked to deliver. What we're seeing is a knee-jerk reaction, in trying to get some accountability back not only into our health care system but also into our educational system, by slashing without any rationale. I've heard for over 10 to 15 years people within those systems asking for the ability to measure outcomes, but because of the inappropriate way we were funded in the past, that has never been achieved.

Mr. Chairman, I once again would invite the Provincial Treasurer to stand in this House and reassure this House that there is indeed no threat to the autonomy of our universities and our provincial hospital boards. If the minister can say that, I will begin to see some light at the end of the tunnel, but based on my perusal of those two sections, 5 and 7, and reading the sections of the legislation, I would suggest that indeed the autonomy is threatened.

Thank you, Mr. Chairman.

MR. CHAIRMAN: Edmonton-Strathcona.

MR. ZARIWNY: Thank you, Mr. Chairman. I'm standing today to speak in support of the amendment. However, before I do, I would like to state on record that I believe that provincially controlled agencies must be held accountable. Accountable means to account to and be responsible to, in this case, the people of Alberta. We represent them as trustees and not delegates. We as trustees are to be held accountable to the people of Alberta. It's just as simple as that. But the problem becomes greater when we start dealing with the methods by which we are to be held accountable and by which the provincially controlled organizations are to be held accountable. If there is no final accountability to the people of Alberta, then accountability and its control over provincial organizations becomes a sham. It becomes a farce.

Now, in support of the amendment, I submit that accountability must be from the bottom up rather than from the top down. It's obvious that a link has to be created between government agencies and the government itself. But this link cannot – and I repeat, cannot – be used to interfere with the quality, the nature, and the day-to-day governance of government controlled agencies. Such interference would devastate not only the concept but the reality of proper and lawful governance of these particular organizations. The provisions of sections 5 and 7 would respectively allow government to formulate general management policies related to business and affairs of government controlled agencies and make regulations and issue directives that the government considers necessary. These provisions definitely establish a link between agency and government, but I submit that the link here in this particular case, provisions 7 and 5, is a siphon. This is not accountability. These provisions allow for the government to

probe into the guts of a government controlled organization, to scratch, to tear, and to perform negligent surgery uncalled for and unheard of.

4:50

I have some firsthand experience in the development of methods of accountability, and I think I can say that provisions 5 and 7 would allow the government to control and influence a range of day-to-day matters. These matters include things like the simple management style of the managers of the organizations, matters of budgeting formats, policies related to human resources, the plans and programs of expansion, the specifics of each program within the government agency; in essence, the interference with day-to-day governance of those bodies.

We have no assurance, as my constituents have pointed out to me, that sections 5 and 7, for example, would not interfere with the general powers of the boards of governors of universities, the day-to-day governance. We have no assurance, for example, that section 17 of the Universities Act would not be interfered with. We have no assurances that the powers and the functions of these boards will not be interfered with, which include, and I quote section 17(1), "the management and control of the university and of its property, revenue, business and affairs and in particular," and then it goes on to list a range of other duties.

I'd like to read some of these because they're important. We have no assurances that the decisions made by the university boards will not be interfered with in these areas: support and maintenance of the university; the betterment of existing buildings, furnishings, and equipment; the making of regulations by the board that it sees fit in the management, government, and control of the university buildings; policies regarding the control of pedestrians and vehicles; providing for the establishment of faculties, schools, departments, chairs, programs of instruction for the provision of human resource policies; determination of fees for instruction; the making of regulations relative to the physical examination of students of the university; entering into agreements with the governing bodies of secondary and primary schools; the keeping of money in trust; owning and operating a gas utility; acquiring and dealing with an invention; and also the sole and most important responsibility of the board of governors in their powers of duty: to contribute to the education and the cultural advancement of the people of Alberta.

Essentially, provisions 5 and 7 as they stand now, without any kinds of modifications, go beyond the principles of accountability. In fact, as the provisions stand, they and you, Mr. Treasurer, could erode the autonomy of hospitals, universities, colleges, and technical institutions.

[Mr. Clegg in the Chair]

In conclusion, I would like to say that political influence cannot – and I repeat, cannot – be the order of the day. Consequently, I speak in support of my colleague for Edmonton-Whitemud to strictly define general management policies and a limit in the application of directives and regulations by the Treasury Board.

Thank you very much.

MR. DEPUTY CHAIRMAN: Calgary-Currie.

MRS. BURGNER: Thank you, Mr. Chairman. I just want to clarify something in speaking against this amendment. I'm pretty sure I've been here most of the afternoon. I know I took a small recess to attend to a phone call. I will check this in *Hansard* tomorrow, and I'd be prepared to apologize if I've misunderstood

something, but I believe in question period this afternoon there was a question to the Premier about why he was not personally involved in wiping the blood off the hospital walls. Now we suddenly are asked to be so concerned about the fact that we are not giving autonomy to the hospitals. My problem here is that I'd like you to be consistent. If the issue of autonomy is that important, what was the nature of your question this afternoon? I think we have to understand that. Either a spade is a spade or it's a big shovel and you stick it in every time you want to.

My concern in this amendment is that they're challenging the ability of this government to respect the autonomy of these institutions. However, their line of questioning in question period – the minute there's the slightest hint that we haven't had hands-on responsibility in every detail and every decision, they cry murder. My concluding comments would simply be that if you were consistent with your questioning, it would carry a lot more weight with me. But as I said, I will wait until I see *Hansard* tomorrow and check that I got the gist of question period.

Thank you, Mr. Chairman.

MR. DEPUTY CHAIRMAN: The hon. Member for Edmonton-Whitemud.

MR. PERCY: Yes. I'd like to reply to the hon. Member for Calgary-Currie. There is an element of consistency. We'd actually like to see boards in place that did their jobs, that were appointed on the basis of merit, and that were responsible. We would like to see the hon. members on the front bench there use the powers that exist under various Acts to deal with the boards when they're not doing their jobs. If you actually believe – I certainly hope you don't – that the Treasury Board can manage on a day-to-day basis the operations of these entities, then I believe we have learnt nothing from giving a blank cheque to the Getty government and we have learnt nothing about how we've gone from \$5 billion in assets in '86 to \$31.5 billion in debt today.

If you have boards that are set up and autonomous and they're not performing, deal with the boards. Use the regulations that exist to deal with the boards, but please do not have the Treasury Board coming in. The inference that I draw from your comments – again, I will apologize wholeheartedly when I read *Hansard* and see if I have, in fact, misinterpreted what you said – is that you do believe this Bill gives the Provincial Treasurer responsibility on a day-to-day basis to run these organizations. If that is the case, I believe Albertans should know, should be consulted on it, and it should be discussed widely before it's rammed through this Legislature.

Thank you.

MR. DEPUTY CHAIRMAN: The hon. Member for Stony Plain.

MR. WOLOSHYN: Thank you, Mr. Chairman. I know the minister doesn't need any help, but the Member for Calgary-Currie elicited some comments that I don't think were quite appropriate. This government, this minister is not questioning the quality of the boards.

DR. PERCY: They ought to. Sure; you appointed them. On that basis, you ought to.

MR. WOLOSHYN: The hon. Member for Edmonton-Whitemud says they ought to.

DR. PERCY: On occasion.

MR. WOLOSZYN: Now he adds to that qualifiers, and this, Mr. Chairman, is just underlining the whole nature of this amendment. It does not have substance.

I am totally convinced that this legislation was put in here with the best of intentions. I am totally convinced that the Treasurer, through Treasury Board, is not going to abuse the legislation, and the hon. Member for Edmonton-Whitemud is certainly aware of that. I think when he calls this a friendly amendment, he has also lost his ability to spell and is confusing friendly with frivolous.

Thank you, Mr. Chairman.

MRS. ABDURAHMAN: I also would like to reply to the question with regards to our position on health care. I think laying blame is not the appropriate thing to be doing here. I think what we're all looking for is accountability, and over the past years we have seen pressures put on our health care system that have certainly caused great difficulties in making appropriate decisions. To suggest that we are not consistent in our position I certainly will not accept. I think the question was most appropriate today in question period, as it was a result of a public forum held by the government of Alberta to have input from Albertans. Stories that were related, too, at that forum certainly should cause concern, not only to the government but to all of Albertans. I don't for one minute hope we're suggesting that hospital boards indeed have not been doing a credible job. I think that under the circumstances of the funding they have been challenged with, they have been doing a good job.

Where I think we've seen some failures is when the very policies of this government have not been implemented, and I'll use the example of UniCare. We all know that within the provincial hospitals if you wish to use reserved funds, the Minister of Health has to authorize those expenditures. So whether it was the present minister or past Minister of Health, the expenditure of reserved funds, whether it be the interest earned or indeed the capital, had to be approved by the Minister of Health. There is where the accountability is when it comes to that area.

5:00

[Mr. Tannas in the Chair]

So I want to reiterate to the Member for Calgary-Currie that, no, indeed we are not inconsistent; we are consistent. We want the quality of care to be ensured by this government, we want full input by Albertans, and we want a government who will listen to what Albertans are saying and make the appropriate changes within our health care system.

Thank you, Mr. Chairman.

MR. DINNING: What a team, eh, Mr. Chairman. What a team.

Mr. Chairman, I rise respectfully to address the amendment put forward by my colleague for Edmonton-Whitemud. I appreciate his sincerity in calling for greater disclosure and greater accountability, proper authorization and transparency. Those are my words. I think he's used some of them as well.

Mr. Chairman, I would refer hon. members to a few documents. The hon. member as much as he will say that this is a friendly amendment, I believe him because he said it, just cause he's a nice kind of guy, you know. He's got that cute, cherubic kind of face that I'm sure the students in his class would have swooned from time to time. I only believe him because he said it. I'm not so sure that this achieves the spirit or the letter of accountability, disclosure, proper authorization, and transparency, and I'll come to autonomy in a couple of minutes.

Bear with me while I just reflect on some recommendations and reports we've received from the likes of the Auditor General. First of all, the Auditor General in his September 19, '92, report on the matter of NovAtel said this at page 20:

The government appoints autonomous boards to manage the operations of the agencies. However, there are some significant deficiencies in the process used to monitor the activities of such boards. The NovAtel losses illustrate what can happen when deficiencies exist in an accountability process.

He then went on. In addition to other recommendations, one in particular, number two:

All Provincial agencies and Crown-controlled organizations, including subsidiaries, should be required to prepare annual budgets in the form of a projected balance sheet, income statement and statement of cash flows. I am not suggesting that these budgets receive legislative approval. I am recommending that the Public Accounts . . . include these budgets and that they be used as a basis for comparison with actual results.

Mr. Chairman, I think that's case evidence, people's evidence number one.

The people's evidence number two is the Auditor General's report filed with members of the Assembly in February of 1993, the 1991-92 annual report of the Auditor General. I want to refer to a section in there where the Auditor speaks of unrecorded assets and liabilities. He talks about the need for recording these assets and liabilities, and he talks about omissions from the government statements, which I can acknowledge now, Mr. Chairman, have been rectified and clarified. On page 6 of that report he talks about

the most significant omissions from the calculation of the accumulated deficit are:

- the Province's pension liability

I might add that parenthetically it's now there. He also talks about

- the Province's capital assets, and
- the investment in Provincially-owned universities, colleges and hospitals.

The Auditor General is calling on this provincial government to include those assets on the province's balance sheet. In other words, the province, he's saying, should show ownership of those assets. I think that is not a frivolously made recommendation, but nor will it be a frivolously accepted recommendation, and it's one that we are going to carefully consider.

He said:

Some of these assets and the liability can be measured easily. I acknowledge that it will take time and debate to attach an appropriate value to some of the Province's capital assets. For example, in determining suitable bases of valuation for specific capital assets, I believe it will be necessary to consider the government's purpose in owning the assets. However, it is my hope that the government will agree to a plan that will over time record all of the Province's assets and liabilities.

May I add parenthetically, just imagine if we did include in the statement of accounts, the assets of this province, all of the assets of our colleges, our universities, our hospitals, and the like. By golly, Mr. Chairman, we'd probably eliminate the deficit right away, because the assets there that the Auditor General is saying for financial purposes we would own are considerable, are significant. I think he would acknowledge if he was here in the Chamber today that we've probably gone the distance in showing the negative side, the liability side, but that we haven't even come close to acknowledging what the province should, quote, own, unquote, as he is recommending in his annual report. So I look at the notion of consolidation down the road, of bringing those assets under the ownership of the government of Alberta, the province of Alberta.

I see the notion of compensation in financial statements. Compensation should be disclosed in a manner that would be directed by the government and prescribed by the government, prescribed under sections 5 and 7 of the Financial Administration Act, that they be completed in a manner that's appropriate by the government, that they would be included in the public accounts of the province, and that they would be done by June 30, which is the government's commitment to make sure that that is done in the 1993-94 fiscal year such that by June 30, '94, we will release the accounts of the province.

So those are some of the reasons I would put for the amendments to the Financial Administration Amendment Act and why I believe that this House with the members' full support rightly adopted those amendments when they came before the House a week ago. The member agreed. He didn't stand in his place because it was a voice vote, but I clearly saw his lips move. He said yea, or he said agree, and with his lips probably yea and agree would move the same way. He definitely was voting in the affirmative, just as the hon. Member for Fort Saskatchewan-Clover Bar said before the subcommittee of supply when we were together embraced arm in arm.

Goodness knows, Mr. Chairman, it was one of the highlights of my legislative experience when two Fridays ago the hon. member spoke at designated supply subcommittee – I know that the Blues are an unofficial transcript of what was said, and I'm sure it will be more official when it's all said and done – and said:

What I'm hoping is that the Controllers' responsibilities will be expanded into provincially funded institutions like hospitals, education, and there'll be benchmarking in place.

I then wanted to make sure. "You are advocating, you are supporting just that?" I said. Then she said, "What am I advocating?" She didn't know what she was. Anyway, then I said what you've just said, "A Controller [whose] problems" – I think problems is a mistaken word, and I'd ask *Hansard* to refer to that. A controller whose powers, I think, "had expanded." "Yes," said Dinning. "Yes," said Abdurahman. I then went on and I said, "Knowing that the Liberals will support it, then there's a good chance that that's a position we should take." You know, I'm sorry to not fully understand. The hon. member said one thing two Fridays ago. She says another thing today. I'm sorry, Mr. Chairman, there's something at marine world called Flip and Flop, because Flipper is at marine world. We've got Flipper down there and Flop here.

5:10

Mr. Chairman, the members opposite have got to be very clear. When they say words, they are recorded forever. They're recorded for posterity in *Hansard*, and I think it's awfully important that they should be reminded of what they said. They can't change their position when they read this morning's newspaper or change it again when they read tomorrow morning's newspaper. I think it's a travesty that they try to play that game.

I believe in the autonomy of these institutions, and I respect that. My colleague the minister of advanced education does as well. My colleague the Minister of Health does as well. This government does. I have to ask the question: when does autonomy bump up with, bump into, bump up against accountability? In the end, Mr. Chairman, which one will win out: autonomy or accountability? Well, if I look at what this government is trying to do in promoting accountability, in promoting disclosure, transparency, proper authorization, then I believe that the answer to the question, that Albertans' answer to the question today is accountability and that accountability is what must win out.

I can assure and I will stand quite up-front in this Legislature and say that this government does not and will not act capriciously or irresponsibly in the exercise of its authority under the Financial Administration Act. Remember, Mr. Chairman, that we are talking about the Financial Administration Act. We're talking here about financial matters and financial affairs and financial accountability and financial disclosure and financial transparency and financial proper authorization. That is what we are talking about in the Financial Administration Act, and that is why the amendments have been made to the Financial Administration Act: to ensure that accountability and disclosure is assured.

So, Mr. Chairman, while I appreciate the intention of the hon. member, I would respectfully suggest to hon. members that they quickly get on with the business of the House and hopefully call the vote to not support this amendment.

MR. CHAIRMAN: Are you ready for the question?

The hon. Member for Edmonton-Whitemud.

DR. PERCY: I wish to respond to several of the comments of the hon. Provincial Treasurer. The first point was that in the discussion of these issues the issue was always transparency, accountability, and disclosure. Sections 5 and 7, after we have received legal advice, are not necessary to achieve the ends set out by the Provincial Treasurer in his little homily just now. The issue of disclosure: you do not need sections 5 and 7. In fact, I'm going to pose just three questions to the Provincial Treasurer while he is here. I can see him packing up getting ready to leave.

The first question is on the issue of accountability. For the record, when accountability bumps up to autonomy, you are clearly on record as saying that autonomy loses. The second point is that again I would like the Provincial Treasurer to state clearly to the House why sections 5 and 7 are required to achieve these other aims, why these aims cannot be achieved without 5 and 7.

The third point is that since the Provincial Treasurer has clearly said for the record that autonomy is the issue, then I think it is incumbent on him to discuss this with the presidents, boards of directors and deal with the issue of how accountability bumps into autonomy and have their views, then, on what the reasonable constraints on autonomy are in light of the financial position of the government, in light of the need to downsize, in light of the need to be transparent in their operations.

I think it is clear, then, that the Provincial Treasurer views this as a Bill that is aimed at the autonomy of these institutions. If that is the case, we need much fuller debate than we're having here.

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

MRS. ABDURAHMAN: Yes, Mr. Chairman. It's indeed unfortunate that the Provincial Treasurer had not the political courage to wait for the Member for . . .

SOME HON. MEMBERS: Order. Order.

MRS. ABDURAHMAN: I apologize to the Chair.

MR. CHAIRMAN: A citation re a point of order.

MR. WOLOSHYN: Section 23(i).

MR. CHAIRMAN: Okay.

MRS. ABDURAHMAN: I apologize to the Chair, Mr. Chairman.

I wish to address the Blues that the Provincial Treasurer quoted. I would state that it wasn't quoted in the full context of the Blues. I would like to point out to this House that indeed the discussion came about from a question about the position of the Provincial Controller and also the salary the Provincial Controller is presently getting. What I put to the minister, and I quote from the Blues:

In today's marketplace it looks as though we've [more than a rich] salary, and what I'm hoping is that the Controllers' responsibilities [have been] expanded into provincially funded institutions like hospitals, education, and there'll be benchmarking in place.

Mr. Dinning: May I ask a question, Mr. Chairman?

You are advocating, you are supporting just that?

Mrs. Abdurahman: What am I advocating?

Mr. Dinning: What you've just said.

Mrs. Abdurahman: A Controller whose [responsibilities] had expanded?

Mr. Dinning: Yes.

I certainly stand by those comments. If there's anything that has been missing within provincially funded bodies, it's the fact – and I'll repeat it time and time again – that we do not have the ability for benchmarking, and we've never had the ability for all programs to have outcome measurements. If indeed, like the Auditor General, the Controller's powers were expanded, we would indeed have some benchmarking and quality controls that would ensure that we fund our public institutions in appropriate ways.

I would also like at this point in time – and it's unfortunate the Provincial Treasurer is not with us, Mr. Chairman.

SOME HON. MEMBERS: Order. Order.

MRS. ABDURAHMAN: Am I not allowed to say that? Oh. I apologize. [interjections] I withdraw it.

MR. CHAIRMAN: One speaker at a time.
Clover Bar-Fort Saskatchewan.

MRS. ABDURAHMAN: Hopefully I will not make that error again, Mr. Chairman. It's certainly my intent not to.

I'd like to point out that like the Auditor General, who does audit our provincial institutions, I don't see it as being inappropriate for the Controller's responsibilities also to be utilized in provincially funded bodies. So with that clarification, Mr. Chairman, I once again would reiterate that our amendment is indeed friendly and that if there is indeed no threat to the autonomy of our provincially funded bodies – university, technical schools, and hospitals – I cannot see any reason why this friendly amendment would not be supported.

Thank you, Mr. Chairman.

5:20

MS CARLSON: I'd like to speak in support of the requirement, the absolute requirement for the friendly amendment proposed by our Member for Edmonton-Whitemud because of the serious reservations I've got about sections 5 and 7 amendments. The mandate for sections 5 and 7 amendments is far too broad and leaves open to question the actual intent of the government's actions with regard to these amendments.

The potential for direct government interference in the day-to-day operations of board-governed institutions is very real with these amendments. They will interfere significantly with the boards achieving their mandate and will interfere significantly with them being able to operate with any kind of sense of continuity. These amendments dilute the boards' ability to achieve their objectives and dilute the boards' ability to live up to the obliga-

tions they incur as a result of the other amendments introduced to this Bill.

This government has neither the expertise nor the technical ability to take direct control of hospitals or postsecondary institutions, and it should not aspire to that goal. These amendments speak against the spirit of the recommendations of the Auditor General when he stated that autonomous boards should be held accountable for their decisions. If you take away the power to make the decisions from the boards, you cannot then hold them accountable for the results of the decisions made. These amendments extend far beyond the bounds of financial accountability, and in fact they serve as a basis to undermine the ability of the boards to operate in an independent environment. It leaves them vulnerable to undue political interference.

I am particularly surprised at the scope of these amendments when you consider the comments made by the Provincial Treasurer in the Treasury subcommittee on September 17 that he formerly referred to here today. He's on record there stating that he would not do the very thing that is being proposed by these amendments, that in fact, and I quote, "there is no way on God's green earth that the provincial government should cast its net that far, that wide." Well, I concur with those previous comments completely, and for those reasons I cannot support the two amendments.

The friendly amendment presented by the Member for Edmonton-Whitemud clearly addresses the concerns and will enhance this Bill and should be adopted.

MR. CHAIRMAN: Edmonton-Gold Bar.

MRS. HEWES: Thank you, Mr. Chairman. I just want to add a few comments to this debate. I was interested in the Treasurer's remarks about how everything we say, every single word we say in this House is duly recorded, and I appreciate that. Certainly what we say is recorded in *Hansard*, and we have an opportunity to read it the next day. Likewise, because it is carefully and duly and word-by-word recorded, it's easy for us to see what is not said, and in this case I think what we're looking at is what was not said when these amendments were presented.

Mr. Chairman, just to backtrack a little bit. We know that the legislation is in place – the Universities Act and the Hospitals Act and so on – that govern these various autonomous bodies. Our caucus has no objection to the notion of introducing into the Financial Administration Act the idea of accountability and disclosure, and we have spoken to that on a number of occasions. But it seems obvious to me that the Treasurer in his eagerness to show his commitment to achieving fiscal responsibility has produced these amendments, and in their simplicity they have gone too far. They simply will not allow for the kind of autonomy that was anticipated in the Universities Act and the Hospitals Act.

Now, I believe that the amendment that has been suggested by the Member for Edmonton-Whitemud will correct this. So, Mr. Chairman, let's be realistic here. Let's not forget what we're doing and what we're here to do. Let's not get so anxious to have one side right and the other side wrong that we throw a good idea out.

Mr. Chairman, I just draw to your attention that when the Treasurer introduced these amendments on September 21, he talked about disclosure and accountability, and as I've said, we agree absolutely with that. But he made no mention, absolutely no mention, of the provisions found within 5 and 7 that would give the government the discretion to control the management policies of these elected and appointed boards and the ability by extension to enforce management policies by a simple directive or regulation. I don't believe that the institutions of our province ever

dreamed that this kind of thing was the intention or was going to be contained . . .

Mr. Chairman, I see you eyeing me. I guess that at this point it's time for me to move that the committee now rise and report.

[Motion carried]

[Mr. Clegg in the Chair]

MR. TANNAS: Mr. Speaker, the Committee of the Whole has had under consideration certain Bills. The committee reports Bill 7, Alberta Energy Company Act Repeal Act. The committee also reports progress on Bill 5, the Financial Administration Amendment Act, 1993, and begs leave to sit again.

MR. ACTING DEPUTY SPEAKER: Thank you.
All in favour of that report?

HON. MEMBERS: Agreed.

MR. ACTING DEPUTY SPEAKER: Opposed, if any? Carried.
Hon. Deputy Government House Leader.

MR. EVANS: Thank you very much, Mr. Speaker. I do move that we adjourn and that when we reconvene at 8 this evening, we do so as Committee of Supply to consider the estimates of the hon. Minister of Energy.

[The Assembly adjourned at 5:29 p.m.]

