

Legislative Assembly of Alberta

Title: **Tuesday, October 19, 1993**

1:30 p.m.

Date: 93/10/19

[Mr. Speaker in the Chair]

head: **Prayers**

MR. SPEAKER: Let us pray.

O Lord, we give thanks for the bounty of our province: our land, our resources, and our people.

We pledge ourselves to act as good stewards on behalf of all Albertans.

Amen.

head: **Notices of Motions**

MR. RENNER: Mr. Speaker, I wish to give notice that immediately upon the calling of the Orders of the Day, I would like to seek unanimous consent of the Assembly for the following motion:

Be it resolved that the Assembly waive Standing Order 8(2)(a) in order to now give consideration to second reading of the private Bills which were reported by the Private Bills Committee yesterday, namely Pr. 1, Pr. 7, Pr. 8, Pr. 9, Pr. 10, Pr. 11, Pr. 12, Pr. 13, and Pr. 14.

head: **Introduction of Bills**

Bill 11

Alberta Corporate Tax Amendment Act, 1993

MR. DINNING: Mr. Speaker, I beg leave to introduce Bill 11, the Alberta Corporate Tax Amendment Act, 1993.

Mr. Speaker, this Bill is largely a housekeeping Bill to make our provincial legislation in accord with federal legislation but also enables the government to negotiate an agreement with Ottawa to have Ottawa once again collect Alberta corporate income taxes.

[Leave granted; Bill 11 read a first time]

head: **Tabling Returns and Reports**

MR. TRYNCHY: Mr. Speaker, I wish to file the response to Motion for a Return 179.

MR. SPEAKER: The hon. Opposition House Leader.

MR. MITCHELL: Thank you, Mr. Speaker. I wish to table four copies of a document prepared by Ms Rachel Gour outlining her disconcerting experiences with the health care system recently. This is not a melodramatic horror story.

head: **Introduction of Guests**

MR. SPEAKER: The hon. Minister of Public Works, Supply and Services.

MR. THURBER: Thank you, Mr. Speaker. It's an honour for me today to introduce to you and through you to this Legislature a group of very bright young people from the town of Calmar. They're the grade 10 class, and they're accompanied here today by Mr. Brad Umpherville, Mr. Henry Schmolke, and Mr. Chad Banman. I'd ask that they rise in the gallery and receive the usual warm welcome of this House.

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

MR. MITCHELL: Thank you, Mr. Speaker. I would like to introduce today to you and through you to the Members of the Legislative Assembly Rachel Gour, who's in the Legislature today making her point about her concerns with the state of the Alberta health care system so that she can help avoid these kinds of problems for Albertans in the future. I would ask that she stand in the gallery and receive the welcome of the Members of the Legislative Assembly.

MR. SPEAKER: The hon. Member for Leduc.

MR. KIRKLAND: Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to the Assembly two constituents and friends from Leduc: Bob Guebert and Walter Beach. If they would stand and receive the warm welcome of the Assembly, please.

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

MR. CARDINAL: Thank you very much, Mr. Speaker. I would like introduce to you and through you to the Assembly two members from the Metis settlements in Alberta, also one member from the general council administration, and a member from the Metis settlements commission. I'd like them to stand and receive the warm welcome of the Assembly.

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

MR. SAPERS: Thank you, Mr. Speaker. It is my pleasure to introduce to you and to all members of the Assembly a group from Glenora school: teachers Ken Kirsch and Shirley Pukanich accompanied by parents Roy Cook and Barbara Stewart and 44 students. I'd ask them to rise, please, and receive the warm welcome from this Assembly.

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

DR. MASSEY: Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to members of the Assembly teachers Mrs. Durand and Mrs. Severin, student teacher Miss Wells, parent helpers Mrs. Ward, Mrs. Parsons, and Mr. Gould, and 57 students from Kameyosek school in Mill Woods. They're seated in the members' and public galleries, and I would ask them to stand and to receive the warm welcome of the House.

MR. SPEAKER: The hon. Member for Pincher Creek-Macleod.

MR. COUTTS: Thank you, Mr. Speaker. I would like to take this opportunity to introduce to you and through you to members of this Assembly three ladies: my secretary from Edmonton here, Brenda Goebel; the constituency secretary from the constituency of Pincher Creek-Macleod, from the historic town of Fort Macleod, Mrs. Pam Young; and then my very best friend for the last 27 years, my wife, Phyllis, all seated in the members' gallery. Would they please rise and receive the warm welcome of this Assembly.

MR. FRIEDEL: Mr. Speaker, I'd like to introduce to you and to the members of this Assembly visitors from Peace River representing improvement district No. 17 west: Gilles Bouchard, chairman; Walter Gacek, member; and Kelly Bunn, ID manager. They're seated in the members' gallery. I'd like to ask them to rise and receive the warm welcome of this Assembly.

MR. SPEAKER: Might we have unanimous consent to revert to Notices of Motions?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried.
The hon. Deputy Government House Leader.

head: **Notices of Motions**
(*reversion*)

MR. DAY: Mr. Speaker, there are no written questions appearing on today's Order Paper.

As far as motions for returns I will be giving notice that tomorrow I will be moving that the motions for returns stand and retain their places on the Order Paper.

head: **Oral Question Period**
Gainers Inc.

MR. DECORE: Mr. Speaker, the government has often said that several buyers were lined up to purchase Gainers, but we've seen no success. It seems now that the government is desperate, since it has agreed to pay Richardson Greenshields \$75,000 a month to find a buyer. The company will get another \$125,000 as a bonus upon what the Treasurer calls a successful completion of a transaction. The taxpayers of Alberta have already lost \$103 million on Gainers, and there are loan guarantees of some \$63 million that probably will result in losses. My first question to the Treasurer is this. Mr. Treasurer, the government has a whole ministry that has experts that deal with the sale of assets. Why do Albertans have to pay \$75,000 a month for a private entrepreneur when you've got all of these experts sitting around not doing their jobs?

MR. DINNING: Mr. Speaker, this government believes in the expertise of the private sector to be able to go out and help us find people, companies, investors around the world who would be interested in the assets that this government has to offer to sell. So that's exactly what we've done. We've gone out to that expertise, with connections, with networks throughout the world to be able to assess the interest in these kinds of assets.

What disappoints me, Mr. Speaker, is that I hear the hon. member in a perverse sort of way rubbing his hands with glee over the prospect of not being able to sell Gainers. I would think the people of Edmonton, who many of those people on the other side of the House represent, would not be rubbing their hands in glee over the prospect of a failure of this opportunity.

1:40

MR. DECORE: Mr. Speaker, the predecessor and even the present Treasurer many times stood in this Assembly and told Albertans that a buyer would be found for Gainers. Why did the minister give out that kind of fact that wasn't fact to try to fool Albertans? Why did you do that, Mr. Treasurer?

MR. DINNING: Mr. Speaker, the intention of the government was very clear. My colleague the Minister of Agriculture, Food and Rural Development stood before the Assembly, stood before Albertans and said: these are our intentions; these are the criteria or the requirements, the principles on which this sale will be made. Perhaps the hon. Liberal leader would have a better idea as to how it ought to be done, but we do believe in the expertise of the private sector, in their knowledge, in their ability to network

throughout the world to hear the interest in this kind of an asset. The hon. member pretends to be, may I say, a know-it-all, that he could do it all himself. Well, we do believe in the ability of the private sector to help us get the job done.

MR. DECORE: It was you that bragged about knowing everything. It was you that bragged about getting rid of Gainers two years ago.

Mr. Speaker, knowing and given that the government failed to find a buyer for MagCan or Northern Steel, I'd like the minister to define for Albertans what it means in this agreement when he says that \$125,000 will be paid upon a successful completion of a transaction. What does that mean?

MR. DINNING: Well, Mr. Speaker, if there is a transaction and it is successfully completed, then the agent that has been doing some work to complete this task will be paid a remuneration, just as the hon. member knows a lawyer would work on commission, would work on a fee basis to complete a transaction. The hon. member is a lawyer. He's a member of the bar society of Alberta. I know he fully understands that this as well as the acquisition of other professional services operates on a retainer or on a fee basis, and in order to get the job done, we believe the private sector will be able to help us complete the task.

Child Welfare

MR. DECORE: Mr. Speaker, the Children's Advocate has identified serious problems with the province's foster care program. There is a great shortage of foster care homes, and we're told that the existing foster parents are not getting the training or the support that they need from the ministry. A document outlining the effects of a million dollar cut in the Edmonton region says that a hundred children with the greatest needs will be dumped out of group homes into foster care homes. My first question to the minister responsible, then, is this: Mr. Minister, why haven't you cleaned up the foster care program, a program that is in a horrible mess?

MR. CARDINAL: Mr. Speaker, I'd like to advise the hon. member that indicating that people will be dumped is an assumption, because there is no definite indication anywhere that I know of that a number of children will be dumped. As I've indicated in the Assembly before, we are spending close to a quarter of a billion dollars in child welfare in this province, \$160 million in child welfare. In fact, we've increased the budget for foster care this year. This minister will continue working very, very hard I hope along with your party. I asked on April 1 for a plan from your party so I could incorporate it within my three-year plan as to what the welfare reforms, including child welfare, will look like in this province. Now, if you don't give me the information I've asked for, I am going to file my plan within two weeks.

MR. DECORE: Play it again, Mike. Play it again, Sam. Do something.

Mr. Speaker, I'd like the minister to tell Albertans why he would move children with serious problems from a program that's just barely adequate to a system that isn't even working properly.

MR. CARDINAL: Mr. Speaker, again this individual of course is making assumptions that this minister is doing something that will hurt the children in this province. This minister will not. In fact, I've advised this Assembly before that in this province this year alone, even with the \$150 million of projected cuts in the depart-

ment, I have redirected \$28 million to the high-needs area, which includes foster care and child welfare, increases of \$3.5 million, AISH, and widows' pension, and I will continue to do that. The reforms are directed at providing more dollars for the high-needs area including child welfare and foster care. That is why I'm working very, very hard to get the employables and trainables, the people that do not want to be on welfare and should not be on welfare, back into the work force: so they can help support the people that are needy.

MR. DECORE: Mr. Speaker, these aren't my assumptions. Internal documents in your own department, Mr. Minister, say that the system is breaking apart and the children are in jeopardy.

I want to know, Mr. Minister: when are you going to start solving problems for children instead of creating more problems for children?

MR. CARDINAL: Mr. Speaker, there is a member here that indicated just recently that they were going to make brutal cuts if they were elected on June 15. Fortunately they weren't elected, and that is why I guess Albertans didn't elect them. This minister has a plan. Again, I will indicate to the Assembly that I will file that plan even without your assistance in it. I will file a short- and long-range plan in relation to child welfare.

I would like to also advise this hon. member, Mr. Speaker, that the unfortunate part of the whole child welfare issue in Alberta is that a high percentage, 50 percent, of the children that are in foster care right now are native children, and I'm not proud of that. We're working very hard to change the economies for native people. That is why the welfare reforms are so critical to people in Alberta. Native people for too long have been trapped in poverty and in the welfare system. It has not provided the answers in the last 40 years, and our government is going to do that. You will see that once we achieve self-sufficiency and independence for native people again in Alberta, the child welfare issue will disappear amongst native people.

I just want to also advise this House, Mr. Speaker, that we are working very hard with aboriginal bands. For an example, 18 of the 44 . . .

MR. SPEAKER: Order.

The hon. Member for St. Albert.

Liquor Control Board Properties

MR. BRACKO: Thank you, Mr. Speaker. To the minister responsible for the ALCB. Albertans want answers. Last week the minister responsible for public works denied that Don Getty was awarded the Southgate store. Mr. Minister, you said that the Canadian Imperial Bank of Commerce was the highest bidder. The CIBC say that they were not even involved in the tendering process. How could you be so wrong in the information you gave Albertans? What is the truth?

DR. WEST: Mr. Speaker, there is such a thing in business where they wish to keep their information to their own management plans, and I'm sure that if the individual went to the CIBC and got that information, it's their business what they say. I apologize on the Assembly floor for any inference. I should have said that a major bank in this province has made a bid on a specific store. I have indeed been in communication with them. Until all bids are processed and returned as offers, of acceptance of their bids, no deals have been made on any of the 204 stores. I said that there had been bids made here, and if the individuals I had mentioned,

which I shouldn't have mentioned, want to make that communication to this individual, so be it.

1:50

MR. BRACKO: It's nice to get a store without bidding for it.

I'll try another approach. To the minister of public works: since public works is responsible for tenders, why did you not correct the misinformation given by the minister responsible for the ALCB? You were here.

MR. THURBER: Mr. Speaker, the people in public works cooperate with the people in the ALCB and in Municipal Affairs to look at the bids and to check out everything to make sure that it's done in a businesslike way. I had no knowledge of whoever he wanted to talk about. If he wants to go back and check with these people, he can certainly do that.

MR. SPEAKER: The hon. Minister of Municipal Affairs to supplement the answer.

DR. WEST: Yes. The individual made a comment as to a specific point that somebody said somebody didn't make a bid. A lot of the bids were made through companies who work for other companies under a number so the transparency would be respected. As I said before, I broke that.

MR. BRACKO: To the minister responsible for the ALCB: given this government's past record of patronage in the wine store fiasco, how can this government be trusted to award stores in a fair manner?

DR. WEST: Mr. Speaker, the rules of the House are quite specific, so I'll just ask one thing: would you specify if you're saying something about this minister in critique of the process that I'm using? If you do so, please do it in this House, because if you do it outside this House, I'll take steps. [interjections]

MR. SPEAKER: Order. [interjections] Order.

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

MR. SPEAKER: The hon. Member for Calgary-Shaw, followed by Lethbridge-East.

Hospital Construction

MR. HAVELOCK: Thank you, Mr. Speaker. The construction of new medical facilities is an issue fraught with controversy and allegations of political patronage. It is often assumed that political as opposed to sound medical criteria drive decisions. That should not be the case. My question is for the Minister of Health. What steps is she prepared to take to ensure such decisions are made independent of political pressure?

MRS. McCLELLAN: Mr. Speaker, we have an exhaustive system of review for evaluation of all capital projects. I accept the member's comments that there can be perceived political influence. However, I must say that every member in this Legislature, on either side of the House, I am sure works with their communities – and they should – in evaluation of the need of a project and the appropriateness of a project. I encourage that from all sides of this House. All capital projects are important to their communities, and I know all members in this House work hard to represent their communities. The objective we must ensure is that

there is a fair evaluation and a very complete evaluation of all future capital projects. I encourage all members here to work, as I said, with their communities to ensure that the facilities that they have or that they are proposing meet the health care objectives of their communities.

MR. SPEAKER: Supplemental question.

MR. HAVELOCK: Yes. Thank you, Mr. Speaker. Would the minister be prepared to develop and table before this House an objective list of the criteria to be utilized in determining which medical projects warrant funding?

MRS. McCLELLAN: Mr. Speaker, I have outlined in the House before the criteria that we use to evaluate capital projects in health. I would do so again. There are three primary areas of evaluation. One is the health service capability. This includes having reasonable access to health care facilities, the age, and the condition of existing facilities. As we've said, we have to look at health and safety of both the patients and the workers within our facilities. Certainly we look at ways that our facilities can contribute to greater efficiencies whether it be on a community basis or a regional basis.

With respect to future criteria, as we are holding the health roundtables across this province, we are getting some very good advice from people across this province on capital projects, and that advice will be built into the criteria for the future.

MR. SPEAKER: Final supplemental.

MR. HAVELOCK: Yes. Thank you, Mr. Speaker. Would the minister be prepared to table before this House a ranked list of the top 50 proposed projects with explanation as to why they are so ranked?

MRS. McCLELLAN: I would not, Mr. Speaker, the reason for that being that consultations are occurring in this province and have been for the last two months and will continue for a short time into the future. Those consultations are giving us a lot of advice as to how health care should be provided in this province in the future. I think that's important. I think all of the proposals that we have before us have to be evaluated with that new information that we have. I believe very strongly that local communities should be involved in local decision-making, and we will continue to invite that. I think we have to look very closely at existing and proposed capital projects. We will do that. Some may have to be replanned and some indeed may not even be needed. I think until that process is completed, it would be very inappropriate to table any list of proposed projects.

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

Flour Production

DR. NICOL: Thank you, Mr. Speaker. The Alberta milling industry is an important value-added component of our agriculture sector. Due to the low quality of this year's harvest of wheat the Canadian Wheat Board is moving to restrict the availability of high-quality hard spring and durum wheat for domestic use. This situation is further complicated by Ogilvie Mills' intention to close their Ontario production facility for gluten, a supplement which millers can use to improve the baking quality of low-grade wheat. My question is to the minister of agriculture. What steps are you

prepared to take in discussions with the Canadian Wheat Board to guarantee a supply of high-quality wheat for Alberta millers?

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

MR. PASZKOWSKI: Thank you, Mr. Speaker. Indeed that is a very timely question, because as you know the quality of the wheat in western Canada, the quality of the wheat in North America, and the quality of the wheat in Europe is all inferior this year. I've been in contact with the Canadian Wheat Board; I've been in contact with the Canadian Grain Commission as to the requirements of our flour milling industry. I'm pleased to say that at this time through the ongoing research work that's taken place within the agricultural development process, of which the province of Alberta has been part, we indeed are now able to use lower quality wheat and achieve the same end results as far as quality of material is concerned. The deterioration as far as quality of wheat is concerned takes place when there is excessive sprouting or excessive amounts of moisture when the product is matured. Fortunately in this year's material that has not be the case in either case.

DR. NICOL: Mr. Speaker, again to the minister of agriculture: what steps is the minister willing to take if Ogilvie carries through and closes their plant that produces the gluten – that's the supplement needed – to guarantee a supply of this important product for the Alberta bakers so they can maintain their competitive position in a world market?

MR. SPEAKER: The hon. minister.

2:00

MR. PASZKOWSKI: Thank you, Mr. Speaker. Obviously at this time the question is somewhat hypothetical because my understanding is that Ogilvie has not made that decision. Now, at this stage it would be somewhat presumptive that indeed that will happen. However, we have been dealing with the Canadian Grain Commission, which does testing. I don't know if the hon. member has seen the tremendous facilities that are available where they do test material as far as flour products are concerned. This information is used worldwide, not just in Canada, as far as utilization of product is concerned. We do have a limited amount of grade 1 and grade 2 wheat. However, the latest figures that I have received are that indeed it may be higher than was originally anticipated, and consequently it appears that the danger that may have been coming about may indeed not happen.

DR. NICOL: Mr. Speaker, the Ogilvie plant has notified the users of their product that they will be closing.

I would just like to ask the minister if he would be willing to work with the federal government to encourage removal even on a temporary basis of the 8.7 percent tariff on gluten so that our bakers can get a product on the international market and still be competitive with their product.

MR. PASZKOWSKI: Mr. Speaker, this government is willing to work with any agricultural group that is in need and always has been available to work with any agricultural group. The problem, though, isn't going to be as simple as availability of gluten in the world marketplace. As I mentioned, the major producers of wheat this year, with the exception of Australia, are all in short supply of quality material and quality product. So it's going to be very, very competitive, and I think in the overall assessment of the

products that are available this year, Canada is going to be in an advantageous position in the end.

MR. SPEAKER: The hon. Member for Cypress-Medicine Hat.

Advanced Education Institutions

DR. L. TAYLOR: Thank you, Mr. Speaker. In a recent book called *Reinventing Government* by David Osborne and Ted Gaebler, they make the following statement: traditional bureaucratic government focuses on inputs not outputs. I feel this is a fair comment on the universities as is evidenced by the fact that up to 50 percent of the first year classes fail, there are still students who have professors they can't understand, and there are still professors who are more interested in their research projects than in actual teaching. I think professors in universities must . . .

MR. SPEAKER: Question.

DR. L. TAYLOR: Yes, all right. This question had to have this bit of philosophy with it, Mr. Speaker.

To take account of this new economy, will the minister of advanced education consider funding universities on an output basis – that is, the number of students who successfully complete classes and course work – rather than the present input method of funding universities on student enrollment?

MR. ADY: Well, Mr. Speaker, I accept the question. However, I would like to qualify it by saying that I think the hon. member has perhaps brushed some things a little too broadly.

At one time our government did fund institutions on a program and enrollment basis, but that was over a decade ago. The process by which we fund our institutions today is fairly straightforward: institutions receive a block grant from the government. The grant is based on an intensive review that was done by Stefan Dupré, a consultant and a person of a certain credibility. He examined our funding of our institutions and concluded that it was fair and equitable across the system. There is an allowance for special circumstances from time to time, but in today's world we do fund higher education in this province at approximately a billion dollars a year.

MR. SPEAKER: Supplemental question.

DR. L. TAYLOR: Thank you, Mr. Speaker. I'll forego my preamble because I don't think you'd let me.

Will the minister consider increasing the workload of the professors, who I understand teach an average of nine to 12 hours a week and get paid an average of about \$65,000 a year? Will he consider increasing their workload and going to a 12-month university year to enable our universities to better serve the students of Alberta as well as serving a greater number?

MR. ADY: Well, again let's be clear on the jurisdiction of the control of the elements that the hon. member brings forward today with his question. Teaching time does vary from institution to institution, and certainly in universities it varies as opposed to colleges and our SAIT and NAIT institutes. It also depends on the amount of time a professor may spend in tutoring or in preparation for his classes. The actual jurisdiction, those who have control over the amount of teaching time, will rest with the administration and the board of the various institutions. It's not for this minister to go over and decide how much time a particular professor may spend in front of the class. Given the fiscal realities that our

government is faced with, I expect that all of our institutions are going to have to look at innovative ways of maximizing their potential and their capacity within the institutions. My priority, Mr. Speaker, is for the student, and I'm confident that everyone involved in our postsecondary institutions has that same priority.

MR. SPEAKER: Hon. member, final supplemental.

DR. L. TAYLOR: Thank you, Mr. Speaker. Will the minister consider reducing the number of university and technical college boards to one to reduce the duplication in these boards and to reduce the number of senior administrative positions?

MR. N. TAYLOR: It's pretty hard to get right of Cardston, but he did it.

MR. ADY: Yeah, I suppose.

Mr. Speaker, I guess I haven't quite heard that proposal before, at least not in such a public forum, but I am interested in all ideas.

MR. SPEAKER: The Chair believes the hon. minister thanked the hon. member for his representation.

The hon. Member for Edmonton-Ellerslie.

North Saskatchewan River Boat Ltd.

MS CARLSON: Thank you, Mr. Speaker.

MR. SAPERS: You can't top that, Deb.

MS CARLSON: That's right; hard to top.

For months now the government has danced around its failure to protect the taxpayers' exposure of nearly \$1 million on the North Saskatchewan River Boat company. The owner of Scott Steel now says that the boat is likely to stay high and dry for the next two years while the lawyers fight it out in the courts. In the meantime, the chances that we'll have to kiss our million dollar loan guarantee and a \$400,000 grant good-bye are getting higher and higher. Mr. Speaker, to the Minister of Economic Development and Tourism: since it would be unthinkable for nearly \$1.4 million in government help to be given without some kind of nonperformance clause, will the minister outline the conditions of that clause?

MR. KOWALSKI: Mr. Speaker, I think at the outset, though, we first of all had better clarify the record. In fact there is a guarantee to Alberta Treasury Branches, an outstanding guarantee of \$706,308, which is public information, not \$1.4 million. Secondly, as I've indicated before, this is a matter currently before the legal system for resolution, and there's no call on anything, any guarantee by the province of Alberta with respect to this matter. Thirdly, the government does not operate with its information base as the local newspapers.

MS CARLSON: So the minister doesn't know the answer about something so important . . .

MR. SPEAKER: The question.

MS CARLSON: . . . about how much of the taxpayers' money we can recover? That was my question.

MR. SPEAKER: The Chair apologizes to the hon. member, but the Chair thought he was hearing another preamble. The Chair will allow it.

MS CARLSON: My question was: you're the minister; can you not tell us something so important about so much of the taxpayers' dollars?

2:10

MR. KOWALSKI: As I've said repeatedly in the House on numerous occasions, there is a guarantee with respect to this particular company. No one is in default on it, Mr. Speaker. The boat is in the city of Edmonton. I do not believe that anybody's going to lift it up and move it away anywhere. The matter currently is before the courts for resolution. There is no loss that the province of Alberta expects to take with respect to this matter.

MS CARLSON: To the same minister: what security do we have on the money that we poured into that boat? How are we going to get those dollars back?

MR. KOWALSKI: The security is with respect to the vessel itself, Mr. Speaker. I want to repeat again that there is no call with respect to the \$706,000 guarantee. Now, I cannot say the same about the dollars that were advanced to this particular project by the city of Edmonton. That is not a matter for this Assembly to deal with, although there certainly is at least one member in this Assembly who voted in favour of taking taxpayers' dollars and giving it to this particular project. Thirdly, this project was one of those projects that was set up in an attempt to promote in a positive way all of the benefits to the city of Edmonton. No call here, no impact on the taxpayers, no loss, but all we get in this House repeatedly from certain Edmonton area MLAs is the negatives, negatives, negatives about the city of Edmonton. There is one thing that I agree with the current mayor on. It's time that these MLAs from the city of Edmonton started saying something positive about their city instead of consistently tearing it apart.

MR. SPEAKER: The hon. Member for Bow Valley, followed by Edmonton-Mill Woods, if there's time.

Health Care Costs

DR. OBERG: Thank you, Mr. Speaker. My question is for the Minister of Health. In the recently published preliminary annual report of hospital statistics for 1991, which is the most recent year reported by Stats Canada, Alberta's total operating expense per patient-day of all hospitals was \$633.69. By comparison the Canadian average was \$467.42; British Columbia was \$406.95. Assuming that the standard of health care is similar and that outcomes are similar, how do you account for this large difference in cost?

MRS. McCLELLAN: Mr. Speaker, this is a rather complex question to deal with in question period, but I'll try to be very succinct. First of all, we are dealing with the 1990-91 statistics. I guess that points out one thing: it is difficult and has been difficult to compile statistics in the health field. These are not really very current. One of the things I would say that Alberta has been a leader in is achieving a health information technology that will consolidate those figures so that they are much more current. Secondly, it is also very difficult to compare this information because each province reports their health information in different ways. Cost per patient-day is not a very helpful measure by itself. It doesn't account for the length of stay of a patient. I believe a cost of discharge would be a much better measure. Those are things that we're working on for the future.

The other thing is that we're very proud in Alberta that we have some very comprehensive specialty programs. Other provinces do not necessarily have that. Other provinces tend to include auxiliary care in with their acute care, so it is difficult to compare those statistics.

MR. SPEAKER: Supplemental question.

DR. OBERG: Thank you, Mr. Speaker. Interestingly, Alberta's medical and surgical supplies were \$20 million less than British Columbia and other supplies and expenses were \$65 million more. How is this large variation accounted for?

MRS. McCLELLAN: Again, Mr. Speaker, I have to speak to the inability to compare in a number of areas because, again, as I said, our specialty hospitals have different costs. I think more key to this particular point is that other provinces tend to count their auxiliary hospitals with their acute care, and the information is not measured as accurately as it could be. I would say that it is our hope that with the new health information we will have through, as I said before, Alberta's real leadership in this area, we will have a better ability to compare and to measure and to ensure that we are being as efficient with our dollars as we can.

MR. SPEAKER: Final supplemental.

DR. OBERG: Thank you, Mr. Speaker. In the same report paid hours in the nursing department were 8.78 in Alberta per patient-day and 6.1 in B.C. Why are we so much higher?

MRS. McCLELLAN: Mr. Speaker, I'll point out again that because of the differences between acute care and auxiliary care and because it isn't consistent across the country as to how this is reported, it will show some differences. Again, I believe the Health Information Council will do that. In regard to funding for Alberta, which is a great part of this in paid hours, I would say that in 1991-1992 we were probably third place in funding in Canada. Obviously that could account for our higher costs in nursing hours.

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

Advanced Education Vouchers

DR. MASSEY: Thank you, Mr. Speaker. The deputy minister of advanced education told an Edmonton roundtable that vouchers are a funding model whose time has come. Where vouchers have been introduced, a two-class education system has developed: one for the rich and one for all others. Does the Minister of Advanced Education and Career Development agree with his deputy?

MR. ADY: Mr. Speaker, I wasn't in attendance on the occasion when the deputy minister was supposed to have said that, according to the member across the way. I would suspect that what may be the actual fact is that the voucher system was brought on the table for discussion. Certainly there has been no decision made that the voucher system is about to be implemented in the postsecondary education system of this province.

DR. MASSEY: Mr. Speaker, a deputy minister is just not any roundtable participant. Why was she trying to manipulate policy?

MR. ADY: Mr. Speaker, again, I would have to see the context of that conversation before I'd want to comment further on that.

I hope the member is not trying to lead this in a direction that is taking something out of context. I know that we are in a public consultation process, an ongoing one, and I would certainly like to have the opportunity to review the context of the conversation or the statement that may have been made by the deputy minister of advanced education.

MR. SPEAKER: Final supplemental.

DR. MASSEY: Thank you, Mr. Speaker. Given that vouchers divert tax dollars to private colleges, how will the minister assure Albertans that he is not floating a scheme to financially attack public institutions?

MR. ADY: Mr. Speaker, the minister hasn't said that he's going to have anything to do with vouchers at this point, so you're really anticipating something that has certainly not come to a conclusion. I want to assure all members of the House and all Albertans that we are endeavouring to put in place a process that will let us restructure the postsecondary education system of this province, and when you hold open forums and roundtable meetings, people are free to come and put forward whatever ideas they may see as a benefit. So when this sort of thing comes on the table, I suppose it gets discussed.

MR. SPEAKER: The hon. Member for Calgary-Currie, followed by Edmonton-Mayfield.

Public Employees' Wage Rollbacks

MRS. BURGNER: Thank you, Mr. Speaker. There have been continued discussions, particularly following the roundtable process that's going on and announcements by the Premier, with respect to wage concessions in the amount of approximately 5 percent. In this climate of discussion, as recently as this morning, I heard that the University of Alberta was prepared to have those kinds of conversations with their membership regarding wage concessions. So my question to the Minister of Labour this afternoon is: did the minister initiate these discussions?

2:20

MR. DAY: Mr. Speaker, actually I'm not aware of the situation as far as the U of A goes. We can check that out. I am aware that the employees, as I understand it, at the Foothills hospital in Calgary have let it be known that they want to pursue this particular discussion, and that was at their initiative.

MRS. BURGNER: Thank you, Mr. Minister. I have a further question then. Could the Minister of Labour advise this Assembly: are boards in conflict with their unions in the sense of bargaining in bad faith if they were to initiate conversations with their membership with respect to reopening contracts?

MR. DAY: Mr. Speaker, if they make a point of talking with the actual union representatives, those on the executive, about the possibility of having that discussion, that's one thing. However, they would run the risk of bargaining in bad faith if they were to approach individual employees to follow up that discussion. So talking with the duly elected labour representatives would be something that would be acceptable.

MR. SPEAKER: Final supplemental?

The hon. Member for Edmonton-Mayfield.

Gaming

MR. WHITE: Thank you, Mr. Speaker. Albertans involved in fund raising for charitable organizations in this province through gaming, gambling, bingo, pull tickets, raffles, and the like know that their net income is dropping and dropping drastically. They say that it is entirely due to this government's proliferation of video lottery terminals. My question today is to the chair of the committee responsible for natural resources and sustainable development. Can the chair explain why her committee has recommended nothing to cabinet when the Royal Canadian Legion has clearly stated that the government's video lottery terminals are substantially hurting their gaming?

MR. SPEAKER: The hon. Member for Lesser Slave Lake.

MS CALAHASEN: Thank you very much, Mr. Speaker. I'm pleased that the question was asked. I can definitely indicate that, yes, we did hear public submissions from a variety of people regarding video lottery terminals. There's a lot of information that has been presented to the committee, and the recommendations that will be brought forward will certainly be going through the process. If the minister responsible for lotteries would like to augment my comments, he certainly can.

MR. KOWALSKI: Well, Mr. Speaker, I did attend the presentation that was made to the standing policy committee. There were two submissions made: one from the Royal Canadian Legion, Alberta branch, the other one from the Royal Canadian Legion branch in Red Deer. The bottom line was that the Royal Canadian Legion branch in Red Deer wants to have video lottery terminals in their particular branch. We told them that they couldn't do that until they first of all got the appropriate liquor licence, and I think they're proceeding to get that. The bottom line is that they want video lottery terminals.

MR. WHITE: Mr. Speaker, my first supplementary, then, must be put to the minister responsible for lotteries. Does the minister continue to insist that the market share of these charitable organizations is not falling due to the video lottery terminals?

MR. KOWALSKI: Absolutely, Mr. Speaker. In fact, in the various areas of gaming in the province of Alberta, if you want to take the four of them – in the horse racing industry, pari-mutuel betting is up about 9, 9 and a half percent annually for the last several years. Despite the fact that there is a drop in attendance at the tracks, in fact pari-mutuel betting has gone up because of off-track betting.

Secondly, there has been an increase in terms of the number of licences that would be allocated for nonprofit casinos, for bingos, raffle tickets, and pull tickets, but the Minister of Justice, who now is the minister responsible for the Alberta Gaming Commission, might want to respond further in that regard. In those areas, the volume of activity has not gone down, and the profit level on a provincewide basis has not gone down. Now, in various communities there are allocations of licences in terms of the number of bingos and the number of casinos that are given at each time, and the number of those licences has gone up. So for a particular game on a particular night they may in fact not get or reap the profits they thought, but overall the bottom line is that they have not gone down.

The two other areas that the member asked for clarification on – we've talked about the Alberta horse racing industry and the Gaming Commission. The video lottery terminal one, the sales

are going up. In terms of the lottery system itself, which provides the bulk of the dollars that come now to this Assembly for their approval, in fact the sales have gone up by nearly 10 percent a year into the lottery system itself.

Overall, Mr. Speaker, there just seems to be a growth, an expansion, in it.

MR. WHITE: Mr. Speaker, I'd like to ask the minister whether he intended to insult the Royal Canadian Legions with their accounting or whether it was just an error in his recount of their information.

MR. KOWALSKI: Mr. Speaker, as I indicated before, I had a great opportunity to be present at the meeting. The hon. member was not. I was there. I met with the representatives not only at a public meeting, but I also spent nearly two hours meeting with them in my office. Believe it or not, the Royal Canadian Legion in Red Deer, Alberta, sells nearly \$3 million a year in Nevada tickets, pull tickets: nearly \$3 million a year, one small Legion branch. Now, in a given month the sales might go up, and in a given month the sales might go down. In the last year in that particular Legion their sales have reduced by 6 or 7 percent. But other Legions also have an opportunity to sell 649 tickets, which is under the lottery component. Those sales have been going up. You have to understand, the whole package, the whole thing, not just arbitrarily take one small segment and say that this is the conclusion for everything. If you look at the whole, the answer is as I said earlier today.

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

Public Employees' Wage Rollbacks (continued)

MR. SMITH: Thank you, Mr. Speaker. I'd like to ask a question of the Provincial Treasurer. Given the 5 percent wage rollback that is presently addressed only to the health sector and whether voluntary or legislated options exist, will the Provincial Treasurer indicate to the House how widespread in the public sector this initiative is?

MR. DINNING: Mr. Speaker, at the time of our announcement on October 4 regarding finding the savings of the \$122 million in the health sector, Premier Klein made it very clear that the health sector was in fact leading the way. If I may quote him – the document was filed in the Assembly that day – the Premier said:

The health sector is leading the way, and we expect that other key sectors – municipalities, education, advanced education and government as a whole – will be following this lead as we work through public consultation processes in search of more efficient and affordable ways to serve Albertans.

So let's make it very clear that while the health sector is leading the way and my colleagues the ministers of Education and advanced education and manpower and other of my colleagues are in the midst of roundtable discussions in their particular sectors, we are looking for similar kinds of savings, 5 percent in the salary and payroll benefits side, from all sectors of government.

I can say that ministers in this government have taken that 5 percent reduction in the portion of their pay. MLAs will be faced with 5 percent reduction in their pay, not only their sessional indemnities but their committees and other allowances. We will be looking to the same across the board from our agencies, boards, and commissions in the honorarium that they take. My colleague the minister responsible for government reorganization is bringing that forward as well.

I think of my colleagues the Minister of Labour, the Minister of Health, who are out working with those employed in the health sector. I have to say to all Albertans who have participated and are willing to co-operate with this important next step in finding savings so as to balance our budget that we appreciate the co-operative approach that is being taken by those employed in the health sector, and we look forward to fruitful discussions that will come to a conclusion by the end of November that will find that 5 percent saving.

MR. SPEAKER: Supplemental question.

MR. SMITH: Thank you, Mr. Speaker. So I take it from the Provincial Treasurer that the government will then be asking all of its employees, including those in the education sector, those in the civil service, and those employed by agencies, boards, and commissions, to accept this 5 percent rollback as part of our overall initiative.

Having that answer, I will then place my final supplementary to the Minister of Labour: will the minister consider putting a basement on the rollback so as not to affect those in entry-level or lower wage categories?

2:30

MR. DAY: Mr. Speaker, the subject of a base or a lower end in the salary scale at which reductions might not take place would be more appropriately dealt with by the partners in those discussions. I understand that some of those discussions may be going on, and they would be free to do that. That's where that should be directed.

MR. SPEAKER: The Chair understood that was the final supplemental. The time for question period has expired.

The hon. Opposition House Leader indicated that he had a point of order.

Privilege Intimidation

MR. MITCHELL: Yes, Mr. Speaker. I rise to present my point of order which in fact is by definition a point of privilege considering that it falls under *Beauchesne* 93 and 99 and under *Erskine May* page 126 in relationship to contempts of the House. Earlier today the Minister of Municipal Affairs in responding to a question raised by the Member for St. Albert – and we would have to of course check the Blues – uttered words to the effect that if something of this nature is repeated outside the House he, that being the Minister of Municipal Affairs, “will take steps.”

There are two questions, Mr. Speaker. The first question is: does a threat constitute a point of privilege? The second question is: does this utterance by the Minister of Municipal Affairs constitute a threat? It is very clear under *Beauchesne* 93 and 99 and under *Erskine May* page 126 that in fact a threat does constitute a prima facie point of privilege. I will read *Beauchesne* 93.

It is generally accepted that any threat, or attempt to influence the vote of, or actions of a Member, is breach of privilege.

Under section 99:

Direct threats which attempt to influence Members' actions in the House are undoubtedly breaches of privilege.

Erskine May further clarifies this matter by saying

that the assaulting, insulting or menacing any Member of this House, in his coming to or going from the House, or upon the account of his behaviour in Parliament, is an high infringement of the privilege of this House, a most outrageous and dangerous violation of the rights of Parliament and an high crime and misdemeanor.

I go on. On page 128 *Erskine May* goes on to say:

To attempt to intimidate a Member in his parliamentary conduct by threats is also contempt.

I think, Mr. Speaker, it is clear that a threat of any nature would be a breach of privilege.

The second question that needs to be asked and answered is whether in fact what the minister said was a threat. I believe it was clearly a threat. He has made an open-ended statement about what certain consequences would be to the Member for St. Albert were he to continue to debate what is an important public issue. This open-ended statement raises the possibility of any number of steps that this minister is considering taking, steps which I'm sure I don't have to detail for this House.

Mr. Speaker, that statement was very unbecoming of a member of this Legislature. It was certainly unbecoming of a minister of this Legislature. It is, I believe, a breach of privilege, and I would ask that you rule accordingly.

MR. SPEAKER: The Chair does not require argument on the other side because the Chair doesn't believe that the words uttered by the hon. Minister of Municipal Affairs earlier this day constitute a threat in any way. If hon. members will check back in the proceedings of all parliaments, such a statement was not made in the form of a challenge, but that's what it was. The hon. minister was challenging the hon. Member for St. Albert to make those comments outside the Legislature, where there is no immunity, and see what happens as a result of that. That is in fact how the Chair understood the comments by the hon. minister. It's been a long-standing tradition of all parliaments that those kinds of challenges have never been ruled unparliamentary.

head:

Members' Statements

MR. SPEAKER: Calgary-North West.

Crowfoot Recreation Centre Project

MR. BRUSEKER: Thank you, Mr. Speaker. The communities in the constituency of Calgary-North West are all very young and growing communities. In 1986 the Crowfoot recreation centre project was created to help meet the growing demand for recreation and leisure facilities in the northwest quadrant of Calgary. The centre was funded by the city of Calgary, the communities of Hawkwood and Ranchlands, which are currently within the boundaries of Calgary-North West, and also the community of Dalhousie, part of which was in Calgary-North West prior to boundary redistribution. A further \$2 million in fact was provided through the provincial community recreation/cultural grant program, which of course is now ended.

The arena began operating in January of 1991, and in March of that year the rest of the facility was opened despite the fact that larger portions of the facility were not completed. Within six months operational and financial problems arose, and the facility was closed in November of 1991.

The city, the province, and the residents of Calgary-North West have all invested in this project that today is largely unused. In an area with limited public recreation facilities, current market research shows a high degree of interest in the development of such a facility in this the fastest growing part of the city of Calgary. This would allow the residents of Calgary-North West to enjoy public recreation facilities similar to those enjoyed by residents in other parts of the city.

Recently a new organization called the Crowfoot Regional Sport & Leisure Association has been formed in an attempt to get this facility fully operational. A business plan has been developed that

would have the YMCA expand and operate the facility to serve the residents of the entire northwest quadrant of the city. The YMCA is tentatively prepared to undertake this project. The investment thus far is not being fully used, and to date the residents of Calgary-North West have witnessed the classic case of "after you, my dear Alphonse." What is required is a meeting of officials of the YMCA, the city of Calgary, and the provincial government to work together to resolve the stalemate that currently exists.

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

Lethbridge Hospitals

MR. DUNFORD: Thank you, Mr. Speaker. I would like to advise the members of this Assembly of a successful local initiative in the health care field. It is the announcement of an agreement on the roles of the two Lethbridge hospitals, the Lethbridge regional hospital and St. Michael's health care centre.

For many years there has been a hospital issue in our community. There were fears of duplication of services, fear of loss of role and responsibilities, charges of religious favouritism, questions on motives, and a general suspiciousness of the activities of the boards of the hospitals. Also, manipulation by physicians and surgeons was suspected. There existed a very uncomfortable feeling within the community, and many community members wanted the government of Alberta to step in and resolve the situation, but the Minister of Health, the Member for Chinook, stood firm: the issue had to be resolved by the local community. The minister proved to be prophetic. Last Wednesday, October 13, 1993, a joint announcement was made indicating that there was a Lethbridge hospitals agreement.

This agreement articulates the roles of each of the facilities and eliminates the hospital issue. The boards have agreed to work together. Costs will be identified. Surgical workload for the regional hospital will be increased, and St. Mike's will be responsible for long-term care and geriatric services. The details are to be finalized by November 30, 1993, to allow for implementation on January 1, 1994.

As one of the two representatives of Lethbridge I am extremely pleased to announce that the Lethbridge hospital issue is now behind us, and we can work toward obtaining the funding to put these respective roles in place.

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

2:40

Public Accounts Committee

MRS. ABDURAHMAN: Thank you, Mr. Speaker. Today I speak to members of this Assembly about the Standing Committee on Public Accounts. The Klein government has told Albertans that they are interested in reinventing government in the '90s, making government more entrepreneurial and managerial in its focus. Albertans regardless of party affiliation see merit in this approach. Governments have exhibited a stubborn resistance to change and being innovative. This has resulted in a succession of large budgetary deficits and a phenomenal growth in the accumulated debt. This has eroded public confidence in government's capacity to manage public funds in a responsible manner. In short, we are faced with a crisis of public trust. Nine consecutive budget deficits and an accumulated debt of over \$28 billion are the results of governmental inertia and inability to adapt to change. Albertans are demanding reform and a fundamental change. They want co-operation and agreement to address our fiscal problems and much less partisanship. They want a secure future for their children and

grandchildren, not a future of eroding health care and education problems.

Mr. Speaker, we must learn from the past to ensure that we create opportunities for the future. I'm committed to making the Public Accounts Committee a fulcrum of change. I propose to you that this is the vehicle for reinventing government in the '90s, giving Albertans a public forum to scrutinize public expenditures and ensuring that public funds are spent wisely and effectively, resulting in fully accountable government. This is how Albertans instructed us on June 15. The Financial Review Commission, the Auditor General, and the Canadian Council of Public Accounts' survey have told us how.

Mr. Speaker, the province is second last in our lack of implementation. Let's get on with the job.

head: **Orders of the Day**

MR. SPEAKER: The hon. Member for Medicine Hat.

Moved by Mr. Renner:

Be it resolved that the Assembly waive Standing Order 8(2)(a) in order to now give consideration to second reading of the private Bills which were reported by the Private Bills Committee yesterday, namely Pr. 1, Pr. 7, Pr. 8, Pr. 9, Pr. 10, Pr. 11, Pr. 12, Pr. 13, and Pr. 14.

MR. RENNER: Thank you, Mr. Speaker. I rise to seek unanimous consent of the Assembly for this motion.

Mr. Speaker, if I could speak very briefly to this motion, it is my understanding as chairman of the Private Bills Committee that the respective House leaders have agreed that private Bills should be dealt approximately half and half, part of the time devoted in the time of the Legislature which would normally be spent on government Bills and about half the time which would be spent normally on Bills other than government Bills. I'm pleased as chairman of the committee with this co-operation as indicated, and this motion will allow the Legislature to deal with these Bills today, which would normally be time spent on Bills other than government Bills.

I thank the respective House leaders for their co-operation.

MR. SPEAKER: Is there agreement with the motion?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried.

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

Bill Pr. 1
Karen Mavis Poor Eagle Adoption Act

MR. SPEAKER: The hon. Member for Edmonton-Gold Bar.

MRS. HEWES: Thank you, Mr. Speaker. I'm pleased to move second reading of Bill Pr. 1, the Karen Mavis Poor Eagle Adoption Act.

As has been stated, the Private Bills Committee has had this private Bill under consideration for some time. I've read the minutes, and I agree entirely with their recommendation that it be proceeded with.

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

HON. MEMBERS: Question.

[Motion carried; Bill Pr. 1 read a second time]

Bill Pr. 7
Gerald Edwin Crabbe Adoption Act

MR. SPEAKER: The hon. Member for Edmonton-Gold Bar.

MRS. HEWES: Thank you, Mr. Speaker. Similarly, this Bill is for an adult adoption. It's been under consideration by the committee. Likewise, I've read the minutes and agree and want to move second reading to confirm the recommendation of the committee to proceed.

[Motion carried; Bill Pr. 7 read a second time]

Bill Pr. 8
Michael Caleborn Rothery Adoption Act

MR. VAN BINSBERGEN: Mr. Speaker, I move second reading of Bill Pr. 8, Michael Caleborn Rothery Adoption Act, once again the case of an adult adoption.

Thank you.

[Motion carried; Bill Pr. 8 read a second time]

Bill Pr. 9
Adrienne Heather Cupido Adoption Act

MR. TANNAS: Mr. Speaker, I move second reading of Bill Pr. 9, the Adrienne Heather Cupido Adoption Act.

I accept the Private Bills Committee's recommendation on this adult adoption.

[Motion carried; Bill Pr. 9 read a second time]

Bill Pr. 10
The King's College Amendment Act, 1993

MRS. HEWES: Mr. Speaker, I'm particularly pleased to move second reading of Bill Pr. 10, The King's College Amendment Act, 1993.

I attended the dedication of the new college campus along with the hon. government Whip on Saturday of last week. The new college campus is now located in the beautiful Edmonton-Gold Bar constituency, and we welcome it there.

Mr. Speaker, this Bill is also recommended to us by the Private Bills Committee. It has the effect of changing the name of the King's College to the King's University College, thereby reflecting the fact that this college does in fact have undergraduate degree programs.

I'm pleased to move second reading.

[Motion carried; Bill Pr. 10 read a second time]

Bill Pr. 11
Newman Theological College Continuance Act

MR. WOLOSHTYN: Mr. Speaker, I'm pleased to move second reading of Bill Pr. 11, Newman Theological College Continuance Act and concur with the Private Bills Committee's recommendation for passing it.

Thank you.

[Motion carried; Bill Pr. 11 read a second time]

Bill Pr. 12
First Canadian Insurance Corporation
Amendment Act, 1993

MR. SPEAKER: The hon. Member for Calgary-Mountain View.

MR. HLADY: Thank you, Mr. Speaker. I move second reading of Bill Pr. 12, First Canadian Insurance Corporation Amendment Act, 1993.

[Motion carried; Bill Pr. 12 read a second time]

Bill Pr. 13
Gardner Bible College Amendment Act, 1993

MR. SPEAKER: The hon. Member for Olds-Didsbury.

MR. BRASSARD: Thank you, Mr. Speaker. I move second reading of Bill Pr. 13, the Gardner Bible College Amendment Act, 1993.

This Act requests a change in the name to more fully reflect who they are and what they are doing.

[Motion carried; Bill Pr. 13 read a second time]

2:50

Bill Pr. 14
Benaning Osi Adoption Act

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

MS LEBOVICI: Thank you, Mr. Speaker. I am pleased to move second reading of Bill Pr. 14, Benaning Osi Adoption Act.

[Motion carried; Bill Pr. 14 read a second time]

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

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

Bill 209
Entrepreneurial Education Commission Act

MR. HAVELOCK: Thank you, Mr. Speaker. I rise to request the unanimous consent of the Assembly to withdraw Bill 209 from the Order Paper.

MR. SPEAKER: Having heard the request by the hon. Member for Calgary-Shaw, does the Assembly agree?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried.

head: **Public Bills and Orders Other than**
head: **Government Bills and Orders**
head: **Committee of the Whole**

[Mr. Tannas in the Chair]

MR. CHAIRMAN: I would ask the committee to come to order now.

I would at the outset say that this is a new situation for the committee, the first time that we have gone into Committee of the Whole on a private member's Bill.

I would call on the Member for Olds-Didsbury to make his comments and begin debate this afternoon.

Bill 204
Stray Animals Amendment Act, 1993

MR. BRASSARD: Thank you, Mr. Chairman. I've been very encouraged by the level of debate that this private member's Bill has prompted throughout the House. It's obviously not the most burning question of the day. That's certain. It is a question that has been outstanding in this province for many, many years. It's also an emotional issue for an awful lot of people in Alberta, those of us particularly who feel very strongly about this particular issue.

The Member for St. Albert said that these wild horses are a part of our heritage and impact on all ages, and he was right. There's no question about that. If anybody has experienced the sight of a group of horses racing across the open field, it certainly is very stirring.

The Member for Sherwood Park mentioned his difficulty in understanding just what "feral" meant. Although we have had a difference of interpretation, his being that this truly is a wild horse and mine being of course that it's a domestic horse that is operating in the wild, it doesn't keep us from an agreement on the intention of this Bill. I'm very encouraged by that, because I think we have all come together on this issue.

The Member for Leduc mentioned that this Bill was not only timely but essential. He stated also that it was simple. That was deliberate, Mr. Chairman. One thing we don't need more of is legislation, but we do need some vehicle, some method of including these animals and this heritage of ours under some form of protection and control, and that's exactly what this Bill does.

There have been some concerns raised, one of which was raised by the Member for Rocky Mountain House. He talked about the concern he has for the native horses that are turned out to pasture quite occasionally and how this Bill would impact on the ability to round up their own horses. Indeed, Mr. Chairman, that is a very real issue. It's an issue that we need to deal with.

I think the Minister of Environmental Protection talked about that very thing and about the need for licensing and how we were going to go about licensing: when a licence should apply and where it should apply. I know that there has been a consultation with a number of groups: the Indian bands, guides and outfitters, ranchers, the SPCA. All of these organizations have had input into just what horses should indeed be subject to when being rounded up and how we should go about that and how we should control numbers in the Eastern Slopes. It is my intention to bring amendments to address these concerns within the next week, Mr. Chairman.

Accordingly, I wish to adjourn the debate at this time.

MR. CHAIRMAN: Okay. It's been moved by the hon. Member for Olds-Didsbury that we adjourn debate at this time. Is that the wish of the committee? All those in favour, please say aye.

HON. MEMBERS: Aye.

MR. CHAIRMAN: Those opposed, please say no. Carried.

MR. BRASSARD: Mr. Chairman, I now move that this committee rise and report.

[Motion carried]

[Mr. Deputy Speaker in the Chair]

MR. DEPUTY SPEAKER: The hon. Member for Calgary-Egmont.

MR. HERARD: Thank you, Mr. Speaker. The Committee of the Whole has had under consideration certain Bills. The committee reports progress on Bill 204.

MR. DEPUTY SPEAKER: Does the Assembly concur with this report?

HON. MEMBERS: Agreed.

MR. DEPUTY SPEAKER: Opposed? Carried.

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

3:00 **Bill 206**
Auditor General Amendment Act, 1993

[Adjourned debate October 13: Mr. Chadi]

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

MR. CHADI: Thank you, Mr. Speaker. I'm pleased to have the opportunity to conclude my comments from October 13, when I was cut off by the time. I just also want to reiterate that indeed I support Bill 206, and I congratulate my colleague the hon. Member for Edmonton-Whitemud for bringing it forward.

[Mr. Speaker in the Chair]

Part of the comments that were made during the debate on October 13, in particular on page 816 of *Hansard* – the hon. Member for Calgary-Currie mentioned: why bother having Bill 206 in the first place, that indeed what is covered in Bill 206 is covered in Bill 5, the Financial Administration Amendment Act? I think that indeed Bill 206 covers certain aspects within Bill 5. That's why we amended that Act. It is my understanding that we amended it, and we agreed to that amendment. Members on this side of the House are pleased with those amendments and have allowed it to go forward. Then Bill 206, the Auditor General Amendment Act, does exactly that. A private member's Bill has brought forward amendments within the Auditor General Act, and there's a big difference here. What we're doing with Bill 206 is amending the Auditor General Act so that it would cover certain amendments that we feel should be covered within that Act. You cannot say that the Financial Administration Amendment Act covers all the aspects of the Auditor General Amendment Act. If that were indeed the case, then why bother having the Auditor General Act at all? Perhaps maybe the inference that the hon. Member for Calgary-Currie was making is: "Why bother? Let's indeed scrap the Auditor General Act totally." I can't see that as being something that we should be looking at at this point in time.

Indeed, again, the hon. Member for Calgary-Currie mentioned that it was a Liberal Bill. This is not a Liberal Bill. This Bill is a private member's Bill. If we are going to look at it in the aspect of a Liberal Bill or a Bill coming from this side of the House, then I'd suggest to you, Mr. Speaker, that the whole parliamentary reform system that both sides of this House have worked so hard to implement is at risk. I would hope that that's not the attitude and the mentality of any of our members in this Assembly. Indeed, a private member's Bill is a private member's Bill and should be looked at only in terms of a private member's Bill.

Bill 206, the Auditor General Amendment Act, allows and extends the mandate of the Auditor General to perform efficiency

audits. That's the basis of these amendments that are coming into play here. Now, currently the Auditor General has some power to ensure that only the departments that have systems in place do their own in-house efficiency audits, but at the same time he cannot enforce that as it currently stands. The Auditor General himself in many instances – but with respect to one, I'm going to quote from page 7 of the Auditor General's report of 1991-92. It clearly states, and I quote:

When considering the actions necessary to correct Alberta's operating deficit, I believe that members of the general public will first expect the government to assess the scope for delivering existing programs at less cost.

The key thing here is assessing those programs.

Now, without having an efficiency audit, how on earth do we assess the scope of delivering these programs? If programs have to be cut, the public will expect that the least effective be cut first. It is really important that we do these efficiency audits if we can and when we can. We can look at the core programs that we are looking at cutting now when we talk about cutting in social services and in health care and in education.

Well, we've made it a priority and I think all members in this Assembly made it a priority a long time ago, during the election and continuing today, that education must be the number one priority, that the future of our existence, our being, is within the education system. Our children who need to have access to that education are the ones that are going to carry us into the future. Let's give them every tool possible. I think that we cannot be looking at education at the same time as we're looking at social services or health care. That has to be the last thing. In an efficiency audit we can see where we can cut back, and when we know we can cut back within the other core programs, let's do it. If we don't have to cut back in education, then by all means let's not do it. We may be able to become more efficient, but let's take things off the chopping block, things like kindergarten and Head Start, which are highly important to the youngsters in our society.

I just want to reiterate as well the different authorities that have urged us to create a formal system which allows for intense evaluation of the programs that we currently put out; in other words, efficiency audits. The state of Texas had a massive \$4.6 billion deficit in their budget, quite similar to what we've had, relatively speaking to the budget that Texas had. Rather than making these simplistic cuts and across-the-board cuts and imposing user fees, they decided to implement an efficiency audit system. They called it the Texas performance review. Mr. Speaker, six months is all it took to do that review, and they've identified over \$5.2 billion in potential savings as a result, savings that improved the efficiency of providing services within the organizations and within the management of the affairs of the state of Texas. I'd suggest to you that if Texas had a battle-tested plan and it worked and you looked at the different jurisdictions that came into play after that which followed the lead of Texas – states like Alabama, Colorado, Louisiana, et cetera, perhaps a dozen or so states. They continued to follow Texas's lead. They are not doing it because they have to. They are doing it because it works, they're doing it because it's necessary, and they're doing it because their constituents and their electorate have told them that what we need to do here is eliminate the waste wherever we can. That's what they've done.

When we look at our system here in Alberta and we look at what we've had in terms of deficit budgets year after year, we've had eight deficit budgets. After we'd had the first one or perhaps the second one, we should have looked at implementing efficiency audits. We should have said, "Where are we going wrong?" and at that point in time attempted to correct the wrongs that we made.

Why on earth is it taking us eight deficit budgets to finally wake up and say that we need to implement efficiency audits? Why has it taken eight deficit budgets to have the Auditor General suggest to us that we need to implement efficiency audits? Why do we need eight deficit budgets to have the Institute of Chartered Accountants of Alberta tell us that what we need in this province is indeed similar to efficiency audits? What they're saying is: implement these things. The Alberta Financial Review Commission said the identical thing. When I talk about eight deficit budgets, I also have to mention the fact that it's not only eight deficit budgets that we're faced with; we also must realize that we're faced with a deficit budget this year again and next year and the year after that. So it's not only eight, Mr. Speaker, but indeed we're faced with around 11 deficit budgets in a row, and it's high time that we did something about it. When we make the mistake once, we should correct it and we should learn from our mistakes. If we do it twice, I think we're not doing our job, let alone 11 times.

3:10

The hon. Member for Calgary-Currie also mentioned in *Hansard*, page 814, that:

efficiency, accountability . . . on the shoulders of the Auditor General is not consistent with the way we are trying to do business in 1993.

Goodness, Mr. Speaker, that's not what I got elected on, the understanding or the belief that I came into this Legislature for. I believe efficiency and accountability have to be on the shoulders of the Auditor General, and if he's not doing his job, then we ought to get rid of the Auditor General and find a new one. What we've got to do is give the Auditor General tools, tools with which the Auditor General can perform the duties that we ask him to. If we want efficiency and we want accountability, let's get that Auditor General to do exactly that.

What is that, Mr. Speaker? Is that my time?

MR. SPEAKER: That's the signal that the hon. member's time has expired.

The hon. Member for Calgary-Egmont.

MR. HERARD: Thank you, Mr. Speaker. It's a pleasure to rise before the House this afternoon and speak to Bill 206. This Bill seems to be well intentioned but is now inappropriate and redundant. As we all know, Bill 5, the Financial Administration Amendment Act, dealt substantively with the main issues raised by the Bill before us this afternoon, and it has been passed by this Assembly. I'm of the opinion however that the principle behind Bill 206 could have been better presented to this Assembly. Having read the Bill, I would like to share with this Assembly some of my observations.

Mr. Speaker, the most fundamental flaw of this particular piece of legislation is that it ignores the valuable input that the office of the Auditor General could provide towards addressing the issues raised in Bill 206. I would think the purpose behind this Bill would have been much better served in the form of a motion urging the government to engage in a process of review of the Auditor General Act in concert with the Auditor General and all Albertans. Instead, we have a Bill before us which professes to solve all the perceived evils of running government in this province.

I would say at the outset of my remarks that the people of Alberta overwhelmingly supported the Conservative plan for bringing this province back to prosperity. Apparently, the Liberals disagree with this mandate and continually try to press their vision

of large government, new and increased levels of taxation, and that of a government that can't keep their hands out of everybody's pockets.

Point of Order Imputing Motives

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

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

MR. MITCHELL: Yes. Under 23(i), the Standing Order that relates to imputing motives to other members of the Legislature. I think the member was speaking out of turn – and I think he knows it – when he suggests that we're advocating in any way, shape, or form big government or that we're advocating in fact any kind of tax increases. The fact of the matter is, Mr. Speaker, that it's his very own Treasurer and his very own Premier who have refused to say that they will not raise taxes. If he had been a member for the last seven years, he would know that over that seven-year period his very own government has raised taxes 75 times, and I'm sure we have much more to come. So I think he was imputing motives in a way that he shouldn't have been.

MR. SPEAKER: The Chair would just say: let the debate proceed.

MR. HERARD: Thank you, Mr. Speaker. It seems that the people on the other side still don't believe they lost the election.

Debate Continued

MR. HERARD: Mr. Speaker, this government has listened to the people of Alberta. We have listened to the Financial Review Commission. We have listened to the Auditor General. Bill 5 was a product of those consultation processes, especially in relation to the recommendations put forth by the Auditor General. The proposed amendments in Bill 206 to the Auditor General Act and the Financial Administration Act may have been formed under the guise of good intentions, but they are by no means an adequate mechanism to increase accountability and accessibility to government in Alberta. Bill 5 dealt substantively with the issues before the House and in Bill 206 and provides the mechanisms necessary to improve accountability of Crown-controlled organizations in this province.

Mr. Speaker, I'd like to direct my initial comments on this Bill to first addressing the issue of the term of office for the Auditor General. Currently in Alberta the Auditor General is appointed by the Lieutenant Governor on the recommendation of the Legislative Assembly. The Legislative Offices Committee of this Legislature is an all-party committee which conducts the job search process and puts its recommendations before the Assembly for approval by unanimous consent. The Auditor General is appointed for an eight-year term and is eligible for reappointment.

Mr. Speaker, this process varies in other jurisdictions, as does the term of office. In British Columbia the Auditor General is appointed for a six-year term and is eligible for reappointment. In Manitoba the term of office is for 10 years, with eligibility for reappointment. In New Brunswick the term of office is for no less than five years but no greater than 10, and their Provincial Auditor is eligible for reappointment. In Newfoundland the term of office is 10 years without the opportunity for reappointment. In Saskatchewan there is no limit placed on the term of office of their Auditor General.

As was stated earlier, there's little consensus amongst the various provincial jurisdictions of those surveyed. However, there is a consensus on the eligibility of the respective Auditor General to seek reappointment to the office. In the case of Alberta, if the Auditor were to seek reappointment after eight years, he would then have to submit his intentions to the Legislative Offices Committee for their review. It would then be up to the all-party committee to decide whether or not to accept other applicants or reappoint the present Auditor General. This appears to be a very fair and open process to select an Auditor General.

Mr. Speaker, I see very little wrong with extending the term of office. However, I find very little reason to make the Auditor General ineligible for reappointment. Ultimately it's up to this Assembly to ensure that the individual with the best qualifications fills the vacant position of any legislative office, including the Auditor General's.

Mr. Speaker, I would be interested to know the rationale behind the proposed amendment. As I listened to the Member for Edmonton-Whitemud address Bill 206 a few days ago, he focused only on efficiency audits. Perhaps that's because the member had just distributed a press release. Still the fact remains that the key elements of Bill 206 were not even addressed by the sponsor. This puts in question the value of this Bill.

I would like to deal secondly with the provisions of this Bill to redefine Crown-controlled organizations. This Bill would have those companies whose voting shares owned by the government are greater "than 50% but less than 100%" removed from the definition section in the Auditor General Act under Crown-controlled organization and placed in the Financial Administration Act under the provincial corporation definition. In contrast to this, Bill 5 expanded on the current definition of a Crown-controlled organization to include a greater than 50 percent interest and moved the definition to the Financial Administration Act so as to facilitate more controls over all Crown-controlled organizations. Mr. Speaker, Bill 5 allows for increased control of all Crown-controlled organizations, whereas Bill 206 deals only with specific Crown-controlled organizations as defined in this Bill.

Mr. Speaker, my third point directed towards Bill 206 focuses on this Bill's lack of Legislature involvement in reviewing the mandate of any and all provincial agencies and Crown-controlled organizations. The introduction of a sunset clause for all government agencies, boards, and commissions is overdue, and I'm proud to say that it was a government initiative in this House, although I'm sure the Liberals will find some way of taking credit for it. In debating Bill 5, the sponsor of Bill 206 indicated that sunset clauses were a Liberal idea, yet Bill 206 makes no mention whatsoever of sunset clauses to review agencies, boards, and commissions. [interjections] If it was your idea, why don't we see it in Bill 206?

3:20

Mr. Speaker, I'd like to share with this Assembly one last comment. The Auditor General made a recommendation to this government to adopt some mechanism for effectiveness reporting. The Liberals feel that efficiency or value-for-dollar audits are the answer. Perhaps they are, but the Auditor General did not recommend that his department's mandate be changed to accommodate his own recommendation.

Effectiveness reporting or management audits should be initiated by the management team in place. In the case of the Crown-controlled organizations specifically affected by this Bill, there are already management teams in place. We must remember that these should be considered short-term commercial holdings of the

government, and therefore their management team should remain in full management control of operations, including management audits. However, if the government retains a majority interest in these operations, we should definitely have a say in how our dollars are being spent and why. The provision of Bill 5 allows the government to do just that.

Mr. Speaker, I would strongly urge all members of this Assembly to vote against Bill 206 in second reading. We have already passed Bill 5, which in truth provides a better and more comprehensive dealing of the issue.

Thank you.

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

MR. MITCHELL: Thank you, Mr. Speaker. I rise in support of this Act, and I'm actually quite amazed at the reaction of the government members, that they in fact would resist an Act of this nature. They have ample reason to be concerned with fiscal responsibility. There is a litany of fiscal failures that this government has perpetrated upon the people of Alberta. To mention a few: eight consecutive deficit budgets, an unprecedented string of deficit budgets. If one considers that this party has been in government for about – what is it? – 22 years, almost 35 percent of the time they have administered this government they have done so in a deficit position.

It's always been with a great deal of glee that the predecessor to this Treasurer and this Treasurer have tried to compare themselves favourably with the New Democrats in Ontario. I should point out, Mr. Speaker, that this record of deficit budgets as a proportion of expenditures each year makes the New Democrats in Ontario look like fiscally irresponsible sissies. The fact of the matter is that this Treasurer's first deficit budget, \$3.7 billion, eclipses significantly as a percentage of total expenditure any deficit budget ever brought in by the socialists of Ontario. If this government feels that it has any claim to fiscal responsibility, it need only consider the facts, and the facts are that \$3.7 billion on \$15 billion worth of expenditures is an unprecedented level of deficit and eclipses – eclipses – even the greatest deficit perpetrated upon the people of Ontario by a New Democrat government.

The fact of the matter is, Mr. Speaker, that this government has brought, over the last seven years, this province from zero debt to a level of debt that equals \$32 billion. Here we have a positive proposal: a proposal to assist this government in fundamentally managing the way in which it conducts its expenditures, the way in which it conducts its government business, in a way that we believe and I believe and that most Albertans believe would fundamentally and significantly improve the fiscal picture that Albertans face.

I am struck also by how this group of government MLAs seems to be running from any kind of fiscal initiative, a fiscal initiative of this nature, when they seem to be embracing the Reform Party's somewhat touted attitude towards fiscal responsibility. In fact, we saw in the paper today a number of back-bench members actually being quoted as being card-carrying Reform Party members. Mr. Speaker, it's even been reported widely and broadly that the Premier himself is now beginning to embrace the Reform Party. Is there a party that this Premier will not join? What fundamental philosophy does the Premier of this province hold? How can anybody believe in somebody who clearly believes in nothing?

Let me bring this Bill back to a very specific . . . Why is Havelock laughing? Gosh only knows what party he'll belong to tomorrow if he hasn't already belonged to one today.

Point of Order**Referring to a Member by Name**

MR. HAVELOCK: A point of order.

MR. SPEAKER: Calgary-Shaw is rising on a point of order.

MR. HAVELOCK: Thank you, Mr. Speaker. I believe it's the tradition in this House to not refer to a member by his surname.

MR. MITCHELL: I withdraw that, Mr. Speaker.

Debate Continued

MR. MITCHELL: I want to raise a very specific illustration of where this Bill would have acted to assist the government in reducing unnecessary expenditure. I'm talking of UniCare corporation, the corporation that was set up by the University of Alberta with public money to get into private enterprise, no less – to get into private enterprise, Mr. Speaker. Now, the Auditor General audited those books, and what the Auditor General has the power to do now is only to say: was that money spent in a way that was consistent with the way in which the Legislature of Alberta voted for it to be spent? That is to say that the Legislature of Alberta voted a certain amount of money to be spent on health care. Was it spent on health care or wasn't it? Well, the fact of the matter is that by and large this money generally goes to where it's been voted, but what is glossed over because of the limits of that particular mandate is the ability of the Auditor General to say: yes, the money was spent where it was directed to be spent by the Legislature – that is, on health care generally – but it could have been spent in a much more efficient way. We could have spent less money to do the same thing. We could have spent no money at all because that didn't need to be done. We could have spent perhaps in some cases the money differently to accomplish a similar objective. None of those questions can be asked by the Auditor General, let alone answered.

So what is the legacy in this specific case that the Alberta people are left with? They are left with a \$5.9 million loss, Mr. Speaker, a loss that was never revealed in the Auditor General's report as being an inappropriate expenditure, that was never revealed in the Auditor General's report as being an inefficient, ineffective, wrongheaded expenditure because he did not have the power under his Act, powers that would be given him by our amendment, to ask those questions and to answer those questions.

Mr. Speaker, given the obvious advantage of this amendment, given the obvious advantage to the people of Alberta to the efficiency and the effectiveness of government, I cannot understand for a minute why this government and these members would not support this Bill, except that they must have something that they are afraid to have revealed. If they do not allow themselves to be monitored properly and openly, they will never, ever, ever accomplish proper management of this government. It is imperative that we support this Bill.

MR. SPEAKER: Pursuant to Standing Order 8(2)(b) we must move to the next order of business.

head: Motions Other than Government Motions**3:30 Health, Social Services, and Education Funding**

205. Moved by Mr. Decore:

Be it resolved that the Legislative Assembly urge the government to demonstrate its commitment to funding for the human services departments of Health, Family and Social Services, and Education by developing a comprehensive, long-term plan for funding priorities in these

departments, including three-year funding frameworks for organizations involved in these sectors, extensive consultation with affected parties, and a public process for informing Albertans what the government's plans and priorities will be.

[Debate adjourned October 5: Mrs. Laing speaking]

MR. DECORE: Mr. Speaker, there aren't very many minutes left for this debate. The deputy leader of the Liberal caucus spoke at length in the introduction of this motion, and I don't need to go over much of the ground that she covered. I thought it curious when I listened to the speech given by the Member for Calgary-Egmont just moments ago that the hon. member would play the game of: we won the election, so there; we're not interested in any suggestions on how to make the system better. I think we need to remind some of the government members that we have a huge debt, a debt that has come about as a result of eight consecutive deficits, a debt that has come about as a result of a party, a Conservative government that didn't care to plan and deal with debts and deficit, a party that when we started talking about the issue of pensions in this Assembly laughed and said: "We won the election. We're in control. We're not interested in your ideas." Well, I think it's time that some of the members woke up and some of the members took note of the fact that there is a huge problem that faces Albertans, mostly because there was no planning done, mostly because there wasn't concern for the taxpayer's dollar.

Now it's time to listen to some suggestions, like the suggestions we gave on pension control, like the suggestions we gave just moments ago on how to use an Auditor General more efficiently, more effectively, so that these tools can be used to better plan and better control the taxpayer's dollar. It is this kind of intent that is behind the motion that we're dealing with today: a plea, a call for planning to be put into place so that the taxpayers are well served, so Albertans are well served. We talk about the human services areas, social welfare matters, social problems of our communities. We talk about education, and we talk about health care.

Mr. Speaker, today in question period I went after the minister responsible for social services to try to show Albertans that there wasn't a proper plan to deal with foster care in Alberta, to show that the program of attempting to cut back on recipients of social welfare is just going to cause more misery and more cost down the line and that the minister had to do something to put a plan in place so that human beings were treated with dignity and cost efficiencies could be effected down the line. That hasn't been done. All this motion says is: let's get that kind of a plan in place.

The second point I would make is with respect to health care. I've listened in this Assembly on a number of occasions to the Minister of Health and to others who have bragged about a health care plan. Then Albertans go to this roundtable discussion that the Minister of Health has set up and listen to the minister's facilitator proudly brag about the fact that there is no plan in place for health care. Now, what is it, Madam Minister?

MRS. McCLELLAN: You use selective hearing.

MR. DECORE: Well, selective hearing. Madam Minister, you're the one, I think, that's suffering from selective hearing. Maybe the thing that you should do is rein in your facilitator, who's got some pretty impressive credentials, and say to that facilitator: "Now, look, Dr. Wagner, I told you we have a plan. Don't run around Alberta telling people that there is no plan because that isn't so." Clearly, you haven't done that, and you should do that.

All we're asking for, Mr. Speaker, is that that be done. Do it, Madam Minister. The selective hearing problem is on your end and not on anybody else's end.

Mr. Speaker, the other matter that we deal with in this motion is to call out for planning, clear planning in the area of education. This party for four and a half years, since I've been in the Assembly, has been asking the government to come forward with a plan on postsecondary education. More than 20,000 students can't get access to postsecondary institutions in our province. Just two weeks ago when I was in Lethbridge, the president of one of the institutions there said that 3,500 students were turned away from that institution. Is that something that you'd be proud of? Do you run around and say: "We won the election. Ho, ho. Therefore, we can do anything we want." No. Clearly, you have to serve Albertans and you have to serve them efficiently, and you always have to watch the taxpayer's purse. I remember sitting in this Legislature listening to a Minister of Advanced Education talk about some sort of grand scheme, a big plan that the minister had to bring all of the postsecondary institutions together, to say who would do what and how it would be done, to ensure that there would be no duplication and overlay and so on. To this date we have not seen the report. We've seen nothing from that report that was supposed to have come to Albertans.

MRS. HEWES: They've shredded it.

MR. DECORE: I'm sure they've shredded it. They've tucked it away and put it under some rug, and they run around saying, "We won the election; we don't have to worry about this." Well, 26,000 or more students who can't get access are going to start being more angry, and Albertans are going to be more furious with the fact that education is continuing to disintegrate in our province.

Mr. Speaker, the final point that I would make is this. I remember as an alderman in this city, the city of Edmonton, the difficulty that we had preparing budgets. We had to wait, I remember on one occasion, for an emissary to come running into the council chambers to tell us that the provincial government was going to give us such and such and so and so in terms of grants, allocations to our city. That's not the way you plan at local government; that's not the way we would want to see anybody plan at local government. School trustees and members on hospital boards, members of university boards, many people who serve as volunteers on the great number of boards and tribunals in our province can't be expected to do a good job if they can't see that the province is doing proper planning and if they're not given the opportunity to properly plan in their own bailiwicks. They need time. They need to be shown a three-year plan or a five-year plan. This suggestion merely says: government, let's plan our own house, and let's show Albertans what that plan is, and then let's make it possible so that the many boards and tribunals and the other levels of government can plan in the same way.

Mr. Speaker, I'm asking that the members of this Assembly back this motion so that we can in fact have that planning.

Thank you.

MR. SPEAKER: Hon. members, pursuant to Standing Order 84, all questions must now be put with relation to Motion 205.

[Motion lost]

Economic Strategy

206. Moved by Mr. Bruseker:

Be it resolved that the Legislative Assembly urge the government to implement an economic strategy which is aimed at improving the situation of all small businesses in

Alberta, including the elimination of all loans and loan guarantees to private businesses.

MR. SPEAKER: The hon. Member for Calgary-North West.

MR. BRUSEKER: Thank you, Mr. Speaker. This motion is particularly timely because next week, the week of October 25 to October 29, is in fact Alberta Small Business Week. The Calgary Chamber of Commerce produces a regular monthly publication and outlines some of the activities that are going to be undertaken in the city of Calgary to address small business and the concerns of small business, events in the city of Calgary.

I look over the agenda that is in place for the week starting Monday the 25th, and I note a heading in their *Commerce Comments* magazine that says:

The following Small Business Week events are brought to you by the Independent Business Committee of The Calgary Chamber of Commerce and The Federal Business Development Bank.

That certainly is laudable, but I guess the obvious question to be asked is: where is the Department of Economic Development and Tourism? They're the ones who have declared this to be Small Business Week, and they're not involved with the Calgary Chamber of Commerce in putting on the variety of different functions in the city of Calgary.

Mr. Speaker, the importance of this motion is that – even the government's own document entitled *Seizing Opportunity* recognizes that small business is in fact the backbone of our economy. Many of the jobs that are created are in fact created through small businesses. When I say small businesses, many of the businesses to which I'm referring are those that employ 20 or fewer people in the business. Much of the job growth that occurs is in these small businesses. In fact, these small businesses account for 90 percent of all of the businesses in the province of Alberta and 45 percent of all jobs and 70 percent of all new jobs. So the new growth, the growth of jobs where we're likely to see an increase in employment opportunities for Albertans, is going to lie with these small businesses, these small corporations operating sometimes out of homes, basements, or a home office. These small businesses employing one, two, three, five, 10, 15 people are the places where we are going to see the job growth occurring.

3:40

Now, why this is important, Mr. Speaker, is that many of these individuals that are starting these new jobs of course are starting it for a whole variety of reasons. They're starting new businesses; they're looking to hire people, sometimes very highly skilled and highly trained people. In fact, in the oil patch, which has seen some turnaround in Calgary, a lot of small independent firms are being set up by people that have lost their position in a large firm. They're setting up smaller consulting firms of half a dozen people, maybe in an office, maybe out of their basement. They're hiring technical people and getting their business going. So these are people who are looking at the small picture in terms of filling a little niche someplace, filling a need that either someone has identified to them or they've identified on their own. The interesting thing about this, of course, is that these little niche markets are in the urban areas but of course they apply equally well in the rural areas. I think of a small entrepreneur in southern Alberta – I believe he's in Cypress-Medicine Hat constituency – that is now selling roasted sunflower seeds. It's a nice little business that is growing along well for him and for his neighbours that are contracting the growth of sunflower seeds to him.

So small business growth is important. It's important to our economy. It's important to jobs. It's important as a source of tax

revenues to the province of Alberta, of course, because the more people are working, the more they are contributing to the economy, the more they are paying taxes, and they are making a contribution as opposed to drawing from the system. Since we know, and statistics are very clear, that the job growth is in this area, we need to promote job growth and the health of small businesses.

That obviously brings us to: what has the government done so far? There are some interesting areas of note in the provincial government department in the budget, in the estimates of this year. There is a section entitled Small Business Counselling. The concept behind here, of course – and I think it's no secret that many entrepreneurs that start up a small business sometimes run into difficulty. They require assistance perhaps in getting a business plan going or arranging financing or any number of other concerns that they simply may not have been familiar with in the past. So sometimes the success of a small business can be made simply by someone coming in and saying: "Well, here's what you need to do. Here's some help that you need. Here's where we need to go with it." Then I look at Small Business Counselling in program 2 of the estimates, Mr. Speaker, and what do we see but a reduction in the expenditure by almost a half a million dollars, \$400,000-plus at any rate, in Small Business Counselling? This is something that would just help people get on their feet. This is exactly the kind of thing that I think government can get involved with and should get involved with rather than direct financial involvement with a corporation. Give them some counseling, some training, some education, if you will, to get going in their business. Yet we see a reduction there.

Another area that I have been an advocate of and the government had been involved with is the incubator program. This year, Mr. Speaker, it has been eliminated altogether. It was reduced substantially in size over the last couple years. The concept behind an incubator program, again, is not a direct involvement with one corporation and handing out cash and so on but rather to give them some support – a common secretarial staff, a common fax machine, cheap rent, or low-cost rent in a communal building – to help these small two-, three-, four-, five-person operations get operational, get going, have a little counseling on the side if they need it, and get operational again. This is a program that has been highly successful in the past. It is an area where individual corporations that have accessed an incubator program show a far greater rate of success than those corporations that don't have the opportunity. What we're looking at is a need to promote, to develop our small businesses because, as I've said, statistics show that this is where the jobs will be created, this is where the wealth will be created. In fact, the government has even recognized in some of their own documentation that this is where we need to go.

Mr. Speaker, in the throne speech that we had earlier on this year, of course, the government said: well, we have a goal, and our goal is to create 110,000 jobs. I think that's certainly an appropriate goal. It's nice to have goals, and it's nice to have targets. Of course, the question is: is it realistic? How does the government intend to create those 110,000 jobs that are referred to? By first of all having the cuts that have been announced – and I anticipate we'll be seeing more to come in the future; that's one side of the coin – and by, number two, also reducing in this very vital area of business counseling and incubators for small businesses? This is the area where the job growth will occur, so not only is there on one hand a reduction of actual jobs, but there's no assistance to help these small businesses get up and going on the other hand. So we're doing small business and our employment picture in the province of Alberta a double disservice by these two activities.

Just dealing with the issue of where government has been and where we're going, of course, one of the issues of concern, Mr. Speaker, is the whole issue – and that's mentioned in the motion – that it's time for government to get out of loans and loan guarantees. Again when we look at the budget document for this past year, the fiscal year we're in right now that we're debating in the Legislature, there is a section in here, the Business Finance section, that talks about allocating nearly \$1.8 million to review "loans, investments, grants and loan guarantees to ensure that terms and conditions are met." That's a quote directly from the budget document itself.

So on one hand we've got a government that says, "Yes, we recognize that small business is the way to go and that's where the jobs will be created," yet on the other hand cuts the areas that will support that in fact then competes directly with some of those small businesses by offering these loans, grants, and loan guarantees. Mr. Speaker, it's a rather inconsistent approach, to say the least, on behalf of this government to be so contradictory and involve itself in such divergent activities that really don't help out anyone in the long run. I guess the obvious question is: where do we need to go from here?

I've outlined a little bit of what's happened in the past. I want to talk now about what it is that needs to be done in the future.

Mr. Speaker, one of the things that the Liberal opposition believes in firmly is that government should get out of the business of being in business. Don't offer loans. Don't offer loan guarantees. Don't compete head-to-head, one government owned business against a private-sector owned business, because we know in the past that has cost us literally billions of dollars. When we look at the long list of corporations that this government has backed and lost money on in the past, it leaves no excuse for this government to continue to get involved. So what we're saying is: let's have some fairness; let's have some consistency. Let's not compete head-to-head with our small business entrepreneurs who are laying their lives and their livelihood on the line. Let's say to government: get out of it. Let's leave it to the small business owner. Whether it's in the urban area or the rural area, let's let them get on on their own.

Mr. Speaker, the government of Nova Scotia, interestingly, did a review of where we go from here and what government can do to get involved. They look more at the idea – they use a term called "soft assistance." This falls in line with what I've been talking about: the idea that government should act as a counselor, as an advisor, if you will, for these businesses. Rather than competing and putting direct dollars into one business or putting direct dollars into your competitor's business, let's look at information, let's look at idea sharing, let's look at helping people get on their own feet rather than putting the dollars into them.

3:50

Mr. Speaker, I'm sure that in your history you've met people who've had great ideas but couldn't put a together a business, a business plan. What we need somehow is a marriage between, on the one hand, people who have a great idea and, on the other hand, people who have the business acumen. Put those two things together. Act as a facilitator. Bring people together who've got talent on one hand, have got the business sense on the other hand. Make a marriage of those talents, and you will have a business that will be second to none, will be exciting and dynamic and growing in the province of Alberta. That's what the government can do. That's where the government should be involved. So the role of government should be as a facilitator, as a counselor, as an advisor, and we haven't seen that.

The Canadian Federation of Independent Business is probably the most well-known association of small businesses, most of which are firms composed of less than 50 employees. Curiously, they make up better than 97 percent of all the businesses in the nation. Out of that number, nearly 74 percent are less than five full-time employees, less than five. So what we're looking at, Mr. Speaker, is that the majority of employees, the majority of people who are working for someone else, are working in a small-corporation setting. In fact, that is reflected in every city and every province right across the nation.

When we look at the job creation in the last decade, from 1980 to 1990, across the country small businesses created 1.8 million new jobs in the country. Now, Alberta having 10 percent of the population of the nation, of course, got about 180,000 positions. Unfortunately, big business, the large corporations that had 200, 300, 400, 500 and better employees, because of economic difficulties, because of downsizing, because of restructuring, et cetera, in fact have had a net job loss in that same time period. From 1979 to 1989, an increase of over two million jobs in Canada's total private-sector employment. Larger firms in the nation accounted for only 300,000 jobs. So we can see that small businesses are the ones that are creating the majority of positions.

Mr. Speaker, the interesting thing, of course, about small business is that small businesses by the very nature of their organization, by the very nature of the fact that these are one-, two-, three-, four-, and five-person operations in most cases, have to be a very lean operation. There's very little that can be saved or trimmed. As a result, because they are lean, many of the these smaller corporations will weather a recession much more efficiently, much more effectively than will some of the big businesses. When you get a large business that has a whole variety of people doing different specialized tasks, if you get a bit of a downturn, the unfortunate reality is that you need to start trimming this department and that department and so on. But when you've got a five-person business, for example, you don't have departments; you've got one individual. You can't let that person go because they are doing so many things for the corporation. So when we consider all these factors, when we look at where small business is going, where small business is being the engine of our economy, is helping to drive us forward, the obvious question is: why doesn't the government make a bigger impact or a greater role in this area?

Where are we going from here? The Canadian Federation of Independent Business is a unique organization because they have a strength, Mr. Speaker. The strength is that the members of the Canadian Federation of Independent Business are very vocal; they're very outspoken. The CFIB operates what's called a mandate survey, whereby on a regular basis they poll their membership and say: "Well, what's going well for you? What's not going so well for you? What's government doing that's good for you? What's government doing bad to you?" They ask for a response from all of their members across the nation. One of the issues that comes forward on a regular basis – and I'm pleased that the Treasurer is listening as carefully as he is – is that the tax regime for small businesses is, according to the membership, much more onerous in Canada and particularly in Alberta than it is in other jurisdictions, in particular in the United States.

MR. DINNING: Obviously, you've got the Minister of Labour gripped as well.

MR. BRUSEKER: I see I have his undivided attention. I'm really pleased that that's the case.

Mr. Speaker, restrictiveness about government regulation – red tape is of course the vernacular – is an ongoing concern. Our beloved goods and services tax that was introduced by the Conservatives, if I recall, that will take billions and billions of dollars out of this province over the years, of course is a big, big issue. That is an issue that 73 percent of Alberta's independent members said was a concern in a survey conducted just last year. When people start looking at the red tape, at filling out this form and that form and GST returns and income tax forms and all of the other 'administrivia' that are required, this is taking the time of these small business owners, and it's taking away from them time for operating and making the business more effective. So what government needs to do is look at some way, somehow of reducing regulatory reform, giving small business lots of advance notice in changing policy proposals, any kind of barriers such as – and I've mentioned it before – interprovincial trade barriers that cost this nation \$6 billion a year and cost this province better than half a billion dollars each and every year in lost revenue. What we need is to reduce that burden on small business. We need to make life easier for our small business owners, not more difficult.

Mr. Speaker, the small business incubator program is one to which I've spoken before. It's one that we support; it's one that we think is valuable. It reduces overhead costs. It makes things simpler for these small businesses. It's one that we should continue to support and one that I would like to see the government get back involved with, or foster a private incubator system set up somewhere in the city of Calgary if the government can't or won't get involved with that process.

Mr. Speaker, labour is an issue as well, of course, with my background in education. The training and skills that individuals need to operate a small business is another issue that is of concern to small business owners. So what is required, I believe, to promote small business is a collaboration between the Provincial Treasurer, the Minister of Labour, and the Minister of Advanced Education and Career Development so that all of these different departments work together to foster our small business, to develop where we're going in the future.

Mr. Speaker, with those comments I will pause.

MR. BRASSARD: Mr. Speaker, in rising to speak to Motion 206, I'd like to congratulate the Member for Calgary-North West in raising this issue. In speaking to it, it's really hard not to find a lot of good in the discussion from both sides of this House, I'm sure, because it really is a motherhood, apple pie kind of an issue.

The one fault that I do have with it however, Mr. Speaker, is in the fact that much of what it is recommending is already being done. The member talked about the booklet *Seizing Opportunity*. I would just remind everyone in this House that this is indeed the blueprint for economic renewal in this province, and it deals specifically with small business here in Alberta and recognizes the important role that small business does and must play in this province's economy. This economic development strategy that was based on changing the roles and relationships of and between government business and individual Albertans is a very important document. The member mentioned the role of the government being a facilitator, counselor, and advisor. I have no trouble with the facilitator aspect of that, but counselor and advisor I find is an inappropriate role for the government to play.

4:00

The primary goal that's been identified in this job strategy that was talked about in the *Seizing Opportunity* document is the creation of 110,000 new jobs by the end of 1997 and to generate

wealth that can be reinvested in Alberta. Mr. Speaker, I'd like to share with my colleague opposite some of the facts pertaining to small businesses in Alberta. Over 90 percent of all Alberta businesses are indeed small businesses. More than 45 percent of all employment in this province, including 70 percent of all new jobs, is provided by small businesses. These facts are contained within this Seizing Opportunity document that was mentioned, and the government acknowledges the important role small businesses do indeed play in Alberta.

Through the Department of Economic Development and Tourism, this government indeed does have the policies, programs, and services to assist small businesses here in Alberta. The small business and tourism development department provides specialized assistance to small business, the tourism industry, communities, and the public. It encourages business formation, expansion, and location through the work of business counselors, Mr. Speaker. It provides counseling and information services and publications. I can't imagine what else the member opposite would have this government do that would provide further assistance to that which is already available.

Mr. Speaker, if we look to this year's departmental estimates, we can see the commitment expressed in terms of dollars spent on programming for the 1993-94 fiscal year. Economic Development and Tourism, through the small business and tourism development department, will spend some \$11 million compared to \$10 million for last year. In 1992-93 alone this department made over 32,300 counseling contracts through its network of 13 offices. It further advised 11,500 clients through its toll-free business line and over 3,000 clients through 100 business information workshops, seminars, and presentations, including 14 workshops for some 600 home-based business clients. The government continues to provide information resources such as the Business Guide, available through Alberta Treasury Branches, and a small business data base and profiles in conjunction with the federal government and other provinces.

Through other initiatives, this government has reaffirmed its commitment to small business in Alberta. Through Economic Development and Tourism, the government has provided strong support for changes to the Small Business Loans Act, increasing the federal government guarantee to 90 percent on loans.

This government is also working on its partnership with business associations, municipalities, and the federal government to better co-ordinate services by establishing joint business centres in Edmonton and Calgary. These centres will provide information on programs and services from one location and will be accessible to rural businesses through the regional offices of Alberta Economic Development and Tourism and other networks.

Economic Development and Tourism has undertaken other special initiatives such as the Northern Native Business Network project with the Northern Alberta Development Council and participates with other agencies on the Alberta/Metis framework agreement. This department has also assisted 28 disabled entrepreneurs over the last two years in achieving self-employment through counseling and a small loan program. The department is also a major player in the government rural development initiative.

Mr. Speaker, I'd like to share with members in greater detail some of the initiatives which have been carried out by the Department of Economic Development and Tourism already. Alberta has a significant infrastructure in place in the high-technology industry, ranging from research institutes and incubator centres to universities active in research and an extensive pool of highly skilled labour employed in private-sector firms, which is identified in the Seizing Opportunity booklet. This booklet recognizes the importance of a viable high-technology industry to

this province and will focus on enhancing the commercialization of high-technology research and the export of related products and expertise.

The Alberta government operated a small business incubator program from July 1987 to March 1992. This five-year program was designed to assist communities with the development and initial operations of small business incubators by 50-50 cost sharing of initial feasibility studies and offsetting a portion of the operating deficit for a three-year period. The program spent over \$1.2 million over those five years in assisting five operational incubators, four of which continue to operate. These centres are the Edmonton Advanced Technology Centre; the Calgary Advanced Technology Centre; one in my hometown, the Olds business ideas and development centre; the St. Albert Business Development Centre; and the Edmonton Business Innovation Centre, which was closed in October 1992. While this program has run its course with great success, we must look to the future and find ways to bring start-up support, managerial assistance, and venture funding together under the same umbrella for more efficient and meaningful delivery of support to small business and entrepreneurs here in Alberta.

Mr. Speaker, I'd like to talk a little bit about community development bonds, an issue that originated in my constituency. This is Alberta's new economic development strategy: an Alberta local diversification bond, which will be a major initiative, that is currently being pursued in co-operation with the private sector. The government is examining ways to encourage residents to invest in local and provincial projects, thereby providing capital for entrepreneurs and project developers. Three pilot projects are to have been launched in this calendar year, with a fully implemented program provincewide to follow.

I would like to look at one more initiative this government has taken on behalf of all Alberta businesses, big or small. The Liberals are on record as being opposed to the idea of having foreign trade offices to assist in the development of export markets for Alberta business. The booklet referred to, Seizing Opportunity, talks about an international strategy based on an export target of \$24 billion by 1996. Alberta currently exports \$19 billion in goods and services, and it is estimated that for every \$1 billion in exports, 15,000 jobs are created. Markets that have been identified with growth potential are in southeast Asia, Australia, and North America. These areas represent prime markets for Alberta, ranging from value-added agricultural production to high technology and communication systems.

Economic Development and Tourism will consult with Alberta businesses to continually identify new markets. The department has also reorganized international offices to meet these needs in a more efficient and effective manner. The Liberal solution has been to close down these offices and therefore restrict the ability of Alberta small business to gain access to these markets. I don't think the government will mind if you borrow our ideas, member, just as long as you give us the credit.

Mr. Speaker, I could go on with the policies, programs, and initiatives of this government, but I will save any further remarks for my colleagues. The first part of this motion deals with the development of an economic strategy for small business in Alberta. Instead of looking at this issue in a vacuum, this government developed an economic strategy for Alberta's economy as a whole. Seizing Opportunity is the plan, and this government will work hard to ensure that this plan becomes a reality for all Albertans.

I have ignored the second part of the motion dealing with loans and loan guarantees. The hon. member who sponsored this motion knows the pledge made by this government and by this Premier

since taking over as leader of our party and Premier of this province. I refuse to deal with an issue that is not relevant.

Mr. Speaker, I would encourage all members to vote against this motion before the House today. It is redundant.

Thank you.

4:10

MS CARLSON: Mr. Speaker, the Alberta Liberal opposition has long supported the small business incubator program, a program this government did away with in their September 8 budget. We think this program is valuable because it would help emerging entrepreneurs with scarce start-up capital through shared office space, pooled equipment, as well as providing them with basic support services. As well, this program would set up contacts between new, inexperienced small business operators and experienced business mentors.

Now, this becomes particularly important when you talk about women entrepreneurs. In the last five years women have been responsible for more than 60 percent of new small business start-ups. In recognition of this, the federal government did a study on it and issued a report called *The Glass Ceiling*. The results in that report were so significant that the provincial government, specifically the Economic Development and Tourism area, took a look at the report and commissioned a study of their own to see if in fact the same prejudices experienced by women across Canada in business were also experienced in Alberta. The results of that study indicated that yes, in fact it was more difficult to start up businesses and to carry on. Those results were deemed to be very significant by the federal government and deemed to be insignificant by the provincial government, because the provincial government subsequently did nothing about those results.

The federal government went on in a joint-venture program between Canada immigration and employment and the Federal Business Development Bank and initiated a pilot project here in Edmonton for women entrepreneurs. I had the privilege of co-ordinating that program. We took 30 women who owned small businesses – those were employers of five or less; in fact, many of them had three or fewer employees – through a 10-month training program where they had one-on-one consulting to deal with specific problems in their businesses and a more generic type of counseling which helped them to improve their management skills. The results of that program were that to this day, four years later, 80 percent of those businesses are still in business, which is a lot better than the 75 percent failure rate we see traditionally in Alberta. Those women all indicated that it was a lack of skills, not ideas, that contributed to the high failure rate for small businesses across Canada, particularly in Alberta.

One of the recommendations that came out of that study was that we don't continue to isolate women in business, that we continue to have co-operative programs where they have the opportunity to learn and upgrade their skills but they do it in conjunction with men who are also in business. Those recommendations went to the Department of Economic Development and Tourism, and to this date absolutely nothing has been done other than the department completely scrapped the program. That raises a very, very big concern for me, that in fact when one of the unique strengths of small business is that they are resilient even during recessionary times such as we have now, this government does absolutely nothing to promote them.

The Liberal caucus isn't the only one suggesting that the government take a facilitating approach to small business. Since 1989 the CFIB has recommended that the government of Alberta put more emphasis on the wholesaling or brokering of information through private-sector advisors and business associations. These

are modest initiatives, and they pay back great dividends by creating an environment conducive to small business growth. When we talk about the government getting out of business and being facilitators, that's exactly what we're talking about. I simply can't understand and the people in this province who are in business can't understand why the government doesn't take these kinds of initiatives. We should be looking to forming partnerships with the private sector to ensure that all government initiatives target areas of greatest need in the small business community and ensure that small business operators themselves share in the task of strengthening their business sector. It's clear that small business is ready to enter a partnership with government and increase employee training. In the CFIB's 1991 small business barometer survey a large number of respondents agreed that their firms should be doing more training and are looking to government for some initiating in that.

Technical skills, especially computer-related skills, will be of increasing importance to the small business sector. In November 1990 a survey of CFIB members indicated that 60 percent of them use computers. This percentage would undoubtedly be higher if the survey were taken today. The CFIB also reports that most small business firms devote a high proportion of expenditures and time just on employee training. This is the kind of soft support the government can give.

We also have to recognize the dynamic growth that's been occurring in rural small businesses and that further potential exists in this sector. We need to implement on a trial basis an electronic incubator program that can be accessed by rural entrepreneurs. We've talked about this before, and this is specifically an area the hon. Minister of Economic Development and Tourism has refused to entertain, so in fact he is biasing rural small businesses to any access to training. There's no way that businesses in Fort Chipewyan and down in Milk River have access to the same sort of resources people in Edmonton and Calgary do, and it's time we paid attention to that. The last time I brought this subject up, there was a great deal of laughter from the other side of the House. I don't think it's a laughing matter.

We've recommended in the past that we test at a pilot level an import replacement program with the goal of gauging the needs of Alberta businesses and, in turn, facilitating the creation of small business firms to supply firms with some of the goods and services they now buy outside the province. This is particularly important when we're talking about a global marketplace. If these pilot programs prove to be successful, we recommend they be expanded across the province.

My colleague across the way didn't want to entertain the part of the motion that deals with loan guarantees. He said this government doesn't deal with those issues and they don't put out loan guarantees in government today. Well, I challenge that. We've seen that happen on an ongoing basis. In fact, a number of the questions during question period every single day address that exact point.

In *Seizing Opportunity* the government made a commitment to reduce or eliminate direct financial assistance to business. We are still waiting for the day when in fact that happens. In the Speech from the Throne the Premier promised a major shift in economic development policy and claimed that his government would, as much as possible, get out of direct business subsidies – except for riverboats, and cookies, and pork. In the *Edmonton Journal* of September 7, 1993, the Premier was quoted as saying . . . [interjections]

MR. SPEAKER: Order. Order.

The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you. The Premier was quoted as saying:

What we're going to do is get out of the business of directly becoming involved in business.

Well, we certainly appreciate those promises on this side of the House, but when are we going to see some results?

Even the government's own backbenchers are demanding that there be no more dabbling in business. [interjections] I withdraw that comment. I'll quote the Member for Olds-Didsbury from the *Edmonton Journal* on September 3. He stated:

I have difficulty with government being in business of any kind . . . So do we.

. . . and I would hope that somewhere along the line we make the political decision to stop all these kinds of programs.

Well, I wish you would share that information with your Premier. It's something we've been advocating for years.

4:20

One of the key economic development recommendations of the Canadian Federation of Independent Business' 1992 report on small business is that the government reject the traditional approach of picking winners through targeted grants and subsidies. They recommend that governments reduce barriers to market information and market entry and shift from supporting grant entrepreneurs to supporting true entrepreneurs. I take the North Saskatchewan River Boat Ltd. as a prime, very timely example of this. The current government has a deplorable record when it comes to losing billions of taxpayer dollars through bad loan guarantees. Many of these companies have become household names because of the irresponsible way this government has handled the public finances the people of Alberta have entrusted them with. Each name has a shameful history attached to it: NovAtel, \$646 million gone; Gainers, \$24 million gone; Myrias Research, \$20.5 million gone; the export loan guarantee program – and you wonder why we're against the foreign trade offices – \$22.1 million gone; Nanton Spring Water, \$2.8 million; Ski-Free Marine, \$2.8 million; Golden Gate Fresh Foods, \$11.3 million; Northern Steel, \$11.2 million; MagCan, at least \$27 million lost, and we probably stand to lose a lot more. The list goes on and on. In fact, I've just named a few. There are actually 35 we've lost dollars on in the last three years alone and another 45 that are at risk. A lot of money.

We don't even know what the full impact will be on some of these loan guarantees that are still outstanding, so we're just starting to count the dollars.

Point of Order Relevance

MR. DOERKSEN: A point of order.

MR. SPEAKER: The hon. Member for Red Deer-South is rising on a point of order.

MR. DOERKSEN: Under 23(b) it says, "speaks to matters other than the question under discussion." I fail to see what the hon. member's verbiage has to do with the motion under debate.

MR. SPEAKER: Perhaps the hon. member would like to explain.

MS CARLSON: If you read the motion, the second half of it, it specifically says "including the elimination of all loans and loan guarantees to private businesses."

Thank you.

Debate Continued

MS CARLSON: The Premier recently indicated that there are six or seven additional loan guarantees Albertans don't even have any information on to date. When does it stop? We must recognize now that the government must immediately and completely end all financial assistance to private business. Agencies like the Alberta Opportunity Company are not the answer. This government should not create what the former Alberta director for the Canadian Federation of Independent Business, Doug Wright, calls quasi-banks and instead should encourage private banks to open up to all entrepreneurs. A survey conducted by the Canadian Federation of Independent Business in 1992 reported that 95 percent of its respondents felt it was important or very important in an effort to restore consumer and business confidence that there be a reduction in government intervention in the economy to ensure a stable business environment. Small business has made it clear what kind of action they feel the market needs from this government.

A 1992 CFIB survey reported that in Alberta the greatest concerns for small business owners are the problems of having to put up with an inefficient government that puts regulations and the problems of shouldering more of their fair share of the tax burden. These are things we have to address. In support of Small Business Week, this Legislature should mark the occasion by doing something to truly support our smaller entrepreneurs, by passing this motion and passing legislation that puts an end to all government loans to big businesses and creates an environment conducive to their growth and the prosperity of Alberta's small business sector.

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

MR. DOERKSEN: Thank you, Mr. Speaker. I wish to first of all confirm my unequivocal support for small business. The opportunity to be in business for oneself and to be independent is a dream most Albertans have had and is fundamental to our makeup as Albertans. It is an understood principle which is echoed in the familiar phrase, "Go west, young man, go west." As government, we must continue to ensure that the ability and opportunity to live by that dream is not smothered or hindered by bureaucracy or excessive taxation. Nor must we interfere with market forces that dictate which businesses succeed and which fail.

I will mention at the outset of my remarks that this motion is redundant. I am of the opinion that this government has taken steps necessary to create a climate in which small business and big business alike can succeed without direct government assistance. This direction is affirmed in the August 31, '93, throne speech. A plan is in place that will help maintain Alberta's competitive advantage. That plan is detailed in *Seizing Opportunity: Alberta's New Economic Development Strategy*.

Mr. Speaker, my colleague has already mentioned the *Seizing Opportunity* document. He has dealt with many points that directly relate to small business. My remarks will focus on the fiscal issues which I feel have the greatest impact on small business in Alberta. I would like to share with members a few quick facts about our province so that we can put this whole issue of an economic development strategy in a proper perspective.

First of all, the seasonally adjusted unemployment rate in Alberta is 9.7 percent compared to a national average of 11.2 percent. The unadjusted rate for Alberta in September was 8.8 percent, almost a 1 percent drop from August. Secondly, the most

recent figure I have on per capita retail sales in Alberta has Alberta on top with \$674 in comparison to the national average of \$607. Thirdly, the gross domestic product of Alberta has more than doubled in the past two decades, with growth over last year at 1.3 percent, third in Canada. Currently, 25 percent of Alberta's GDP is accounted for in exports. As of June, Alberta's manufacturing shipments had reached \$10.2 billion, up 7.4 percent from the same time last year. Fourth, per capita productivity . . .

MR. SPEAKER: The Chair regrets to interrupt the hon. member, but pursuant to Standing Order 8(2)(c), we must now move to Government Bills and Orders.

head: **Government Bills and Orders**

head: **Second Reading**

4:30

Bill 10
Alberta Registries Act

MR. SPEAKER: The hon. Member for Cypress-Medicine Hat.

DR. L. TAYLOR: Thank you, Mr. Speaker. I am pleased to move second reading of Bill 10, the Alberta Registries Act.

The Bill that is before the House today, Mr. Speaker, should be viewed from two different aspects: one, as an administrative necessity, and two, as a new way of doing government business. That is what this government is about, a new way of doing business, as evidenced by the fact that there are 51 of us here.

First, Mr. Speaker, let me deal with the administrative aspect of the Bill. When the formation of the Alberta registries was announced in February, it combined six registry functions from five different departments into a single entity. The Act transfers the administration of the enabling legislation to a new provincial body called the Alberta registries. It does not change any of the existing Acts or type of business conducted under the Acts but establishes Alberta registries as an umbrella organization responsible for all those individual pieces of legislation.

The Premier has often spoken about the need to do government business differently. The formation of Alberta registries and the Act is a response to this need. The Act establishes a corporation that has a number of goals, the first one being to support the government's economic development strategy by creating business opportunities. This Act will create a number of business opportunities for small businesses either as an addition to what they are presently doing or as a new business opportunity. Secondly, to ensure timely, accessible, community-based registry, licensing, and information services for Albertans; to allow the market to ultimately determine the costs of delivering registry information and licensing services. Once again, Mr. Speaker, costs will be market driven. To maintain accurate and secure registry information; to maintain standards and the public's confidence and trust in registry information and licensing services; and to maintain an appropriate balance between freedom of information and the protection of privacy. These are the goals of the Alberta registries. I believe this Act and the corporation that will be set up will meet these goals.

Services to the public will be delivered through the private sector, Mr. Speaker. Once again, this government believes in privatization of things that can be better done in the private sector as opposed to the public sector. We as a government will continue to privatize where private-sector individuals can operate and make money. The corporation has been given the mandate to wherever possible get out of the business of direct service delivery. All public information requests will be handled through agents on

a fee-for-service basis. Where appropriate, registration will also occur through these private-sector outlets. Because the service will be delivered through the private sector, the public will be offered more convenient hours of operation and location than the existing government outlets. As an example, I can look at my own community where we had one government office operating a number of these services. As a result, there were always long lineups, and the service was typically not very good, quite frankly. I've had to stand in lines there myself for up to an hour.

AN HON. MEMBER: That's because they knew you.

DR. L. TAYLOR: No. Much as it is suggested, Mr. Speaker, it wasn't because they knew me.

In addition, Mr. Speaker, all Albertans will have greater access as most of the services are currently available only in Edmonton and Calgary. This is particularly important for smaller centres outside the Calgary and Edmonton large centres. The agents will become a one-window service for motor vehicle registration, driver licensing, searches associated with motor vehicles, drivers, land titles transactions, personal property encumbrances, business corporation information, and certain vital statistics documents. The public will be able to go to these one-window agencies and receive all this information.

The Act creates the new provincial corporation called Alberta registries. The corporate structure is used to allow revenues and expenditures to be pooled and let the organization operate on a more businesslike basis, with expenditures to be funded from revenues. I want to repeat that: the expenditures of this corporation will be funded from its revenues, not from tax dollars. As a protection to the public and the government, the Act prohibits the corporation from buying property, securities, and it cannot – I repeat, it cannot – incur debt.

This Act reflects a new way of government doing business in the areas of accountability and control. Several features are important. First of all, the minister is chairman of the board and will ultimately be responsible. Number two, fees for registrations and information services do not become the corporation's. Rather, the government will establish surplus targets which the corporation will be expected to achieve and then transfer those surpluses to the GRF. Revenue targets will be included in the corporation's yearly business plan, which must be approved by the Treasury Board. The Act charges the minister and the corporation with preparing and laying before the Legislative Assembly an annual report of the past fiscal year, another example, Mr. Speaker, of this government's openness for public scrutiny.

Protection of the public interest is built into the Act. Privacy of information is critical to the public, and that should be obvious to all of us, even those on the other side. Although by far the greatest portion of the information held by the Alberta registries is intended to be readily available to the public, protection of personal and private information is paramount to the government and the corporation. The Act establishes a \$10,000 penalty and one year imprisonment for an individual giving out information in contravention of regulations governing the provision of that information, so there is a fairly severe penalty clause included in this Act. Further, Mr. Speaker, the registry agents will be under contract to the corporation, and several aspects of that contract make the improper release of information by the contractor or his employee just cause for termination of the contract. So not only will they be fined and possibly imprisoned, but as well they can lose their contracts if an employee does it.

The public will not be subject to price manipulation by the agents. Fee structures for the registration process must receive

Treasury Board approval, and the agent may charge up to \$4 more for the service charge for certain services such as vehicle registration. What we're basically saying here: for services that are demanded by the government, the agent will be only allowed to charge \$4 more. This total registration fee will then be remitted to the government. For those fees that are not registration related – for example, fees on information searches – the corporation will establish a fee that the agent must remit. Now, for things that are not required by the government – if a person wishes to go out and search property titles, see what property sold for – we will have a fee the agent must remit to the corporation, but the agent is not restricted by a maximum service charge on those services. I must say, Mr. Speaker, the competitive market will drive these service charges payable to the agent to a reasonable level. Again, if we look at a community like mine, we may have three or four agents offering this service in Medicine Hat. If we have these three or four agents in Medicine Hat, then the market will determine what service charges can be charged by the various agents.

Lastly, Mr. Speaker, the public is protected to the very same extent it is today through access to any assurance or indemnity fund currently in place. We are making no attempt nor would suggest to change that. As the private-sector outlets are acting as agents of the government, the government is liable for their actions when conducting registry business.

That, Mr. Speaker, briefly outlines the major components of this Act. I look forward to the discussion of this legislation and would ask for the support of all members of this House in second reading of Bill 10, the Alberta Registries Act. I'm more than prepared to answer any questions any of the members would be prepared to ask.

Thank you.

4:40

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

MR. WICKMAN: Thank you, Mr. Speaker. I can understand why the minister chose not to stand up himself and defend this Bill. If I were the minister, quite frankly I'd be embarrassed to stand up and defend this Bill too, because it's bad, bad, bad.

Mr. Speaker, we can talk in terms of privatization, and we can see the high points of privatization, but it has to be done with a sense of reason. It has to be done with a well-thought-out plan. It has to be done under a framework that is going to ensure that it's to the benefit of Albertans, that it's to the benefit of the people that are seeking that particular service, not a framework that simply satisfies a cry there that we're a free enterprise party and we're going to just sell off everything and we're going to turn it over to the private sector regardless of what the outcome is, regardless of the impact, regardless of whether it hurts or it helps or whether it's well thought out or not. That side of the House is saying: we're committed to free enterprise, and we're going to turn over everything to them.

The first thing. We're not going to see it, but I would like to see it. I'd like to see an overall framework of exactly what the government's intent is when they talk in terms of privatization. How far are we going to go? We've seen now Alberta registries; we've seen ALCB; we've heard talk about the WCB, the lodges, and so on and so on. What is the plan? Little bits here, little bits there. From one day to the next we don't know. We don't know what that minister is capable of standing up and saying we're going to privatize.

On to Bill 10. The very first thing that sticks out to me with Bill 10 when we look in terms of the corporation: the board of

five people and then that board being given the opportunity to appoint advisory committees or advisory councils and that board or corporation being given the authority to pay expenses for board members and remuneration and so on and so forth as it relates to the advisory committees. Right off the bat the minister is going to have to address the question as to how these people are going to be appointed. Is this that same process where we see political hacks put in well-paid positions, or are we going to see a process where there's an all-party selection committee that is going to do something this Premier has been promising to do: screen and put the best people in particular positions that may occur?

[Mr. Deputy Speaker in the Chair]

Mr. Speaker, the framework is spelled out, but it doesn't give the detail as to how that's going to be achieved, exactly what these board members are going to be paid for filling positions.

AN HON. MEMBER: Lots.

MR. WICKMAN: Well, I would suspect probably lots and lots and lots, depending whether they're Tories or Liberals.

I go through the Bill, Mr. Speaker, and I look at the portion that pertains to the agent fees. Now, when I look at the agent fees, I'm having some difficulty understanding whether the government, the minister, the cabinet – I'm trying to get an understanding of who's going to have the right to determine ultimately what the fee is going to be for those private individuals, for those businesses that are providing this service. It's going to start off at \$4 per transaction, whatever, but what happens if six months down the road they kind of get together and lobby this corporation and say: "Well, we're not making a big enough profit. We want to skim off a bit more. Instead of 4 bucks a transaction, maybe we can raise that to 10 bucks a transaction." Where is that supervision? Where is that control to ensure that that doesn't get out of hand?

The one thing in here that is not addressed to any degree at all is any provision to attempt to provide for opportunity for existing employees that have worked for the department for years and years and years, no provision to ensure that they're given opportunity under this new system. Some of them have called us, and I'm sure some of them have called government members as well. They don't think they're getting a fair deal, Mr. Speaker. They feel that they've given of themselves to the provincial government, to the employer, and that they've given of themselves very willingly, they've worked hard and been very loyal and very faithful. What do they get in return? Are they going to have the opportunity to have first chance to get into these particular franchises or licences, whatever expression one wants to use? No, that's very unlikely, because one just has to look at the stats as to the numbers of proposals that have been deemed to be serious proposals and such. We know that's not a possibility, and there's no provision that any of those have any obligation to take those employees on.

The previous speaker made reference to the penalties, \$10,000 and one year in jail. That's in the section of the Act which talks in terms of penalties. Now, the member made a great deal out of that great penalty that would be imposed. We've got to stop and think that the violation that is being created, that is leading to that particular contravention of the regulation is breach of information. The information that will be provided by this new system can be accessed by just tapping a few fingers on a computer. Information can be transmitted. It can become very, very readily available. The Act is very, very specific in that it talks in terms of a fine of not more than \$10,000 or one year in jail. Maybe it should be

talking in terms of not less than \$10,000 or not less than one year in jail. We're talking in terms of a very, very serious potential breach of privacy, of information that pertains to an individual's medical, possibly criminal record. Mr. Speaker, the penalty that is there is not sufficient in terms of the breach that could potentially occur.

The Bill makes mention of yearly business plans. We also heard back in February in terms of a press release that a three-year business plan was to be released in September. If it has been released, I'm not a member that has gotten access to that particular three-year business plan that is supposed to give us some understanding as to what is going to happen. So I'm not sure if that three-year business plan has occurred. I'm not sure, as a matter of fact, that there have been any studies that have occurred resulting in the decision being made that Alberta registries was to be privatized.

It reminds me of the ALCB announcement where there was a whisper out there that something was going to happen, and then the next day the minister stood up and, bango, caught everybody off guard and said it happened. I don't think any thought was given to it ahead of time other than the minister standing up and saying it happened. It did happen, and we see the consequences of that. We see the fallout that's occurring as a result of that particular announcement. As time goes on, it becomes more and more apparent that this one was not well thought out, that an Act has been put together but the Act I don't think addresses the major concerns that have to be addressed. It's been raised in the House here, and rightfully so, by employees who give driver examinations, for example, the impact that it's going to have on them and the impact it's going to have on persons that are going to be applying for their driver's licences and the new people that will have the authority to issue those licences, as to what qualifications they will have. The minister at that particular time I recall very, very distinctly talking in terms of them being certified after a five-day course. Now, the information we received, Mr. Speaker, is that, no, it's not possible to be qualified to write the exam after a five-day course. It takes on the average two or three years to become internationally certified. We have the existing driver examiners that have trained for six months. In addition to that, they go on and take exams further down the road that allow them to become internationally certified. Now we're setting up a whole new system. I don't know if we're going to have people come in who after a five-day training period are going to go out there and have the ability to issue driver's licences; whether they'll be able to issue a driver's licence 1, a driver's licence 2, whatever the case may be.

4:50

Mr. Speaker, when the Bill comes before the committee again, which it will, I would venture to say that many, many people within this caucus are going to want to speak on the principle of the Bill. When it comes to committee study of the Bill, I would anticipate that there are going to be a great number of amendments introduced in the hope of trying to clean up the Bill, in the hope of trying to make it workable. I would expect possibly there will even be amendments coming from that side of the House as members back there have the opportunity to reflect, as they have the opportunity to read what's in the Bill, as they have the opportunity to listen to the well-thought-out arguments that will come from this side of the House. They're going to realize that there are areas that have to be corrected, that there are amendments that have to be made, or there's a very, very good possibility that this Bill is not going to pass within the House, that this

Bill will not have the necessary support to achieve what the minister wants to achieve.

There are a couple of other areas I want to touch on, Mr. Speaker, and there are other members of the caucus here today that want to get their dibs in right off the bat. We talk in terms of the one-window shopping. Now, I want to ask some specific questions that the minister can kind of write down and then come back with at the next opportunity, which would be the detailed study at committee stage. What happens to any funds that are presently associated with the system; for example, the unsatisfied judgment fund? It talks in the Act in terms of a technological fund. There's one other fund that relates to the land titles system. I'm not sure of the exact expression of that. [interjection] Yeah, exactly. That fund, I gather, could contain millions and millions of dollars. What happens to that?

When we talk in terms of the driver examinations, I believe this minister has the responsibility to tell this House as to whether some of those present employees with years and years of experience are going to be hired on, will be the ones that will be providing the training for these new people coming on that will be allowed to issue the driver's licences, because you can't take a bunch of new people and in just five days turn them over and say: now you're in a position to go out there and issue driver's licences. I don't think it can happen that way.

When we talk in terms of the one-window shopping, are private agents going to be given the opportunity, will they be permitted to kind of specialize in one or two areas, downplaying other vital areas that they may not deem to be that profitable in terms of turnover yet could be of service to people within a particular given community?

The other thing that strikes me as rather strange on this whole proposal call: my information is that there were 3,100 applications received, but only 261 of them were deemed to be genuine. I'd like to know why only 261 were deemed to be genuine. I understand, for example, there was at least one, possibly others that were submitted by nonprofit organizations that felt they could have done just as good a job in providing that service and setting up an arm's-length business portion to their organization that could provide this service and provide them with some much needed fund-raising at the same time.

I'd also like the minister to address what other Acts may have to be amended as a result of this particular Act. Will there have to be deletions to the Highway Vehicle Act, for example? Are there certain Acts under the ministry of the Justice department that may have to be amended to comply with this particular Act?

I'd like to know whether the minister is going to be prepared to table in the House, when we go into committee stage, studies that may have been done: that three-year business plan, if it has been done. I'd like the minister to give some explanation in this House as to what type of severance package employees that are currently there, be it part-time, be it full-time, can anticipate receiving; as to how they're going to be, let's say, compensated for their service that they have provided in the past; and as to whether there is any possibility that there will be some criteria spelled out making it an obligation for these private agents to give these employees the first opportunity at a comparable salary to occupy the positions that may become available.

I'd also like to know if the minister is going to be prepared to inform the House as to what he anticipates the remuneration will be for these individuals that will be appointed through the Lieutenant Governor to the board and whether those appointments to the board are going to be done by the minister, by the government, or if they're going to be done by an all-party committee. I'd also like to know how many of these advisory committees are

anticipated to be set up throughout the province and whether they're going to play a major role or if it's going to be sort of just a volunteer advisory body. I can't anticipate it being a voluntary advisory body. Something tells me, based on past experience, that we could see a system being created that would allow the government to appoint all types of defeated candidates, party hacks, whatever, to these positions. There are a number of government agencies out there right now that years ago were created for that particular purpose. If you do a study of that and you look at the amounts of money paid out to those different positions, it becomes very, very high.

My time is running out here. To wrap up, let me say as a member of this caucus that we support the concept of privatization. We think privatization can be good, but it can't be done in this fashion. It can't be done like a bull in a china shop going out on a rampage and just privatizing this and this and this. It can't be done that way, Mr. Speaker, Mr. Minister. You owe it to Albertans to do it in a reasonable fashion. If it means defeating this Bill, so be it. If it means delaying this Bill for a period of time to clean it up, so be it, but it can't proceed on the basis as it has been introduced. It needs major change.

On that note, Mr. Speaker, I'm going to conclude.

MR. DEPUTY SPEAKER: The hon. Member for Cypress-Medicine Hat.

DR. L. TAYLOR: I'll defer to the minister.

MR. DEPUTY SPEAKER: The hon. Minister of Municipal Affairs.

DR. WEST: Just a few comments. I'm pleased to support this Bill, the Alberta Registries Act. It's been long overdue. It's part of history in the province of Alberta as far as acknowledging the private sector.

5:00

When I brought this forward to the departments, after they went through a tremendous amount of anguish in pulling together the registries – they had to pull areas of government together and form a team to develop the concept – I said: you know, you have questioned why we are doing this at this time. First of all, it's government policy, and we'll ensure that that policy is accepted, because we'll take it forward with some other directions to the people of Alberta and on June 15 we will allow them to determine whether that's the direction they want us to go. Sure enough the people of Alberta supported initiatives that would look at a plan that included privatization and the delivery of these registry services in this manner. We had stated that before the election. So, first of all, it's government policy accepted by the people knowingly at an election.

Second of all, the average person on the street has anguished for years in the city. While half of the public was served by a private-sector model in this province through 149 private-sector operations in rural Alberta, in many places, the other half, more than half of the population, was served by 11 offices. A million people had services from 149 offices. Another million people had service from 11 offices. They stood in line, and the people said, "Why do we have to have this type of service?" I know a guy that phoned the registrar of motor vehicles with a cellular phone while he stood in line and got him on the line and said, "You'll stay here until I get my service" and kept him on the line for three-quarters of an hour, or whatever it was.

When I first became minister, when I was solicitor general, I'd slip into a motor vehicles office in Calgary, and I'd sit at the back while somebody was picking the 84th ticket out of a tab machine and sitting in a theatre that looked more like a church than it looked like a place where government was providing service to its people. I sat down beside people, and I'd say: what do you think of this? He said: "Well, what do you think? This is government. This is the way I guess it has to be. I sit here for an hour to get service," and I said: do you accept that; do you like that? He said: "I have to. That's the way government runs." I tested that over and over and over again, and people just laid their hands down and said, "That's the way government runs." I said to myself: no, they don't; I'll take this back and discuss it, bring it forth at election time and see if the people want it changed. Yes, they want it changed.

The third reason why we are doing this is because technology tells us it can be done. When I go to the universities, when I go out to the private sector, when I talk to consultants, they say: "We have the computer technology to put in place a structure that will serve the people of Alberta into the 21st century and that has the ability to put the checks and balances in place to protect their private information. Therefore, why aren't you advancing consistent with the technology that's available?" Therefore I said: well, if we go forward and create the registries under Bill 10 and I talk to people out in the private sector in the computer industry, "Can you help us go on line with the information into the network that we have in the province of Alberta and protect the people's information?" they say, "Absolutely, in the future we will put tremendous checks and balances in place."

You spent \$500 million, much of it out of the heritage fund, to put private lines in place across this province. This government went and put private telephones in every nook and cranny in this province. It's state of the art type technology that now we can put the Alberta registries into service on. I think that's another compliment to the Progressive Conservative Party and to this government that showed initiative in moving forward: while we still had Alberta Government Telephones, getting the infrastructure in place, and then privatizing it.

So those were the reasons I took to the registry people and said: we will succeed, and we will bring forth an Act, and it will be supported by all Members of the Legislative Assembly. I'm sure the hon. Member for Edmonton-Rutherford just said that he supported this initiative.

As we also go forward, we will look I guess at the types of checks and balances that we must put into place, whether it's driver training through the driver examiners or whether it's the protection of people's titles, that personal property right that we have in this province, or whether it be in the information and vital statistics or perhaps detailed information on corporations that should only be accessed by people who have the right bonding or direction in the use of that information. I'm told that that technology again can put signatures on computers where only certain people can access information and that it will be protected, just as it's done in the private sector today.

One of the things I want to point out is that in those checks and balances, don't insinuate that the government by doing this method can't protect your information. The mass of personal property information in this province is protected by the private sector now. Law firms have every detail of my private life incorporated inside their business offices, and they have a code of ethics that protects that information from getting out to other people. Accountants, doctors' offices, dental offices, bankers, investment firms, trust companies all have a code of personal information protection.

MR. CHADI: Have you ever heard of a computer hacker?

DR. WEST: I hear a noise, Mr. Speaker.

MR. DEPUTY SPEAKER: I detect the same noise, hon. member. I'm sure it's a temporary aberration and will cease.

DR. WEST: So I was getting back to the insinuation that if it's not a government operation run by people who work for the government, the information wouldn't be protected. That is a ludicrous statement, because today more information on my person is in the private sector, not government hands.

I'd be more concerned with Statistics Canada, who puts out a long form census. They ask for more material in there than I'd tell my mother. I can't believe that anybody would fill out a long form for Statistics Canada. I don't think any government should have that information, yet I hear people over here saying: well, the model this puts out doesn't protect public interest in their information; people working for government protect it better. Rubbish. I think that the private sector has demonstrated for a long time that it has a code of ethics also and that it represents a strong voice in protection of public information. I'm sure that medical doctors in this Assembly would agree with me that they take a strong position. As I said once before, the legal profession would also stand up and defend their position in code of ethics and protecting information.

Mr. Speaker, I've tried to point out the support of the principle of this Bill: one-window shopping, confidence in the private sector, government policy and direction, as voted on by the people of Alberta. I'll get more into detail of the questions asked and I'm sure the member speaking to the Bill will also get to the questions asked by the hon. Member for Edmonton-Rutherford and others when we go to committee.

Again, I would like to endorse my strong commitment to a move in the right direction in the support of Bill 10, the Alberta Registries Act.

MR. DEPUTY SPEAKER: Edmonton-Roper.

5:10

MR. CHADI: Thank you, Mr. Speaker. A comment to the hon. minister, and that is: the party, particularly the party across the aisle, which takes credit for the rain must not be surprised when it's blamed for the drought. So when you talk about \$500 million that was spent putting in private lines, remember we rung up a \$32 billion debt in total. That mustn't be forgotten.

Mr. Speaker, I'd like to just express my gratitude for the opportunity you've given me now to address Bill 10. I do have some grave concerns with respect to Bill 10, but I want to emphasize, though, that I am in favour of the privatization concept. I'm in favour and I think every single MLA on this side of the House is in favour of privatization. I know full well that there are members on the other side of the House that would agree that privatization is a natural, and it must happen in this province and perhaps across Canada.

SOME HON. MEMBERS: However.

MR. CHADI: However – to use your word – when we look at privatization, we have to look at, first of all, why the government was involved in the program or the project in the first place. Why did we get involved in administering these services in the first place? What's the rationale behind it? I'd like to suggest that we have to look at whether or not that rationale or those reasons for

involving ourselves in the first place still exist. If indeed they do, Mr. Speaker, then perhaps we have to look strongly at why we would privatize something like vital statistics, land titles, motor vehicle services, particularly with respect to licensing.

The reason I say particularly with respect to licensing is because I'm all in favour of the rural advantages that we were afforded not long ago. Probably about 10 years ago is when we first started to privatize in the rural parts of the province. I sympathize with the hon. Member for Cypress-Medicine Hat, who had to wait in line for an hour in the rural, privatized, if you will, office.

SOME HON. MEMBERS: It was Calgary.

MR. CHADI: No. The hon. member you're suggesting to me . . .

MR. DEPUTY SPEAKER: Could you address your speech through the Speaker?

MR. CHADI: Mr. Speaker, the hon. Member for Cypress-Medicine Hat did mention in his opening remarks that he had to wait an hour in those privatized licensing branches in the rural parts of the province. If there was an hour's wait in the rural parts that are privatized, then why are we concerned about waiting an hour in the areas that aren't privatized, being the urban areas currently?

I was involved in one of the privatized offices in a small . . .

**Point of Order
Factual Accuracy**

DR. L. TAYLOR: A point of order, Mr. Speaker.

MR. DEPUTY SPEAKER: A call for a point of order.
Cypress-Medicine Hat.

DR. L. TAYLOR: Misleading information. Suggesting that . . .

SOME HON. MEMBERS: Citation.

DR. L. TAYLOR: I cite Standing Order 23, misleading information. He's suggesting that I suggested that it was in a rural area where I had to wait an hour. It was not in a rural area. It was a government-run office in an urban area. Medicine Hat is a city. I realize members from Edmonton might not realize that.

MR. DEPUTY SPEAKER: Edmonton-Roper.

MR. CHADI: Thank you, Mr. Speaker. I drew that inference from the hon. member's opening remarks. One could check *Hansard* and find out indeed, and we will get into that at a later date.

Debate Continued

MR. CHADI: I do want to advise you, though, that I think after having had the opportunity to be involved in one of these motor vehicle licensing branches in the rural parts of this province, I want to speak in favour of that. We've got 149 of them now that are apparently servicing a million people and 11 offices that are servicing the balance of the population in this province. The 149 offices are in rural parts of this province. Let us not forget that people have to sometimes drive 40, 50 miles to get to one of these branches, whereas in the urban areas there are superbranches, superoffices, and it's really simple for somebody to be able to go to one of these superoffices and get the services that are required.

With regard to the rural branches, the idea was great simply because in the old days it used to be that they usually were in

conjunction with some government department, particularly the Treasury Branches. It seemed like the Treasury Branches were in most small communities, and a good thing they were. They were vendors of motor vehicle services. You got your driver's licence picture taken there. You actually had the motor vehicle registration done there. If you were looking for a driver's abstract, you had it done there. A whole host of services could be done at the Treasury Branches. But the problem was that the Treasury Branches were open only between the hours of 10 o'clock and 3 p.m., and again they were not open on weekends. So what happened was that a working person with hours from, say, 8 to 5 missed, then, the opportunity to get their services from the local Treasury Branches.

The government of the day saw that that was a concern and indeed rectified that situation. We rectified it by privatizing, putting out the services in the smaller towns and villages with private people. What we decided to do was to apply; I did anyway. Of course it didn't hurt to know the local MLA, and I got the office. The reason I mention it, Mr. Speaker, is that I do have concerns about how we're going to be able to put out these offices in the future. So that's why I refer to my own experience.

The offices worked great, with the exception of some security risks that I really have a problem with. I know that out in the country everybody knows everyone or appears to anyway. When Bill Smith, for argument's sake, walked in, you knew him. You said, "Hello, Bill," and you gave him whatever he required. It worked fine. The problems arose when somebody from outside of the community came in. There were many, many times, Mr. Speaker, when we offered to do services for people who perhaps could not have got them anywhere else and thought that they could go to a small town and get those services illegally. Since I know from my own experiences, I know that it could be very wrong to . . .

MR. DEPUTY SPEAKER: A point of order, Cypress-Medicine Hat.

DR. L. TAYLOR: Under Standing Order 23(i) and (j), imputing motives, suggesting that country people, first of all, know everybody else; secondly . . .

MR. DEPUTY SPEAKER: I don't think that's a point of order, hon. member. [interjections]
Edmonton-Roper.

MR. CHADI: Thank you, Mr. Speaker. I really hardly think that this is a laughing matter. I am from an urban part of this province, born and raised, and I can tell you that I still stand for my hometown of Lac La Biche. I'd like to mention for the record, sir, that the people of Lac La Biche are going to be really, really interested in knowing that I would stand up for them. Let's not forget that.

So the concerns that I have were with respect to maybe unscrupulous business types that may end up with the offices.

I know from the Lac La Biche example that we had originally started with an agency fee of \$2 per transaction. If somebody came in and wanted an abstract, I believe the charge at that time was probably at about \$4 or \$5 for an abstract, of which, when the dust settled, we ended up with \$2 on that document. If you came in for, say, a driver's licence address change, there was no money exchanged because there was no charge for that sort of transaction, but one thing that we did collect was \$2 again for that. We were paid for doing that transaction. So everything was on a per

document basis, and I believe that's what's happening here in this Bill.

With respect to that, Mr. Speaker, the private entrepreneurs within the motor vehicles licensing branch were concerned. We had raised our concerns to our superiors at the time, and we actually had that increased to \$4. It went up from \$2 to \$4. So there were many documents out there that we were charging like a dollar or two dollars for, but in essence we were getting \$4 for doing that service. I have concerns again within Bill 10 as to perhaps being able to limit the amount of money that an agent would receive per document.

5:20

My concerns within motor vehicles stem a little bit further than that, and that is with licensing. I really have a rough time agreeing with the fact that private businesspeople should be out there testing and issuing licences. I don't believe that it takes a government employee to actually type out the licence or take the picture and then vend it, sell it to the client, but the testing has to remain in the hands of the people. That way and only that way can we ensure that it is being done to certain standards. I don't believe that we can regulate it in any other way with any sense of control.

[Mr. Speaker in the Chair]

When it comes to land titles, Mr. Speaker, I think that the service provided within Bill 10 is probably not a bad idea, but at the same time I have to take it a step further. Where is this going to lead from here? I do know that from within our own offices we're able to access land titles through our computer systems now, and I do realize that smaller offices, particularly in rural parts of this province, that do not have the capability of accessing things like land titles would really be interested in seeing that aspect of Bill 10 go ahead. But how far do we take it once again? How about unscrupulous businesspeople who could get their hands on a computer and could actually change some information within the land titles registry system? I am concerned, and it is a concern that I think is going to come back to haunt us in the coming years. A computer hack would be able to access the land titles offices and be able to change things like perhaps caveats or mortgages or maybe even names on a land title and then hand it back to a client temporarily and then be able to type back any information that they want.

These are real concerns, concerns that we have to address now, because if we don't address them now, I think we're making a huge, huge mistake on behalf of the people of this province. We're here as stewards for the services and the dollars that the people of this province give us each year, and we'd better know how to handle ourselves on their behalf.

I'm also concerned with respect to vital statistics. I mean, is it possible for somebody to be able to get into the computer system and change certain items in the computer bank; if you will, statistics based on whether or not somebody needed a social insurance number? Can somebody not access that, type in some name, and give anybody a certain social insurance number any time they want it? That's a grave concern. We have to address this, and we have to address it here and now. That's why we're here.

I think that I have another concern, and that is with the agencies that are proposed to be put out. How many agencies? If we have 149 in the rural parts of this province and we have 11 in the urban area, the cities of this province, how many are we expecting to create? Are we really going to create another 149 of them to

service the other million people that are serviced from within these superoffices, or are we going to just privatize the branches that we already have existing? If that's the case, then how on earth is the private sector going to be able to reduce the lineups, as the hon. minister had mentioned earlier? I mean, if you're going to stand in line for an hour for a government employee to issue that document, I daresay that you're probably going to stand in line in the same office for a private entrepreneur to issue that document.

I will also come back to who gets the agencies? What mechanism do we have in place, and are we going to put a mechanism in place? I suspect that we've got to look at some sort of overall comprehensive business plan in this registries affair. I think that we have to look at the ALCB privatization. We have only to learn from that experience.

Mr. Speaker, I am getting the usual hand signals. In view of the hour, I would move that we adjourn debate.

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

HON. MEMBERS: Aye.

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

The hon. Deputy Government House Leader.

MR. DAY: Mr. Speaker, I move that when we reconvene at 8 o'clock tonight, it be in Committee of Supply for consideration of the estimates of the Department of Labour.

MR. SPEAKER: Having heard the motion by the hon. Deputy Government House Leader that the Assembly now adjourn until the Committee of Supply rises and reports, all those in favour, please say aye.

HON. MEMBERS: Aye.

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

[The Assembly adjourned at 5:28 p.m.]