

Legislative Assembly of Alberta

Title: **Monday, November 1, 1993**

1:30 p.m.

Date: 93/11/01

[Mr. Speaker in the Chair]

head: **Prayers**

MR. SPEAKER: Let us pray.

At the beginning of this week we ask You, Father, to renew and strengthen in us the awareness of our duty and privilege as members of this Legislature.

We ask You also in Your divine providence to bless and protect the Assembly and the province we are elected to serve.

Amen.

Before resuming your seats, hon. members, it is the sad duty of the Chair to advise that yesterday, October 31, 1993, Mr. Henry Ruste passed away. Mr. Ruste was a former Member of this Legislative Assembly and represented the constituency of Wainwright for the Social Credit Party. He was first elected in the general election of June 29, 1955, re-elected in the 1959, 1963, 1967, and 1971 general elections and served until 1975. On February 16, 1965, Henry Ruste was appointed minister of lands and forests and served until July 15, 1968. On July 16, 1968, he was appointed minister of agriculture and served until September 9, 1971. In addition to this portfolio, he served as minister of lands and forests from December 12, 1968, till May 19, 1969.

I would ask that we bow our heads in a moment of silent prayer as we remember this former member of this House.

Rest eternal grant unto him, O Lord, and let light perpetual shine upon him.

Amen.

head: **Presenting Petitions**

MRS. ABDURAHMAN: Mr. Speaker, I beg leave to introduce today petitions, sir. These petitions are signed by concerned Albertans within my constituency as to how levels of government are expending public moneys. The first petition deals with secondary highway 824 with 410 signatures, and this is a very localized issue. The second petition deals with the upgrading of secondary highway 830 with 285 signatures. The third petition is on the upgrading of range road 223 with 291 signatures.

Thank you, Mr. Speaker.

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

MR. HENRY: Thank you, Mr. Speaker. I beg leave to introduce a petition signed by 1,085 Albertans. The petition was organized by a parent of a special needs child, Ms Barbara Tarbox.* The petition urges the government of Alberta to "halt plans for the cuts to the special needs program in our education system."

Thank you.

MR. KIRKLAND: Mr. Speaker, I beg leave to table a petition signed by 88 students from Christ the King school in Leduc expressing their concerns with impending government cuts in education.

head: **Reading and Receiving Petitions**

MR. SPEAKER: The hon. Member for Sherwood Park.

MR. COLLINGWOOD: Thank you, Mr. Speaker. I'd ask that one of the petitions that I presented last Wednesday be read and received today.

CLERK ASSISTANT:

The petition of the undersigned to oppose the proposed round-up, auction and slaughter of the wild horses in the National Wildlife Area on CFB Suffield, humbly urges the Legislative Assembly to ask the Government:

1. That there be a complete moratorium on the proposed round-up, auction and slaughter;
2. That environmental studies be conducted to determine what effect the wild horses are having upon the wildlife and the environment and that should this research show conclusively that the wild horses are having a negative impact, alternative non-lethal measures such as chemical or surgical sterilization should be implemented to decrease the birth rate;
3. That a long-term management plan for the National Wildlife Area should be drawn up that recognizes the rights of wild horses as an integral part of the ecosystem;
4. That legal protection for wild horses be provided throughout Alberta; and further
5. That the ancestors of these wild horses have made an immeasurable contribution to our heritage in faithful service to our explorers, cowboys, settlers and native people. Saving Alberta's wild horses is saving a slice of Alberta's history.

And your petitioners, as in duty bound, will ever pray.

head: **Presenting Reports by
Standing and Special Committees**

MR. DAY: Mr. Speaker, I wish to table four copies of the Select Special Committee on Parliamentary Reform 1993 report on the application of the sub judice rule and the feasibility of minority reports in committees and subcommittees of the Legislative Assembly of Alberta.

head: **Notices of Motions**

MR. DAY: Mr. Speaker I'd like to give oral notice of the following motion:

Be it resolved that the report of the Select Special Committee on Parliamentary Reform appointed September 9, 1993, to review the application of the sub judice rule and the feasibility of minority reports in committees and subcommittees of the Legislative Assembly of Alberta by November 1 and 15 respectively be now received and concurred in.

head: **Tabling Returns and Reports**

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

MR. CARDINAL: Thank you very much, Mr. Speaker. I'm pleased today to file four copies of the responses to written questions 155 and 157.

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

MR. HENRY: Thank you, Mr. Speaker. I would like to table four copies of a document entitled Responses to Meeting the Challenge, a report on the results of the Calgary roundtables held October 27, 1993, sponsored by the Calgary public teachers, the Calgary separate teachers, and the Calgary Council of Home and School Associations.

*This spelling could not be verified at the time of publication.

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

MS CARLSON: Thank you, Mr. Speaker. I would like to table four copies of a letter signed by 141 parents from l'école Frère Antoine discussing their concerns about the education cutbacks.

MR. KIRKLAND: Mr. Speaker, I will look for your direction on this particular matter. I met with some constituents Sunday, and they asked me to deliver these letters that are addressed to the hon. minister Halvar Jonson and Ralph Klein and also four copies of . . .

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

MR. SPEAKER: Order please. I don't know how many times the Chair has to remind hon. members that we do not use names.

Apart from that, apparently the request was to deliver it to those two individuals. They have offices in this Assembly.

head: **Introduction of Guests**

MR. SPEAKER: The hon. Minister of Energy.

MRS. BLACK: Thank you, Mr. Speaker. It's with great pleasure today that I introduce to you and through you to members of the Assembly some visitors from Calgary-Foothills. They are Rossanne and Jack Moore. They are the parents of our page Jean. They're seated in your gallery. I'd ask them to rise and receive the warm welcome of the Assembly.

MR. KOWALSKI: Mr. Speaker, in both the members' gallery and the public gallery today are 30 political science students from the University of Alberta who are accompanied by their professor Dr. Allan Tupper, professor of political science and associate dean of the Faculty of Arts at the University of Alberta. All of them are here today to observe parliamentary procedure in the Alberta Legislature. Later on this afternoon both the House leader for Her Majesty's Loyal Opposition and I will have an opportunity to meet with Dr. Tupper and the students. We would ask them all to rise and receive the warm welcome of this Assembly.

1:40

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

MR. SMITH: Thank you, Mr. Speaker. It gives me great pleasure to introduce to you and through you to members of this Assembly four Calgaryians committed to education. These four with the help of many others organized the Jack Singer roundtable on education held this Saturday past in Calgary. They are here today to table these findings with the Minister of Education. They are Jan Boyd, vice-president, Calgary Council of Home and School Associations; Jamie Peterson, a student at Lord Beaverbrook high school; Lynn Nishimura, president, Alberta Teachers' Association for the Calgary public school board; and Mr. Peter Willott, president, Alberta Teachers' Association for the Calgary separate school board. I thank them for their time taken to attend the Legislature today and would ask them to rise and have the House give them the warm welcome of the Assembly.

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

MR. DECORE: Thank you, Mr. Speaker. I would like on behalf of the deputy leader, the hon. Member for Edmonton-Gold Bar, to introduce to you and to members of the Assembly 27 visitors from

Clara Tyner school, a school in the deputy leader's constituency. The students are accompanied by teacher Brian Alloway and Mrs. Lorraine Wilson and Mrs. June Delbarre as helpers. I would ask that all of our guests stand and be welcomed by the Assembly.

Thank you.

MRS. ABDURAHMAN: Mr. Speaker, I would like today to introduce to you and through you three members of my constituency who are demonstrating an involvement in the democratic process by organizing the three petitions that I presented to the House today. May I present Cindy Stachniak, who is a small business entrepreneur in financial planning; Amir Jaffer, who is a poultry farmer also in Strathcona county; and Petra Hermens, who is a homemaker and very involved within the community as a volunteer. I'd ask them to stand and be recognized by this House and ask my colleagues to send a warm welcome.

DR. PERCY: Mr. Speaker, to you and through you to the House I'd like to introduce two visitors from my constituency: Mr. Vic Small and his wife, Delores Small, owners of C.J.S. Combustion Products, a very successful Edmonton firm. They're seated in the public gallery. I would like them to stand and receive the warm welcome of the House.

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

DR. MASSEY: Thank you, Mr. Speaker. It's my privilege to introduce to you and through you to members of the Assembly teachers Miss Jocelyn Ohrn and Mrs. Shirley Kates, parent helpers Mrs. Beebe, Mrs. Bilawey, Mrs. Reilly, Mr. Kay, Mrs. Kossowan, Mrs. Emmerling, Mrs. Hazzard, and 58 students from Hillview school in the Edmonton-Mill Woods constituency. They are seated in the members' gallery, and with your permission, Mr. Speaker, I would ask them to stand and receive the warm welcome of the House.

MR. KIRKLAND: Mr. Speaker, it's my pleasure today to introduce two constituents from the Leduc constituency: Gerry and Ann Hansen, who are very active in the volunteer sector in Leduc. They're accompanied by Ann's father, John Boersen, who has traveled from Quebec to visit us today. I ask that we give them a warm welcome this afternoon.

MR. DAY: Mr. Speaker, in the members' gallery today is a lady who along with many volunteers in Alberta is responsible for the red ribbons that are on the desks of members today. This represents Mothers Against Drunk Driving. Most of the people in this organization know what it is to lose a loved one as a result of an impaired driver. I would ask Mary Williams to stand along with her husband, Raymond Williams, and her son Joe. They are asking that from November 9 to January 2 we join by affixing to the door handles or the antennas of our cars these red ribbons, which are asking people to hope together for a less violent holiday season. I would ask them now to stand and receive the warm welcome of the Assembly.

head: **Oral Question Period**

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

Education Funding

MR. DECORE: Thank you, Mr. Speaker. On Saturday 2,000 students and teachers and parents met in Calgary to protest the proposed government cuts to education. Calgaryians at that meeting

complained about the manipulated consultative process. They complained about the government's refusal to listen to them. They complained about the lack of government planning. Students time and time again said that they feared for their future. My first question to the Minister of Education, then, is this: will the minister now tell Albertans that he made a big mistake when he said at the outset that there would be a 20 percent cut overall and that it was a given?

MR. JONSON: Mr. Speaker, the minister never said anything was a given. The workbook material that I gather the hon. member is referring to was clearly put out there as, first of all, a base of accurate information for consultation to take place on with respect to the public of this province and at our provincial roundtables. Secondly, it has been clear for a long time that no decisions have been made. The information coming from the health roundtables, the roundtables being held on advanced education and career development and education are being very carefully considered as guidance and direction in terms of making our decisions, none of which have been made.

MR. DECORE: Mr. Speaker, I think there is a softening up happening.

Will the minister tell Albertans that his consultative process was deeply flawed and that he made a mistake with that strategy?

MR. JONSON: Mr. Speaker, through Alberta Education the government has always and long consulted extensively with the public about the major issues that come before Education in this province. Over a year ago we had a round of meetings in the province which dealt with the topic of fiscal realities facing education on a long-term basis. That was done. We have had a series of regional meetings. That was done. We have had provincial roundtables, and they I think will provide us with some very, very valuable direction and input. I'd like to emphasize that we also welcome the input from the local meetings that are being held across the province, and that input will be considered very, very carefully. We have provided over 27,000 workbooks, our working documents, which are out there across the province for consideration. This has been a long and considerable process in terms of inviting input on educational matters.

MR. DECORE: Mr. Minister, will you admit that the entire matter is now hopelessly out of control and lost and that you will start the process all over again and do it right this time from the beginning?

MR. JONSON: Mr. Speaker, the input that is coming in that has been presented to Alberta Education and to the government overall is very valuable. I would like to just note that certain general directions are coming forward. Although we have to wait for the final report on our provincial roundtables and consider that very, very carefully, the general directions at our provincial roundtables are very much in keeping with the directions that are being reinforced according to reports from the meeting that the hon. member refers to recently held in Calgary.

1:50

MR. DECORE: Mr. Speaker, everyone I heard at the Calgary meeting on Saturday talked about education being Alberta's strength for the future. Mr. Minister, you should have seen the students talk about that time and time again. One Calgary superintendent at the meeting said that any more cuts would jeopardize the integrity of the entire education system. My first

question to the minister, then, is this: how can the minister justify putting Alberta in last place in a per student spending process in all of Canada?

MR. JONSON: Mr. Speaker, as I have indicated, I certainly think the representations made by students at meetings such as the one held in Calgary and all across the province are very, very valuable.

Secondly, though, Mr. Speaker, the hon. member is making a statement which is very, very different in fact from the facts. There have not been cuts in education spending, and therefore the second part of his question is irrelevant. As I have indicated, we are consulting carefully with Albertans. No decisions have been made. We'll be setting our priorities in the coming weeks and months.

MR. DECORE: Mr. Speaker, he's softening up. He's softening up. We can hear it and see it.

My second question to the minister, then, is this: tell Albertans, Mr. Minister, if that's what you believe, that the Calgary superintendent is wrong when he says that further cuts to education will seriously threaten education in Alberta.

MR. JONSON: Mr. Speaker, there have been no cuts overall in education spending. The hon. member knows that. His education critic knows that. They have dealt with recently and approved the estimates of the Department of Education. There are no overall cuts in education there. I'd like to also add that there was in fact an increase in funding overall.

MR. DECORE: Backtracking, Mr. Minister. You continue to backtrack.

My final question to the minister: how can the minister claim that he's going to cut 20 percent from his budget and equate that to \$569 million when \$569 million actually works out to 31 percent, not 20 percent?

MR. JONSON: Mr. Speaker, the hon. Leader of the Opposition seems to be living in his own world with respect to what is in fact being discussed. We have put before Albertans the information, the background to the education system in Alberta. We have put forward a number of alternatives, and we have invited additional ideas and recommendations and suggestions in terms of future direction for education in this province. That process is ongoing as we look down the road to setting our priorities and making decisions with respect to balancing the provincial budget.

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

Student Protests

MR. VAN BINSBERGEN: Thank you, Mr. Speaker. If the minister is truly interested in consultation, then he should pay attention to the reactions from thousands of Albertans that are pouring in. What is happening? We see protests. Is this government listening? No, they are not listening. They don't care, not one bit, and they blame the teachers for incitement. The Premier and the minister display an alarming lack of knowledge of the curriculum here in Alberta, specifically the social studies curriculum. My question is to the Minister of Education. Has the minister, a former teacher himself, forgotten that Alberta Education's own social studies curriculum includes a focus on participation in citizenship?

MR. JONSON: Mr. Speaker, yes, I am quite aware of the social studies curriculum in this province. I think the emphasis on

citizenship is a very good one. I know that part of our program of studies puts an emphasis on dealing with accurate information, providing representation through the regular and proper methods to government, and that is certainly I think a good part and a strength in our curriculum.

MR. VAN BINSBERGEN: Mr. Speaker, I'm going to refresh the minister's memory I think. Has he forgotten that citizenship participation includes writing, telephoning, and protesting?

MR. JONSON: Mr. Speaker, I certainly know that the curriculum provides for any individual, any citizen of this province and of this nation to protest things that they do not agree with through the proper procedures and the proper steps and the proper channels.

MR. VAN BINSBERGEN: To the minister: will he now admit that the students' participation in the democratic process means that the Alberta Education curriculum policy is working well?

MR. JONSON: Mr. Speaker, yes, I think it is working well. I am receiving letters from students, letters on behalf of student councils. I understand that students are part of the local meetings being held around the province. Certainly we recognize the valuable input of students and provided for their representation at our roundtables. Certainly the program of studies is working well with respect to those types of good and sound approaches to representation to this government.

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

Education Funding (continued)

MR. HLADY: Thank you, Mr. Speaker. My question is to the Minister of Education as well.

AN HON. MEMBER: Puffball.

MR. HLADY: No puffballs on this side.

Over the past week, Mr. Minister, I have met with students and teachers that are genuinely concerned for the future of the education system. I believe that some organizations are continuing a campaign of misinformation that does not really have the students' interests and their futures at heart. These students require the real facts about the effectiveness and costs of the current system and the facts as to the need for a more efficient method of delivering quality education to the students of this province. My question is: how does the minister plan to curb the spread of misinformation to the public and emphasize the debilitating costs of the education system as it stands today? [interjections]

MR. SPEAKER: Order. [interjections] Order.

The hon. Minister of Education. [interjections] Order. Time is flying, hon. members.

MR. JONSON: Mr. Speaker, I think it is certainly important that accurate information be provided . . . [interjections]

MR. SPEAKER: Order on both sides of the Assembly. The hon. minister of agriculture doesn't have to be commenting and neither do the hon. members on my left in the front row.

MR. JONSON: Mr. Speaker, certainly it is important that accurate information be provided through the schools of the province. As I have indicated, first of all we have in the province a professional organization, the Alberta Teachers' Association, which has a disciplinary process to deal with matters of unprofessional conduct. I think, as I said, that is a route that can be pursued if it is thought that inaccurate information has been deliberately provided with respect to this whole process. I know the vast majority of teachers overall in this province are very professional in their outlook. They know that process is there. They want to be regarded as professional people, and they would not in any way abuse their position and their responsibilities in the school. Secondly, the Alberta school boards of this province, I know, take their responsibilities as employers very, very seriously, and they, I'm sure, would take measures to make sure that accurate information is provided through the school system.

2:00

MR. SPEAKER: Supplemental question.

MR. HLADY: Thank you, Mr. Speaker. My supplemental to the Minister of Education. Understanding that the roundtable discussions are continuing through the public all around the province, where does the minister see the decisions on individual program cuts being made: at the school board or department levels?

MR. JONSON: Mr. Speaker, first of all, with respect to the level of Alberta Education we have taken a leadership position with respect to the overall need to curb spending and to deal with the challenges facing us. The staffing levels of Alberta Education are now at their pre-1971 levels. We have made a significant reduction in spending through Alberta Education during the past year, and we are continuing to look at efficiencies within our own operation while still being able to perform those important functions of evaluation, providing curriculum, and providing overall strong direction as far as education in the province is concerned commensurate with our responsibilities for education as a provincial government.

Secondly, Mr. Speaker, we are very concerned and are looking at the overall direction in terms of the way we can provide additional efficiencies in the system, and that we will continue to pursue as we move towards making decisions. Certainly, as I've indicated, we are looking very, very carefully at the input that's being provided, summarizing it, picking out the general directions and recommendations that are being made so we have this as guidance as we go about the decision-making process.

MR. HLADY: My second supplemental. A former Education minister has proposed the complete elimination of the Department of Education. Will the minister seriously re-evaluate the role of the department and consider dramatic downsizing?

MR. JONSON: Mr. Speaker, certainly the role and increased effectiveness of the Department of Education is part of our consideration as we go about consulting and making decisions for the future direction of education in this province. I think that the former Minister of Education that is referred to would know that the education systems which produce results, are responsive, and provide a top quality of education are those where the government in charge, the provincial government, provides strong direction, good support to the school boards and to the schools across the jurisdiction they're involved in.

Access to Information

MR. DICKSON: Mr. Speaker, on October 30 the all-party panel on access to information received advice from Mr. Ralph Nader, the distinguished consumer advocate. Mr. Nader asserted that people doing business with the government should expect to be doing business in public. He argued, and I quote, that sunlight is the best disinfectant; secrecy breeds fraud and it breeds abuse. This opposition wants that sunlight too. My question to the Deputy Premier: will the Deputy Premier today commit that his government will make full disclosure of any expenditure of Albertans' tax dollars?

MR. KOWALSKI: Mr. Speaker, in this democracy there are 83 men and women who are elected in this Assembly. The government has introduced a Bill called Bill 1, Access to Information and Protection of Privacy Act, 1993. In addition to that, there is a committee of this parliament, this Legislature, out talking to individual people in the province of Alberta. I think it would be most undemocratic if this individual were to presume what the recommendations will be of the public consultation and what the wishes are of the people of Alberta and in fact taint in any way the very legitimate process that's now before all of the people of Alberta. I think it's incumbent upon all of us to listen to what the consultation is, to await the recommendations from the report, which is an all-party committee that's out consulting with the people of Alberta. There will be a full and fruitful debate in this Assembly before second reading is accepted, and we'll be looking at it in committee, and we'll be looking at it in third reading as well.

MR. SPEAKER: Supplemental question.

MR. DICKSON: Thank you, Mr. Speaker. I was talking about voluntary disclosure.

Will the Deputy Premier forthwith bring into the sunlight full information on the six or seven loan guarantees that have been committed to and release any information on the NovAtel-backed loans that are still outstanding to United States cellular phone companies?

MR. KOWALSKI: NovAtel has been reviewed by no less a person than the Auditor General of the province of Alberta. A full report has been made public, Mr. Speaker, and that report is before this Assembly. There are opportunities before the Public Accounts Committee to review any and all past activities with respect to NovAtel.

Secondly, Mr. Speaker, the hon. gentleman talked about six or seven loan guarantees that are before the public of Alberta. Since June 15 of 1993 the only guaranteed loan that has come to the attention of the cabinet of this particular province is one dealing with Beatrice Foods, and the only reason it came before the cabinet is that the recommendation brought to the cabinet by the Agricultural Development Corporation was for a \$2 million loan, a guaranteed loan. The current legislation says that anything above \$1 million has to come to the attention of cabinet. It was a recommendation of the board of directors of the Alberta Agricultural Development Corporation. No other loan guarantee has come to the attention of the cabinet of the province of Alberta since June 15, 1993.

MR. DICKSON: Will the government bring into the sunlight this week the 1992-93 supplementary accounts, the report from the

Alberta Reorganization Secretariat, and the public review of the heritage savings trust fund?

MR. KOWALSKI: Mr. Speaker, in terms of the information I provided to the hon. gentleman in the last two questions, my understanding is that now he has come into the sunlight himself with respect to understanding where we're at. It's my understanding that the Provincial Treasurer will very soon be receiving the heritage savings trust fund committee review, but I think the Provincial Treasurer should supplement the answers.

MR. DINNING: I appreciate the hon. member's interest in sunlight, but I would ask him to reflect – that's pretty good, eh? – on the fact that since December 15 this government has brought forward the consolidated financial statements of the province. It has brought forward a budget. It's brought forward the Auditor General's report and recommendations and a response to those recommendations, a budget roundtable on March 29 and 30, the Financial Review Commission on April 5, which was implemented in the May 6 budget. In July we brought forward to the sunlight changes to our budget so as to stay on track. On August 19 we brought forward the quarterly report. On September 8 we brought forward the consolidated financial statements for '92-93, never having brought them forward as early as we did. Finally, the full public accounts of the province of Alberta were filed in this Assembly in the last week of September. That has never been done before, Mr. Speaker, and we are fulfilling our obligation, our commitment to be open and accountable with all of the facts to all Albertans.

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

Education Funding

(continued)

MRS. FORSYTH: Yes. Thank you, Mr. Speaker. My question today is to the Minister of Education. I have in my possession a newsletter from the principal of a Calgary junior high school, which I would like to table in this House. I find the contents of this newsletter highly political, very inflammatory, and factually incorrect. Is it correct, as alleged in the letter, that the Calgary board of education will be unable to deliver courses in band, drama, choral, health, personal living skills, guidance, and physical education?

MR. JONSON: Mr. Speaker, as I have indicated, we are in the process of widespread consultation across this province about future directions and future funding for education. We are going to carefully summarize, evaluate, and look at the directions for education provided from that overall information-gathering process. As I have indicated repeatedly in this House, there have been no cuts to education funding K to 12 in this province. The programs that have been referred to by the hon. member have certainly not been cut through funding by Alberta Education.

2:10

MR. SPEAKER: Supplemental question.

MRS. FORSYTH: Yes. Thank you. Is it acceptable for a principal in the Calgary public school system to send out such a newsletter?

MR. JONSON: Mr. Speaker, I'm sure that teachers, school administrators, school boards in this province, students, the general public, parents, and members of this House are very interested in there being accurate and responsible information sent to students. In response to a previous question today, I outlined that if there are concerns that this has not been the case, there are avenues that can be pursued to deal with it.

MRS. FORSYTH: If the minister can't stop the misinformation, how can Albertans find out accurate information on this important topic?

MR. JONSON: Mr. Speaker, there are avenues through the teachers' professional organization and there are avenues provided for in the policy setting and the expectations of school boards in this province, who are the employers, to deal with matters of this particular type.

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

Liquor Control Board

MS LEIBOVICI: Thank you, Mr. Speaker. Last week we saw this government sidestepping and correcting its former interpretations of its own labour laws with regards to its ALCB employees. At the same time, the Minister of Labour said that no one member brings forward an initiative without consulting his or her colleagues around the caucus table. My question is to the Minister of Labour. Why did it take you two months to figure out that even this government is bound by its own successor rights legislation?

MR. DAY: The question is ridiculous, Mr. Speaker.

MS LEIBOVICI: Well, my first supplemental is also to the Minister of Labour. Is it going to take you another two months to figure out that it's illegal to force part-time employees into a situation where they must accept casual employment or receive no UIC benefits?

MR. DAY: That question is even more ridiculous, Mr. Speaker.

MS LEIBOVICI: And my second supplemental is to the Minister of Labour. I'm sure the ALCB employees would like to know that you are thinking they are ridiculous. At the caucus table will you now demand a moratorium on this ill-conceived, ridiculous attempt to privatize the ALCB until all outstanding employee rights' issues are addressed?

MR. DAY: If I can get back to some basic grammar: ridiculous, ridiculous-er, ridiculous-est.

Religious Education

MR. BRASSARD: Mr. Speaker, like many Albertans and Canadians, for that matter, I received my primary and secondary education within the separate school system. I was therefore very concerned with the rumour that the separate and public school boards and systems, for that matter, may be amalgamated as a cost-saving measure. To the Minister of Education: is such an amalgamation being considered?

MR. JONSON: Let me emphasize, Mr. Speaker, that the government of Alberta recognizes the provisions currently contained in the Constitution with respect to the right of the religious minority

to form a separate school jurisdiction. We recognize that that was part of the Northwest Ordinances. It was established in the British North America Act as part of Saskatchewan and Alberta joining Confederation in 1905. It was included in the Constitution Act of 1982. The government respects that provision and has never varied from our commitment to respecting that provision.

MR. BRASSARD: Does the minister have under consideration any joint administrative programs that could result in cost efficiencies without compromising course content and delivery, such as payroll, et cetera?

MR. JONSON: Mr. Speaker, certainly we have encouraged school boards to look at efficiencies that might be achieved through sharing services, sharing administrative functions. I understand – and I would commend school boards in the province for this – that they are already looking at, if they have not already achieved, certain efficiencies, certain improvements by amalgamating services, public school boards with public school boards, separate school boards with separate school boards. I think also that there are some considerations to sharing of services between separate and public school boards while, I would like to emphasize, maintaining the Catholic identity of the separate schools that might be involved.

MR. BRASSARD: Finally, then, Mr. Speaker, in that religious teaching was identified for consideration in the discussion workbook, can the minister assure me that religious study within the separate school system will not be compromised by budgetary dictates?

MR. JONSON: Mr. Speaker, I would like to first of all correct the hon. member in that there was no reference as I recall in the workbook to religious teaching as such. There was reference to religions studies. We do have in the province, along with the other 600-plus courses of study that are approved either locally or provincially for presentation in our schools, a number of courses which deal with the studies of particular religions. That was on the list for consideration in terms of its priority.

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

Liquor Control Board Privatization

DR. PERCY: Thank you, Mr. Speaker. For a government that prides itself on having street smarts and business sense, the privatization of the retail side of the ALCB has been both a planning and fiscal disaster: no public consultation, no debate in the Legislature, no effort to co-ordinate with local governments on zoning issues. An industry that generated over \$400 million in government revenues was dismantled without a plan. My question is to the Minister of Municipal Affairs. It has now been two months since you introduced and enacted the privatization of the retail side of the ALCB. When will you introduce a business plan that clearly sets out the rules of the game so the private sector knows what's going to happen rather than lurch from policy fiasco to policy fiasco?

DR. WEST: Mr. Speaker, we have continuously released information to the private sector, the business sector, and other Albertans that were interested. Some 8,000 actually were interested in looking to see what we were doing. As recently as October 21, '93 – and I'd like to table this at the present time. It's a package that was sent out with all the ins and outs of the business. This is

the second or third update that's gone out. I'll just table that here today so there's no mistake that we have been communicating.

MR. SPEAKER: Supplemental question.

DR. PERCY: Thank you, Mr. Speaker. My question is again to the Minister of Municipal Affairs. Can you assure this House that the flat tax system for wholesale alcohol pricing that the ALCB will introduce will generate at least the same net income for the province while not leading to large price increases? We've heard estimates of at least 25 percent increases in retail prices.

DR. WEST: Mr. Speaker, if and when a flat tax comes in, it will be revenue neutral. So the answer to the question – I think there were several questions – is: yes, we'll guarantee the revenues to the province.

Secondly, if you understand a flat tax versus the ad valorem markup that we have now, that we have discounted 6 percent, the flat tax will cause compression in all of the products whether it's wine or whether it's spirits or whether it's beer. So high-priced products will come down and lower priced products may move up, some of them. Some of them will stay flat. The total effect of a flat tax is a pretty fair system that will see prices of the high-range products fall dramatically so that people who have always wanted to buy perhaps a higher priced wine will be able to afford it and will have a smaller or marginal effect on the lower priced lines. Therefore, the answer to your question is: it is not going to drive up the average overall prices of alcoholic beverages.

MR. SPEAKER: Final supplemental.

DR. PERCY: Thank you, Mr. Speaker. I hadn't realized the government was so concerned about high-income drinkers.

Will the minister table in the House the economic analyses and business plans that lead you to be so confident and so sure that Albertans will continue to get at least the \$400 million in net revenues from alcohol sales in light of the fact you might have lost already \$85 million in the sale of the assets and the leases of the ALCB?

DR. WEST: Mr. Speaker, we couldn't have lost \$85 million on the sale of the leases and the stores if we had given them away. I will not stand here and say that we'll deliver \$400 million because we're going to deliver a lot more than that.

MR. SPEAKER: The hon. Member for Calgary-McCall, followed by Sherwood Park.

2:20 **Advanced Education Programs**

MR. SOHAL: Thank you, Mr. Speaker. In our province we have an elaborate and extensive postsecondary education system that is second to none. My constituents, like all Albertans, are concerned about maintaining quality education, but they're also concerned about costs. I understand that universities in other provinces are moving towards bringing in new programs on a cost-recovery basis so that new programs are available to serve a need but at no cost to the taxpayer. My question is to the Minister of Advanced Education and Career Development. Has the minister considered adopting a similar approach?

MR. ADY: Mr. Speaker, in our system we have private and public education, and both of them contribute in a significant and positive way to higher education in this province. In the public

sphere students are subsidized somewhere between \$9,000 and \$10,000. In our system society pays that cost of our students' education because of the benefit that society receives from a well-educated work force in this province and in our society. Our current tuition fee policy does allow new programs to be implemented on a cost-recovery basis as long as it meets the criteria of the tuition policy. Programs offered off campus, however, in our system are not subject to these constraints, and institutions can offer new programs on a cost-recovery basis. We're seeing this trend occurring now with the new MBA program that's being offered by Athabasca University in our province today.

MR. SOHAL: My supplementary is also to the Minister of Advanced Education and Career Development. Obviously some of our programs are very expensive to offer. Law, engineering, and dentistry come to mind. Would it not be better to spend our limited education dollars by consolidating and eliminating some of these programs where we have them duplicated in different institutions?

MR. ADY: Mr. Speaker, the hon. member is quite correct that some programs are obviously more expensive than others to offer, but let's be clear: we're not going to eliminate programs just because they're expensive. We have a very elaborate and extensive educational system for adult learning in our province. It costs the taxpayer something in excess of \$1 billion annually to maintain it. One of the areas we are examining, however, in our consultation process is the sharing of information on how we can achieve greater program harmonization so that savings can be achieved and quality won't be jeopardized.

MR. SPEAKER: Final supplemental?

MR. SOHAL: No. Thank you.

MR. SPEAKER: The hon. Member for Sherwood Park.

Waste Incineration

MR. COLLINGWOOD: Thank you, Mr. Speaker. This government has abandoned its plan to allow for the operation of regional hospital incinerators and in doing so has forced affected hospitals to transport biomedical waste to the Bovar Biomedical Services plant at Beiseker. With this change in policy, these hospitals are concerned about the creation of a monopoly in place of free enterprise, the need to landfill general nonbiomedical hospital waste when the incinerators close, and the loss of revenue in some cases from activities such as steam generation. My first question to the Minister of Environmental Protection: why was so much money wasted in developing the regional incineration policy and building those incinerators when the minister knew or should have known that those facilities would not be entitled to a licence renewal under the new CCME guidelines?

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

MR. EVANS: Thank you, Mr. Speaker. My hon. colleague the Minister of Health may wish to supplement my answer. Certainly we've had incinerators at hospitals for many, many years. The new guidelines under the CCME, Canadian Council of Ministers of the Environment, have recommended some very stringent controls on hazardous and biomedical waste coming from hospitals. With that as a backdrop, we've had the Bovar facility created.

Now, what we are doing right now is working with our hospitals in terms of the licences that they have now and also trying to identify what the requirements will be at the time their licences are renewed. However, the hon. member does refer to general waste, waste that is neither biomedical nor hazardous. That is an issue that we will continue to work on with the hospitals because we want to ensure that the province has an efficient means of dealing with general hospital waste as well as those more serious and more health-concerned waste, if I can use that term.

MR. SPEAKER: Supplemental question.

MR. COLLINGWOOD: Thank you, Mr. Speaker. To follow up, then, given that the minister has stated in this Assembly that landfill is not where we want general waste from a hospital to be disposed of, can the minister tell these hospitals what they should do with the general hospital waste when those incinerators close?

MR. EVANS: Well, the easy answer to that, Mr. Speaker, would be that the waste could be transported to the hazardous waste biomedical waste facility at Beiseker, but that is not the only answer, as I mentioned in my first response. We are working with hospitals to try to determine whether it's possible for hospitals to segregate their waste, and if there is a waste stream of general waste that can be dealt with, we have to determine whether or not that can be dealt with in those hospital regional incinerators or whether in fact there's another method that should be used. We're open to suggestions.

MR. SPEAKER: Final supplemental.

MR. COLLINGWOOD: Thank you, Mr. Speaker. Again to the Minister of Environmental Protection: in the event that a regional hospital wishes to upgrade its incinerator to meet the CCME guidelines at its own expense, will the minister revert to the previous regional facility policy and grant that hospital a licence to operate that facility?

MR. EVANS: Well, Mr. Speaker, the cost of upgrading is a significant expense. That's why the entire concept of having the Beiseker facility came to be. Costs for upgrading, of course, would be part of a hospital budget, and that requires funding from the provincial government from my hon. colleague the Minister of Health. I do not believe it is likely that hospitals would choose to focus on upgrading of hospital waste facilities given the other priorities that hospitals have, but certainly it's up to them to decide whether or not they wish to upgrade, can find the funds to do it, and can be consistent with the guidelines under the CCME.

MR. SPEAKER: The hon. Member for Little Bow, followed by Redwater.

Crop Insurance

MR. McFARLAND: Thank you, Mr. Speaker. It's been six months since farmer producers signed up to elect crops that they would like to have covered under their own crop insurance programs for this crop year. Now that harvest is nearly completed throughout the province, would the minister please give us a status report on the crop and revenue insurance levels for this crop year?

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

MR. PASZKOWSKI: Thank you, Mr. Speaker. Yes, I would be most pleased to give an update on the status of the crop this year. Under general conditions throughout the province we've had a generally good crop. We are looking at a record crop as far as quantity is concerned, not so good as far as quality is concerned. We are looking at probably 19.5 million tonnes, which reflects from a normal of about 15 million tonnes, so it is a substantively larger crop than what we have had in the past. Unfortunately, there are pockets in the province that haven't fared that well as far as weather is concerned. There is still a little bit of harvesting to be done, quite a bit of poorer quality, particularly in wheat.

The GRIP payment will be triggered approximately the middle of November of this year. To date about \$3 million has been covered by crop insurance and adjustments that have been made, and the anticipation is that approximately – and this is an approximate figure – \$120 million will be triggered as far as GRIP is concerned.

MR. SPEAKER: Supplemental question.

MR. McFARLAND: Thank you, Mr. Speaker. Could the minister also provide a brief summary report of the final payments for the 1992-1993 crop year under gross revenue insurance?

2:30

MR. PASZKOWSKI: Yes, Mr. Speaker. The 1992-93 final payment will be made approximately sometime in the last week of December of this year, the first week of January. As you know, the payouts are distributed in three payouts. The first one is made in November, and that one's approximately 35 percent of the total. The second is made sometime in March, April, which constitutes about 40 percent of the total. Then the final is made in late December of the year, early January, and that constitutes the final 25 percent of the total. This past year was indeed a very difficult year and one that has triggered a substantive amount of money in payouts, roughly slightly under a half a billion dollars.

MR. SPEAKER: Final supplemental.

MR. McFARLAND: Thank you, Mr. Speaker. Since the farmers must give three years' notice to cancel out of their own insurance program, will the minister advise this Assembly how the 1993-1994 levels of insurance compare to the first two years in the revenue insurance program, please?

MR. SPEAKER: The hon. minister.

MR. PASZKOWSKI: Thank you, Mr. Speaker. The first two years were triggered by fairly high payouts, and it would appear that this will be by far the best year. As a result of the first two years, there was a deficit of roughly \$247 million that was set against the gross revenue protection fund. It is anticipated that as a result of this year's substantive crop, which will trigger some payment although lower in quality, indeed the fund should be in a surplus position when the year is over.

MR. SPEAKER: The hon. Member for Redwater.

Health Services for Native People

MR. N. TAYLOR: Thank you, Mr. Speaker. Since the implementation of the Canada Health Act in 1975, Alberta's First Nations people have had to rely on the provincial government to provide the level of health care services to which they are entitled

according to their treaties. Now, the province has let them down, because our First Nations people are in desperate need of better and fairer access to Alberta's health care system. My first question is to the minister responsible for native affairs. Why has the minister neglected to see that the level of preventive and active health care services required by our native people are so bad that they have to live in conditions which approximate that of Third World countries?

MR. CARDINAL: Mr. Speaker, as I've indicated to this Assembly a number of times in the past five years, a lot of the poverty situations native people continue to live in is hinged on the welfare system as one area that needs to be changed. I know this minister is working on that.

In relation to the health issue with the aboriginal people, Mr. Speaker, we are on an ongoing basis working with the aboriginal groups. For an example, Treaty 8, which covers I believe over 20 bands in northern Alberta: we just signed a memorandum of an understanding with that particular group which includes dealing with specific issues such as the health care. We are also working with Treaty 7 in a number of areas of that nature.

I think I'd just like to indicate to the Assembly that this government works very hard to make sure that there are positive changes in relation to aboriginal issues, Mr. Speaker. We've recently, in the past number of years in fact, settled major land claims which deal with economic issues, health care, social services, and so on in a positive manner; 170,000 acres of Crown land has been transferred to the federal government and in turn to aboriginal groups – \$50 million from Alberta and \$145 million from the federal government. I think we are moving in the right direction then.

I'd just like to add one more point that is very, very important. I am working very hard right now and will be announcing in the near future changes as to how we can move forward in a more advanced way of representing aboriginal groups within Alberta, within my department.

MR. N. TAYLOR: Mr. Speaker, our native people aren't in land claims, nor are they interested in welfare; they're just interested in justice and a fair share of their health services.

Maybe I could go to the minister then. She might be more up to date on this. Is the minister aware that there are 20 Alberta nonnative communities with a population of less than 1,000 that have a hospital? On the other hand, there are 12 First Nations communities with a population of more than 1,000 and not one hospital in the whole works. Why is that?

MRS. McCLELLAN: Well, Mr. Speaker, I am quite sure that the hon. member is aware that anything that is under treaty is the responsibility of the federal government of Canada and Health Canada. Nontreaty aboriginal peoples we provide services to. I should also tell the hon. member that we have a native health committee within the Department of Health in Alberta. We've been working very closely with a number of these, particularly northern communities. In fact, I had the opportunity to visit, through the good work of my hon. colleague, some of the northern communities in the back lakes to talk about their health needs.

Interestingly enough, Mr. Speaker, they would like their health needs resolved on this basis: with their input, not this minister coming out and saying, "This is how we should serve your health needs." They brought forward some very good suggestions as to how to answer the challenges that they have in serving the needs of their people, particularly with some cultural areas of concern. I believe that we are well on the way, with the help of the MLAs in the area, to meeting the health needs of those communities.

We'll continue to work with our federal counterparts to ensure that all of the health needs of native people are met in the way that is best suited to their way. A hospital may not be the proper or the correct or the more useful to some of those communities. A health centre can incorporate the cultural needs of their community as well as our more traditional ways. So I think that by working together, we're quite confident we will meet the health needs of our native people.

MR. N. TAYLOR: Mr. Speaker, that's hypocritical cant. These people are citizens of Alberta and should be treated the same as everyone else and not as second rate.

I'd like to pass the question on to the hon. minister in charge of human rights. What is your department doing, Mr. Minister, to see that these people get the same fair treatment that nonnative people get in this province?

MR. MAR: Mr. Speaker, as the minister responsible for human rights we're greatly concerned about the plight of all Albertans with respect to human rights. Certainly it's something that we've talked about with the Minister of Health, we've talked about with the minister responsible for social services. I can assure you that natives in this province are dealt with fairly and in a proper manner in accordance with federal legislation and provincial legislation.

MR. SPEAKER: Order. The time for question period has expired.

The hon. Member for Edmonton-Rutherford on a point of order.

Point of Order Decorum

MR. WICKMAN: Thank you, Mr. Speaker. I'm going to be referring to four different sections in *Beauchesne*: sections 408(2), 417, 416, and 410(4). To begin with, when I look at section 416(1), I recognize first of all that a minister can "decline to answer a question without stating the reason." I recognize that.

I look at *Beauchesne* 417 and 408(2), which are identical. "Answers to questions should be as brief as possible." Certainly it was brief. "Deal with the matter raised." It didn't deal with the matter. "And should not provoke debate." Well, that's questionable as to whether that would provoke debate or not. People watching on Access TV would certainly have something to debate.

The most important point that I refer to is 410(4), which talks in terms of the fact that television has now been entered into Parliament and the various provincial parliamentary Assemblies. It states very, very straight on: "in the view of the watching public, decorum is of importance." "Decorum is of importance" would imply to me a certain conduct when a question is being answered. For someone sitting back watching on television the minister from Red Deer-North's response – as to whether decorum was of any importance to him, I would say no. I would say that the nature of the answer, the response given was arrogant, it was irresponsible, and it had absolutely no respect for this Assembly. Decorum must be maintained, Mr. Speaker, and you emphasized that on many, many occasions. Decorum must be maintained, and for the member to stand up and reply like he did, in the fashion he did is an insult to the member asking the question, an insult to this caucus, and an insult to all Albertans watching, including those in Whitecourt.

2:40

MR. SPEAKER: Order please. The hon. Member for Edmonton-Rutherford also has a way with words, but the Chair does not find

that the use of the word "ridiculous" in describing a question is unparliamentary, nor does it affect the decorum of the Assembly.

Privilege

Admission of Guests to the Gallery

MR. SPEAKER: Before calling Orders of the Day, the Chair wishes to deal with the matter raised last Thursday when the hon. Member for Edmonton-Centre rose on a point of privilege. The hon. member stated:

The substance of my question of privilege is that earlier this afternoon I met with four individuals in my office, and they asked if they could come and view the proceedings this afternoon. I arranged for passes to be available for them, and when they actually came to be seated in the public gallery, they were refused admission.

The Chair really has no control over whether hon. members stay in the Assembly or not, but this is the only time of the day that we deal with these things, and these things should be dealt with in a timely way.

He finally said, "I believe that restricts my ability to operate effectively as a member."

The Chair has made inquiries of the security staff through the Sergeant-at-Arms. The security person who was at the desk outside the galleries reports that that member's office called visitor services at approximately 1:30 and asked for seven passes to be made up for certain individuals for entrance to the public gallery. This was done. Five minutes later the member's office again called visitor services and canceled three of the seven passes. After that no one came to collect any of the passes.

SOME HON. MEMBERS: Shame, shame.

MR. SPEAKER: Order, hon. members.

At the end of question period the passes were torn up. The Chair is in possession of the passes and the names of the individuals who were to be admitted. Security staff at the main doors of the Legislature Building report that the persons who were to receive these passes were not denied entry at the main doors. In fact, four persons who may have been the students were admitted upon the word of the Member for Clover Bar-Fort Saskatchewan. Passes had also been arranged for these four people through visitor services, and the passes were collected and the persons admitted to the gallery. Again the Chair is in possession of the names of all the individuals concerned. The Chair is satisfied that had the guests of the Member for Edmonton-Centre appeared to collect their passes, they would have been admitted to the public gallery. The Chair is also satisfied that these persons were not denied entry. The Chair expresses its appreciation to the security staff for their prompt reporting on this matter. Therefore, the Chair finds that a prima facie case of privilege does not arise.

head: **Orders of the Day**

head: **Government Bills and Orders**

head: **Second Reading**

Bill 17

Family Life and Substance Abuse Foundation Act Repeal Act

MRS. MIROSH: Mr. Speaker, I rise to move second reading of Bill 17, Family Life and Substance Abuse Foundation Act Repeal Act.

MR. MITCHELL: Mr. Speaker, we don't need to apply a lot of time to this debate. I will say on behalf of my caucus that we

support this Bill. I would simply like to make a couple of comments, and they might fall under the category: I told you so.

This Bill we are supporting because it rectifies the problem that we knew it would create in the first place. We adamantly opposed this Bill in the first place for a couple of reasons. The most important reason was that it was simply unnecessary bureaucratic duplication. We were always struck by the fact that this so-called right-wing, fiscally responsible Conservative government would actually bring in a Bill with such a flourish that would duplicate the activity, in this case, of AADAC. AADAC is a very, very capable organization, has been very, very effective, and everything that was designed for the family life and drug abuse foundation could easily have been handled by AADAC.

The second reason that we opposed it then and now of course support its repeal is that it's premised on a very, very limited, I think patronizing, view of families in this province. In fact, Mr. Speaker, the kind of premise upon which the family life portion of this foundation was based I think really denies the lot of many families in this province. There are few families that meet the Conservative test of two married parents with several children, one parent staying at home to, quote, unquote, raise the children. In fact, our family structure in this province is much, much more complex than that, and in a sense this patronized the many people who have perfectly strong families that operate in different ways or people whose families simply cannot or do not measure up to that particular model of family because of circumstances well beyond their control.

For just one brief moment, Mr. Speaker, I would like to underline the vehemence with which this government supported the duplication of bureaucracy in those days when they presented the Bill that in fact established the family life and drug abuse foundation. I don't want to pick on any given member particularly, although the argument made by the current Minister of Energy is very, very telling. "I'm very much in favour of Bill 35, the Family Life and Substance Abuse Foundation Act," she began her comments with.

I was absolutely shocked at what we heard and . . . saw. I would suggest that if you're under any illusions, go on the trek in Calgary.

Go and look at the needle exchange. Follow it around.

The point she was making was that there was a serious problem with respect to drug abuse, and ultimately the only way to solve this problem was to set up this family life and drug abuse foundation. I quote again.

I really support this Bill, and I'm absolutely shocked that anybody would not support it and would turn their back on it, because this is an absolute need within our society.

Then I go on. This is in response to those on this side of the House who argued against the original Bill.

People were saying: "Oh, we don't have a big enough problem.

AADAC can handle everything." Dream on, kids. This is 1990.

In fact, it was 1991.

We have a problem, and this is one of the solutions.

Mr. Speaker, my distress at having to debate this Bill at all relates back to June 10, 1991, that the Bill that this Act now repeals was ever implemented in the first place. It was so obvious that it was redundant. It was so obvious that it was a waste of money. It was so obvious that it was a duplication of bureaucracy, that it was absolutely unfounded that this government and its private members and its front bench would ever have proposed it, let alone have supported it. After who knows how many thousands of dollars wasted in setting up that structure, which was nothing more than a duplication, here we are, having wasted how much management time? How many people's lives, who once worked for AADAC and then went to the family life and drug abuse foundation, have been dislocated because of what was an ill-

conceived, poorly thought-out, and absolutely unnecessary piece of legislation in the first place?

Having said that, Mr. Speaker, we're happy that they're finally repealing it, and we support it.

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

HON. MEMBERS: Question.

[Motion carried; Bill 17 read a second time]

2:50

Bill 18
Industrial Wages Security Act Repeal Act

MR. SPEAKER: The hon. Minister of Labour.

MR. DAY: Mr. Speaker, thank you. This Act also is in line with the government's intent to reduce and in fact remove areas of legislation that are redundant or duplicate other areas of legislation. That's basically what this Act does. The provisions that are covered as the Industrial Wages Security Act now stands are actually provided for in other areas. This Act used to, or still does while it's in place, require employees in the forestry and the logging industries to post security. It also provided for an exemption for certain companies if they wanted to apply for that. The considerations that are covered in the Industrial Wages Security Act are now covered in a number of other areas, including the Employment Standards Code.

Just as background for those who may be interested, the concept of security for wage protection is one which the government of Alberta has espoused for many years. In fact, this goes back as far as the coal miners' wages protection Act, 1928. In 1942 the Act added lumbering as a designated industry. It was in 1985 that this Act was amended to remove the coal mining industry from that requirement to post security and also gave the minister flexibility to exempt certain lumber industry operators from posting wage security. So the original intent of the Act back in 1928, which was for the coal miners' wage protection, was actually removed in '85 because those provisions were covered in other Acts. Therefore, it was deemed redundant and duplicative in nature.

Just by way of statistics and information, as of June 30 of this year there was approximately a million dollars in security being maintained by Alberta Labour. That affects about 250 operators. Also, about 100 exemptions from posting security have been granted. That in itself has been an administrative process that takes a lot of time and a lot of resource on the part of government.

Also, for interest's sake, an average of 75 individual employee complaints are investigated and resolved annually in terms of forestry operations. All of those are resolved without the necessity to realize on the security. Most general contractors also retain a holdback of subcontractors' funds. Actually, in several instances third-party demands have been issued to secure funds for the payment of wages to employees. So we see very little evidence to indicate that the posting of security is a significant factor in either the number or the resolution of employer-employee disputes in the lumbering industry.

Also, it might be of interest to note that employees in the lumbering industry, failing all other things, can still file a lien on logs under the Woodmen's Lien Act. That's another area where these considerations are provided for; they can have the logs seized to pay the wages. The provisions of the Employment Standards Code, including wage recovery – and this is where the

duplicating, redundant part of it is – apply to all employers and all employees in the lumbering industry. Actually, in 1981 the wage recovery provisions of the code were significantly increased through third-party demands and orders of officers which can be registered as judgments. Then added to that, in 1988 we see the corporate director liability being introduced.

So the effect of repealing this Act is that it will enable the return of some of the posted security, and it takes care of the administrative costs of obtaining the security on these exemptions and really is, as I said at the beginning of my remarks, reflective of the mood to remove legislation that is either obsolete, redundant, or duplicated and has been replaced by legislation covered in a number of areas.

I'd welcome any remarks on these comments.

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

MS LEIBOVICI: Thank you, Mr. Speaker. I rise to speak to this Bill, and I would like to at the outset commend this government on attempting to get its legislative house in order. I think if there is redundancy in terms of legislation, the correct thing to do is to look at repealing those Acts that could potentially be redundant.

In terms of this particular Act it is my information that it relates only to the lumbering industry at this point in time, and the major feature is with regards to the form of security that's provided in terms of cash or a bond. As the minister has just outlined, it is also our information that it appears that the exemptions are more the norm in this particular industry with regards to exempting in terms of the cash or the bond.

In our research in determining whether or not we would support the repeal of this Act, one area was brought to our attention which provides for some concern, and that is that the legislation doesn't appear to have been vetted with any of the employee groups. One of the specific groups is the Alberta Logging Association. However, in our investigations with this particular association it appears that they are of the understanding that, again, the Act isn't being applied with the utmost, I guess, stringency and that in fact a large number of their members are subcontracted and are not affected through this. That appears to be the biggest concern, in terms of the lack of consultation with the employee groups. I think that unless I hear otherwise, we would be in support of this Bill.

Thank you.

MR. SPEAKER: The hon. Minister of Labour to close debate.

MR. DAY: I appreciate those remarks. I have a list of the groups consulted; that one I'd have to check and see how thoroughly that was done. I appreciate the input, and I would move for a second reading on Bill 18.

[Motion carried; Bill 18 read a second time]

Bill 11
Alberta Corporate Tax Amendment Act, 1993

MR. DAY: Mr. Speaker, I'm pleased to move second reading of Bill 11.

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

MR. CHADI: Thank you, Mr. Speaker. I rise today to speak in favour of this Bill. I do have some concerns though, and I would

hope that those concerns can be addressed. I agree with the contents of the Bill itself, but my concerns are with respect to whether or not we've looked into the costs involved in having the federal government collect the corporate income taxes from businesses in the province of Alberta or doing business in Alberta.

It would appear to me that when we originally set this up, we did it for a reason, and the reason at the time was to engineer economic activity in this province. I would imagine that we spent a fair amount of money setting up this process and putting the system in place. The amount that we have spent is something that concerns me. Why should we dismantle what we have built in the last 10, 12 years for the sake of having the feds do what they originally were doing? It would appear to me that the federal government would not be collecting corporate income taxes just for the sake of collecting them and handing back those funds to the province. I would hope that the Provincial Treasurer has indeed looked into how much it's going to cost us to have the federal government collect those taxes. Currently it's costing the provincial government a fair amount of money. Obviously, we have the system that we have in place and the employees that go with it and the infrastructure, et cetera. I suspect that the federal government is going to be wanting some dollars out of the collection of these moneys, and if that is the case, then I suspect that we should not be looking into making unnecessary changes now to have the federal government collecting these taxes.

3:00

My other concerns lie inasmuch as what do we do with the system that we have in place already? If we go ahead with Bill 11 and we do indeed allow the platform so that the federal government can collect the taxes, what do we do with the system that we have in place? Are we keeping it for any reason at all? Do we want to maybe sell off, or do we have the federal government utilize that system? I'm not sure just what has been transpiring in the negotiations between the federal government and the province.

So in support of Bill 11, I would like to say that indeed I for one would like to see us getting out of duplication, if you will. If the federal government has been doing it for a fair period of time and it's worked fine and we've indeed created another bureaucracy that can be done all with the one system that the feds have, then I'm in favour of it. My concerns of course lie in what do we do with the bureaucracy we already have in place, and how can we benefit from the ashes, if you will, once we've allowed the federal government to collect the taxes?

Those are my concerns for the moment, Mr. Speaker. Thank you very much.

DR. PERCY: Mr. Speaker, I rise to speak with respect to Bill 11. Certainly the effort to harmonize the corporate tax structure in the province with the federal government will have savings to the provincial government. My understanding is that it costs somewhere in the neighbourhood of \$12 million for the Alberta government to collect the corporate tax that was put in place in 1981, and 1981 was certainly a far different fiscal atmosphere in the province of Alberta than it is now. Certainly \$12 million is a nice windfall to have come back into the Treasury. It's interesting that when we did move to collect our own corporate tax beginning in 1981 there was never any effort in fact to use that as a mechanism to promote economic development. We really had the tool in place, but we never chose to use it, possibly on the grounds that it would have been seen as balkanization of an already highly balkanized economic union. Canada today does reflect a high

degree of balkanization relative to virtually any other federal state. So at the level of principle I think this is a worthwhile step.

With regards to two elements of Bill 11, though, I would like to pose questions for the hon. Provincial Treasurer. Bill 11 makes a change to section 43 of the Alberta Corporate Tax Act. This section allows the Treasurer now to extend the period of assessment of royalties payable a year beyond the four-year statutory limit specified in the Mines and Minerals Act. There's obvious concern on the part of some sectors that this extra year poses some significant problems to them, potential problems, just in terms of the potential costs of audits, the costs of keeping the record keeping in place, and this is sort of tucked in the Bill. I certainly would hope that the Provincial Treasurer would explain why, then, we're moving to this extra year. Is it indicative that there are certain problems in these sectors that we have to monitor over a longer time horizon? Is it just an oversight, perhaps like Bill 5 where there is one amendment too far? One might also have concerns whether the enhanced auditing function now will require additional appeal officers within the corporate tax administration. So section 43 of Bill 11 we do have some concerns with, because we would like to see the justification for that. With the principle of the Bill there are no difficulties on this side of the House, because we think it is a cost-saving move. It really does enhance the degree of harmonization on tax policy, which we think in this time is perhaps useful.

There's also one other area of the Bill that I think may pose some concern to individuals in that the Bill makes changes to section 52 of the existing Alberta Corporate Tax Act by imposing 10 percent of court costs in the event the court rules that an appeal launched by a corporation on tax payable is frivolous.

MR. DINNING: Section what?

DR. PERCY: Section 52. It basically sets up a penalty clause for those endeavours that are viewed as frivolous. Ex post, something may be seen to be frivolous once you have the penetrating insight of high-powered corporate lawyers detailing the flaws in the argument presented. Ex ante, individuals may in fact have thought they had a pretty compelling case till they were dissected on the floor. Just as in the House occasionally questions are asked which ex ante – we are thinking of the other side of the House – might appear soft, and ex post are confirmed to be soft. So it's in the eye of the beholder sometimes as to what is frivolous. It's not at all clear that there have been that many appeals launched that would warrant the introduction of this particular provision into section 52 of the Bill. Now, again there may be some merit in applying a penalty, but it really is a question of who defines frivolous. A corporation may in fact make an honest mistake with respect to the calculation of tax payable and appeal. Then, as I say, in the glare of analytical insights provided by lawyers, it's clear that they were dead wrong. That is quite a different kettle of fish than something that one might consider to be frivolous and just litigious to postpone paying taxes.

So with respect to Bill 11, it's enabling legislation; it provides the framework for the province to integrate with the federal government. In terms of changes that require some comment by the Provincial Treasurer, we'd like to see really the justification for the changes to section 43 and the issue of the assessment of royalties payable a year beyond the four-year statutory limit specified in the Mines and Minerals Act, because we would have thought that it would be sufficient just to keep the time line set out in the Mines and Minerals Act, and then this issue of frivolous in section 52. What constitutes frivolous, and why has that been

incorporated? Has there been a pattern of this activity? Certainly it's not required by the federal government.

These, then, represent our concerns with respect to Bill 11, the amendment to the Alberta Corporate Tax Act. Thank you, Mr. Speaker.

DR. NICOL: Just a few comments on this. Again, I stand to support the Bill, but I have a couple of concerns with it. Basically, it brings to question how the government is undertaking an Act right now that brings about such a change in the way that corporate taxes are going to be collected while they're in the process of undergoing the review of taxation to make us competitive, you know, to look at our competitive strategy in the world environment and also in the Alberta environment. Are there going to be any conflicts created between the goals of the Alberta government in taxation strategy with the federal corporate tax review? The idea that we have to deal with this undergoing right now while the federal election is on – there are a lot of changes that could be upcoming in the way the federal government is going to handle their initiatives, and how would these fit in with an Alberta strategy?

The other concerns that I had as I went through it I think have been touched on lightly already. It's the role of the appeals that are available and how the reassessment process works. Are we always going to be aligning these with the federal rule? Do they see it being based on just a certain percentage of the federal tax base? The idea that payment schedules could be changed: how would this affect the income to the Treasury, both in terms of the scheduling of it and in terms of the payment and the paperwork that's required at the corporate levels?

3:10

The final issue that I wanted to discuss a little bit was covered adequately by the Member for Edmonton-Whitemud, dealing with the frivolous appeal. It's basically here again a matter of a value judgment as to what constitutes the role that the adjudicators would have to play in determining what constitutes a frivolous appeal. In a quick review of the legislation, it doesn't seem that any kind of a concrete definition of this type of potential for abuse, a kind of threat to the corporate people filing their taxes could be prevented.

Basically, those are the issues that I wanted to raise. Thank you.

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

MR. DICKSON: Thank you, Mr. Speaker. As has been raised by the previous speakers, the provision of section 12 of Bill 11, the one that would amend section 52 to provide for the 10 percent payment by a corporation, is interesting. What I find curious about it is that this power can be utilized by a court even if there's no award of costs, and that strikes me as being a weird situation. I can understand if the government were to say: in the event that costs are awarded against the unsuccessful appellant, there may be some add-on. I'm not necessarily agreeing that that's appropriate, but it's a curious thing to me if the court were not to award costs, yet there's still a provision, then, of this additional penalty, which strikes me as being fairly extraordinary, at least in my experience in the courts. I'd be interested in knowing whether this has been applied in some other jurisdiction that has the same legal system we do, because to look at it on the face, that seems to be indeed a curious thing.

I'm perhaps not as concerned as some of my colleagues with the ability of the court to make an appropriate sort of judgment in

terms of when this extra penalty would apply or not and if it would be frivolous or not, but it seems to me there's a principle here which is significantly at variance with the law of costs. I haven't looked at Orkin on costs or whatever, but it's in my submission probably a reasonably unusual and irregular process. If the hon. minister in moving Bill 11 or some member opposite has got some explanation in terms of the source for this legislative wrinkle, I'd be delighted to hear it.

I think also I'd support the concerns raised by at least two other members earlier in addressing Bill 11. I think all Alberta taxpayers are keen to support efforts to economize, to support efforts to reduce government bureaucracy. I think there are questions that naturally surface in terms of what costs are projected and to what extent can we be satisfied that revenue generated is going to exceed the additional administrative cost. It seems to me in the past – and to be fair, I focus not just on this provincial government but other governments, federally and provincially – sometimes great ideas in practise translate into expensive, if not boondoggles, just extra added expense. That's something that neither my constituents nor I think the taxpayers of Alberta are keen on seeing.

I think changes to section 29 of the Act allowing the Provincial Treasurer to waive or cancel penalties and interest for the year 1985 and subsequent taxation years – it's a bit tough from my perspective to reconcile that, Mr. Speaker, with the focus of Bill 11, where we're trying to maximize tax revenue and increase compliance. So that stands out as something of an issue from my perspective.

I notice the provisions in terms of interest in Bill 11, and there's the provision in terms of calculation, section 2(1), which is substitution for the old section 1(4). I just make the observation, Mr. Speaker, over the wood pounding that I can hear opposite, that I wish governments were at least as concerned about communicating the way interest and penalties are calculated as they are in collecting it and doing the calculation. Just from a consumer perspective, from a taxpayer's perspective, I would be much more sanguine, much more comfortable with Bill 11 if I had some evidence that the government was as concerned with making sure we were being fair with corporate taxpayers as we were with simply being able to streamline costs and calculate tax. There is a reason why the federal Interest Act has been interpreted very strictly by courts, not only in this province but in other Canadian provinces, to require a fairly high threshold in terms of communicating interest calculation formulas to the consumer. I would hate to think that our provincial government is any less interested than the federal Parliament in making sure that corporate taxpayers' concerns are not lost.

While we want to see the Alberta Tax Reform Commission examine overall competitiveness, I just mention that we still have a concern that labour isn't represented on the Tax Reform Commission, and that continues to be a concern of mine.

I think, Mr. Speaker, those are the observations I wanted to make. Thank you.

MR. SPEAKER: The hon. Provincial Treasurer to close debate.

MR. DINNING: I'm delighted to be able to do that, Mr. Speaker, and I thank my hon. colleague for having moved the Bill for second reading.

May I just advise members of the Assembly that there are two basic reasons for bringing forward Bill 11. One is to provide the government with the ability to enter into an agreement with the federal government to have the federal government once again collect Alberta's corporate income tax. Our objective is to have

that done by the start of the fiscal year '94 or no later than the summer of 1994. The second thing, Mr. Speaker, is that the Act is brought forward to parallel changes that were contained in federal Bill C-92 – I know I've got the hon. member's captured, raptured attention over there, but I'm sure it'll come back sooner or later – which received Royal Assent on June 10, 1993, in the federal Parliament. What that did, believe it or not, was implement the provisions of the December 1991 federal Bill and the '92 federal budget, which affects taxation years back to 1990. That's the basic purpose and principle behind the Bill. Perhaps you'd permit me to answer a few of the questions, and I could provide greater detail when we get into committee study of the Bill.

The Member for Edmonton-Roper spoke of the costs of federal collection. I can advise the hon. members that the federal government will collect these taxes as they do for seven other provinces, free of charge. There is no payment to the federal government.

In the case of appeals and penalties, Mr. Speaker, instead of those coming to the provincial government, those will stay with the federal government, so that is their form of revenue. In fact, for the actual administration of the Corporate Tax Act and the regular collection of Alberta corporate income tax, there is no charge for that.

The Member for Edmonton-Roper spoke of those who remain. What are we going to do? Why don't we just dismantle the revenue administration altogether? In an ideal world, Mr. Speaker, we would all agree that that is an ideal, and some day I'll be able to stand in the Legislature and speak more at length on that very subject. We will continue in the revenue administration division to collect fuel tax, tobacco tax, insurance corporations tax, financial institutions capital tax, hotel room tax, and parimutuel tax. So there is still a role for revenue administration to play. However, there are people in the revenue administration area who are dedicated, more or less, to the corporate tax side. It is our hope, in the negotiations and discussions with Ottawa, that we will find a home for those people, because clearly there will continue to be a role for the tax auditors, those people who will, may I say, quote, go after, unquote, those who choose not to voluntarily fulfill their citizenship responsibilities to pay their taxes. We would hope that the federal revenue administration would see fit to employ all or at least a number of those people to ensure that Alberta corporate tax collection is maximized.

3:20

Mr. Speaker, the Member for Edmonton-Whitemud spoke of why we actually went into this, and I would remind the hon. member, as he well knows because he's so much older than I am, that when this was brought in, its intention was to be a bit independent of Ottawa and to use our tax system as a means of developing a greater economic potential, a greater economic growth in the province. In 1981 that was the objective, when corporate tax administration was established. The hon. member as an observer across the pond will also remember that it was about that time, shortly thereafter, that Alberta began to lose some of that fiscal might which it was going to use to steer in greater proportion the activities of the Alberta economy. So in fact what we became was more or less a tax collector, in some ways duplicating, in a number of ways perhaps duplicating, what Ottawa had been doing for us prior to that.

The Member for Lethbridge-East spoke of the Tax Reform Commission and why we would make this move in advance of the Tax Reform Commission. We believe, Mr. Speaker, whatever recommendations come out of the commission should live within the willingness of the federal government to collect corporate

income taxes in a way that would meet the test of the Tax Reform Commission which is: how do we establish the most competitive tax regime? I know the hon. member across the way and I both share in the desire to see greater economic growth in Lethbridge and district, southern Alberta, including Calgary, indeed all of Alberta.

MR. TRYNCHY: And Whitecourt.

MR. DINNING: Even the hon. Member for Whitecourt-Ste. Anne, despite the robust activity that occurs in his constituency, still wants to see more. I applaud that kind of initiative. That should be a given.

Mr. Speaker, perhaps we will stand before this Assembly someday and move a Bill that sees not the federal government collecting taxes but perhaps the likes of a national revenue commission, separate and independent from the administration in Ottawa, one that would see equal partnership by all governments across this country in having taxes properly collected.

The hon. members across the way also spoke of section 43 and section 52 of the Bill. Mr. Speaker, I would advise the hon. members, with respect to section 43, in the event there is an adjustment made as it relates to the Alberta royalty tax credit or other adjustments that could happen in a year that allows our taxation ability to affect those alterations, what we're asking for is the additional year so that we can go back with the federal government or our own Department of Energy having re-established or readjusted the balance in that account. We will perhaps one year later, not to have gone beyond the expiry date, be able to go back and also adjust the tax payable as a result of the provincial Energy department's readjustment of royalties or as it relates to the royalty tax credit. What that does is address a concern that was raised by the Auditor General in his 1991 report. If there is some question about allowing the Treasurer, as 43(5) and (6) does, to open the taxation years as necessary in circumstances where a balance for those years has been affected by an adjustment and a balance in another taxation year, this amendment parallels a federal amendment in Bill C-92.

Mr. Speaker, there was one other matter that was raised with respect to section 52 as it relates to the existing section 52(3) in the Act, and in the 1992 amending Act section 52(5) was repealed in error. What 52(5) allowed was that the courts could impose a penalty where a taxpayer's appeal was groundless and the court determined that it had been instituted for the purpose of deferring the payment of the tax. This is a technical correction. As the hon. member has pointed out – and may I do it again – the amendment enables the court to distinguish between those parts of an appeal which are groundless and those which have grounds. By reinstating this section – in this case it's 52(3) – what it does is amend a parallel federal amendment in Bill C-92. The amendment also specifies that the penalty can apply to any part of an appeal as well.

Mr. Speaker, having tried to address many of the questions put forward by my hon. colleagues across the way, I move second reading of Bill 12.

[Motion carried; Bill 12 read a second time]

Bill 12 Liquor Control Amendment Act, 1993

[Adjourned debate October 26: Mr. Mitchell]

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

MR. DICKSON: Thank you very much, Mr. Speaker. Looking at Bill 12, there are a number of concerns with it, but before dealing with the actual text, I'd make a couple of more general observations. The first one is that privatization is certainly a concept that I support. I'd be surprised frankly if there were many members in this Assembly that didn't support privatization as a theory, as a principle, as a concept. I think it's absolutely core or basic that privatization has to represent some significant advantage to Albertans, some significant net benefit to Albertans. I don't stand here as an ideologue and suggest that we vote for or against privatization as a concept. We don't deal with concepts here. Really what we deal with in this Chamber are pieces of legislation, and I think it's a mistake to treat pieces of legislation sometimes like sort of a philosophical message.

It seems to me that a piece of legislation isn't a lot different than a piece of sausage and perhaps no more attractive in the course of manufacture than a sausage is. I think what happens is that when we debate a Bill like Bill 12, the Bill has to pass the test not because it's got a title that's attractive, not because in introducing it the minister can say, "This is an example of government's privatization initiative." It has to be supported because it warrants and merits support, because when we look at the four corners of the Bill at the draft legislation, we can say, "This is going to significantly represent a net benefit, collectively, to our constituents, the people of Alberta."

Now, in looking at Bill 12, I have considerable difficulty, and I anticipate that the minister and members opposite will stand in this Chamber and argue mightily that this is only enabling legislation, that it's general in nature, that this isn't the actual implementation plan, and that even though we may have concerns with the particular way that this privatization initiative will be implemented, that's of no consequence, and that this is not the time or the forum to raise those concerns. There's a certain attractiveness, a certain seduction to that kind of argument, because we're all interested in getting on with the business of the House. I think that because we're not looking at a philosophical principle in Bill 12 – what we're looking at is a piece of legislation – we're entitled to assess the work plan that we think lies behind the legislative initiative. We're entitled to look at the track record of the government that brings in this kind of initiative, and we have to go further and look beyond the philosophical motivation of the mover of Bill 12 and look in terms of projecting what we think the benefits or costs are going to be to Alberta as a province and Albertans collectively.

3:30

I have to say, Mr. Speaker, that as much as I support privatization, I don't have a lot of faith in the ability of this government to implement a privatization scheme that is going to significantly advantage not only my constituents in Calgary-Buffalo but Albertans generally. I think part of the problem is that when you initiate major changes in the way that services are delivered to Albertans, made available to Albertans, Albertans, in my experience – and I say this as a native Albertan – like to be consulted. They don't like to be presented with a fait accompli. They don't like to be presented with simply the opportunity after the fact to raise questions which are of little importance then because in fact the decisions have already been made and the implementation strategy is already well down the road.

I think that when we look at the costs that are happening with the privatization scheme with liquor control stores, we see significant problems in costs and flaws. I spent at least part of the last weekend back in my constituency, and I've been getting a reasonable amount of input from constituents with respect to the

privatization initiative with liquor stores. I think it's fair to say that the input I've had from constituents has not been on one side of the question. I think I'm probably getting more questions and concerns than I am a message that we should go holus-bolus, full speed ahead down this road. In fact, I think the message I get most frequently, to the extent I can try and sum up what I get in my own constituency, is that people have more questions than they have answers now. It seems to me that if we're going to go down a different road, which Bill 12 clearly charts for us, I think it's incumbent on the government and all of us as legislators to ensure that the legitimate questions of Albertans are answered, not answered after the fact, not after the decisions have been made and it doesn't make much difference but answered before those critical decisions have been made.

For example, if you look at section 13.1(1), I think that all members in this Assembly know that many of the leased Alberta liquor control stores are now in prime, prime locations, places where they're probably looking at top dollars in terms of what the real estate market will bear. I expect that's true not just in the city of Calgary, which I represent part of, but I expect that in most other places in Alberta you're looking at top dollars. I anticipate that liquor control store leases are long term, because that's the usual practice or pattern with government-leased office space. I understand many of the leases are in the order of 30-year terms. Well, you don't have to be a realtor or a lawyer doing commercial real estate to know that to surrender a lease for prime space, a lease that has a long term, we're looking at a substantial cost. I haven't heard anything from the proponents of Bill 12 that even attempts to ballpark what the costs are going to be to the taxpayers of Alberta in terms of those leases that we're now going to be surrendering. My suspicion – and it's only that – is that many of the new operators of liquor stores in this province are not going to be utilizing the old locations because they wouldn't be able to afford those kinds of retail rentals. So it would be useful, I think, for Albertans to have a much better idea now – I should just say an idea, because I think they have no idea now – in terms of what the projection is for the lease surrender costs, looking at the liquor stores across the province.

I should mention as well that because consultation with Albertans has been short-circuited in dealing with Bill 12 – and I think that we're going to hear a lot more from Albertans as time goes on over this important issue of privatization of liquor stores – we ought not to be dogmatic about Bill 12. At this point I'm in a difficult position. I have difficulty supporting Bill 12 when I have as many constituents as I'm hearing from who say they want more information. I wonder, when we go down this kind of a path, if it wouldn't make more sense for the government to say to Albertans, because it certainly didn't come up as an election issue previous to June 15, that I can recall – it would be so much simpler if we said to Albertans: this is what the government of the day proposes to do with Alberta liquor control stores; these are the costs that we project to privatize these stores; these are the benefits we expect to receive; this is why we think in fact it is going to be revenue neutral. This has been the thesis of the minister responsible for Bill 12. Why wouldn't we just make that information available to Albertans, answer their questions, provide a toll-free number or whatever it takes to be able to give them the information they want instead of charging pell-mell down the road with implementing it and then we come in virtually after the tough decisions have been made and say to the legislators in this Chamber: "Well, we're already halfway down the road. Now we need the enabling authority; now we need the mandate to be able to do these things." That just seems to me to be truly putting the cart before the horse. I don't think my constituents like this style

of lawmaking; I don't like it very much. I suggest that we take our time in terms of making sure that Bill 12 honestly reflects what our constituents want in terms of the delivery of this service.

I think that it's of sufficient importance that we have full consultation, that in our caucus this is going to be a free-vote issue. While I certainly know that there are a number of members in my caucus that support the issue of privatization, I think there are few members in my caucus who do not have serious reservations with the government's plan, to the extent we're able to glean the plan. I think that many members in my caucus – although I don't purport to speak for them; I just make the observation – would have preferred to have a much fuller business plan – a business plan, period, never mind a fuller plan – before we start dealing with the enabling legislation, which is now in front of us.

I think that there are a lot of Albertans who have concerns in terms of distribution of liquor stores, particularly in inner-city areas. I represent an area in the middle of Calgary. I know that we have particular problems in inner cities in terms of crime, in terms of substance abuse. It isn't a full answer and it's not an adequate answer to say: "Bill 12 doesn't deal with those things; Bill 12 is just enabling legislation. That's a problem and an issue that you take up with administrators of the legislatively mandated scheme." I think it's something that has to be addressed now and not down the road. In inner-city communities, where there are significant policing problems, where there are significant problems in terms of liquor-related criminal activity, those concerns have to be addressed, not ignored. If we want and if the government wants broad-based popular support for Bill 12, I think we're going to have to see a much better job than has taken place or happened to this point to consult with Albertans and to give those Albertans some measure of comfort that in downtown Edmonton and downtown Calgary, areas where they have a clear, demonstrable problem with substance abuse, with alcohol abuse, those issues have been addressed, that the government has some plan to deal with them. I expect there will be at least some members who will be unable to support Bill 12 unless and until we see that kind of assurance from the government. I don't think it's an unreasonable request, Mr. Speaker. I think it's something that is responsible for the government to do. I'm hopeful that the government will outline that type of plan as quickly as possible. So far, I think the reticence of the government to provide us with particulars in terms of who's getting what stores and that sort of thing tends to undermine popular support for Bill 12 as enabling legislation.

So with that, I'll allow other members to speak. I just reiterate again that I think it's important that we give Albertans a fuller opportunity to make their views known on a different approach to the distribution of liquor, a fuller opportunity than they currently have with the legislative timetable that the government has laid in front of them.

Thank you, Mr. Speaker.

3:40

MR. SPEAKER: The hon. Member for Fort McMurray.

MR. GERMAIN: Thank you, Mr. Speaker. Last week I had the honour of addressing you in this House on matters of concern to Albertans at 10 after 5. Today I see, by the hour of the day, that I get to address you in a much more timely way, and I know that we will therefore be bereft in this House of calls for an adjournment and all of those other suggestions.

I want to refer to Bill 12 by analogy, referring to the whole issue of liquor privatization as a dog in a dog's story. The story started out, Mr. Speaker, as a thoroughbred, purebred animal, and the issue was: do you support, in the concept, the retail

privatization of this particular service to Albertans? In the abstract, that concept appears to be a purebred animal, a purebred dog. Now that we get further into the dog, we see that maybe the dog is not purebred after all and that maybe there's a bit of a mongrel here. The debate that we enjoy today in the House is to determine: if we turn the fire hose on the dog and wash this dog down a bit, will we in fact expose it to be the purebred that it is purported to be, or will we expose it indeed to be a mongrel?

Nobody, Mr. Speaker, in this House could resist an opportunity to speak to the issue of liquor control. I am reminded of one of the few times in my life when I did have sweaty palms and had to make a little speech, and that was my first attendance at an Alberta Liquor Control Board store in Jasper, Alberta when I had reached the occasion of my 21st birthday. I must confess that I am in that age bracket where you had to be 21 years of age and also in the age bracket where I remember that you had to sign your name and produce your identification and sign a permanent voucher for liquor purchases. I've often wondered out loud where all of those old vouchers from the bygone era have gone. Now, with modern reading equipment and with modern recording devices I wonder if there is some government agency, some facility perhaps maintained by the Minister of Municipal Affairs that indicates how many dozen beer a very youthful Adam Germain purchased in Jasper on the occasion of his 21st birthday. It was one of the few times where I ever had sweaty palms when I had to make a speech, and the speech I had to make was to the Liquor Control Board attendant as to whether or not he had any Labatt's Blue, one of the few brands of beer that I had heard about, and I was going to order this first dozen beer.

I must tell you now it's ironic that so many years later we get to debate a fundamental issue, and that is: how private will the privatization of liquor in this province be? We debate today whether we really are applying a hose to wash off a thoroughbred, a purebred or a mongrel.

Let me address you, Mr. Speaker, on some aspects of Bill 12. [interjection] I want to say that we've adopted a little bit of a rule over here: for each heckle we add one minute to our commentary. So if I manage to get 12 heckles, I will be forced to address for 12 minutes, and with 20 heckles, the entire 20 minutes. [interjections] I know. Now I've encouraged some of my own members. I take that back. I recant that.

I want to talk about the serious concerns about Bill 12. I recognize that there are many private members in this Legislature that are very, very concerned about how their support or lack of support for Bill 12 will be perceived out there where it really counts. Where does it really count, Mr. Speaker? It really counts in the bedroom communities, in the rural communities, in the areas in which we all live, we all work, and we all raise our families. How will this be perceived? Will it be perceived as opening the floodgates to the uncontrolled sale of alcoholic beverages? Will it be perceived in fact as an orderly approach to a capitalization by a provincial government on a money-making adventure and a chance to liquidate some of its assets at good cost and good premium?

Well, let's return to the mongrel and purebred story, Mr. Speaker. One of the things that every businessman learns is that if you have a mongrel and it's not going to get a very good price on the auction block, you put a diamond collar on it and then sell the mongrel by drawing attention to the diamond collar. That's not an uncommon business technique. It works for the business community. It allows them to return a fair dollar on their investment. Did the government do that this time? No, they didn't. What they did instead was they created a competitive class to compete against them so that they wouldn't have to take over

their existing stores. Our little community in Fort McMurray is an exact case in point. Nobody has applied to take over the existing liquor stores in Fort McMurray. What is the government left with? The businessmen refer to it as a stranded asset.

The government's own legislation in section 13 strands assets. I know that once you put aside the appropriate partisanship of this issue, there is not a member of this House that wants to see the government liquidate some of its assets, assets that were purchased by the collective tax payments of the citizens of this province to now be stranded and left aside as people jockey for the right type of store in the right location for them. Section 13 of this legislation is a classic example, a textbook example. Economists will be using it to annotate their materials on how to strand assets.

The other interesting aspect about this legislation, Mr. Speaker, is that we're left with the lack of knowledge, not knowing whether it really is a Bill to privatize liquor retail and wholesale. Or is it in fact a mixed model? The use of the word "may" in several sections of the Bill should make all members of this House, the private members on this side and the private members on the opposite side, very concerned about what the use of the word "may" means when a government can retain the ability to operate a liquor store. Does it mean in fact that those Albertans that lay down their hard cash will find that they will be competing with a government operation? Or does it mean that if there is a community in Alberta where the public sector rejects it in its entirety – they say that that community is too small for an effective liquor store – the government will rush right in where no private enterprisers will fear to tread? One has to always be cautious about the use of the word "may" and its potential to lead to a mixed model, where we will have the public lobby the government to provide a service in outlying areas that is provided in major cities. I would be concerned about that.

The interesting thing, as well, is that the private members in this Assembly have the opportunity now, Mr. Speaker, to do something that the government is not prepared to do. We have the opportunity to move in this Assembly to block this legislation until the dust clears a little bit and to think this out very carefully and attempt to snatch back from the jaws of failure and defeat the stranded-asset issue. If we look at the technical wording of this legislation – and I recognize it will come up in debate later at committee – we will see that the government has put itself in a position where if the operation can cease to function as a liquor store but they still have the obligation to pay rent, the government will be forced to close the store and continue the payment of rent.

3:50

Now, is there anybody in the whole universe, anybody in any administration – the American administration, the European model, the Australian model, the New Zealand model – that would put themselves in a box that if our lease allows us to stop selling liquor, we must stop selling liquor even though our obligation to pay rent is included?

Now, I know over there some members will be flipping through, saying: "Is that interpretation possible? Is there any way that that interpretation could have crept into this legislation?" Look again very carefully. All members of the House should look at section 13 and section 12 of this legislation. They will see indeed that not only is it possible for that interpretation to have crept in, it is the only rational interpretation that you can make of this thing. As a result, we're going to have liquor stores that don't have to keep selling liquor, because the landlord doesn't care what is sold there, but the government is going to go on and on and on and on and on paying rent. That seems odd, Mr. Speaker. Now, how big is the box that we're in on this? If the government decides that

they've made an error, and they decide now that they'd better keep those stranded liquor stores opened at least to try and break even and recover the rental losses, why, then they're going to run the risk of having people who applied for competing liquor stores in good faith find that the government is competing back against those people who went out on their own and settled their own operation. Again we have the opportunity presenting us squarely in the face to look silly on this legislation, and nobody likes to look silly.

Now, let's talk about the issue of liability. Recently in the Canadian court scene the issue of the overzealous sale and disposition of liquor, the people who abuse that, has become a risk of liability. Today in this province if a person operating a bar or operating a drinking facility allows somebody to overintoxicate himself, they face the consequences and the liability of being responsible for the damage that that overintoxication causes. Now, the draftsmen of the original ALCB legislation were sharper than the average bear, Mr. Speaker, because they put a judicial block against that type of recourse. They indicated that nobody carrying out their normal function in the ALCB operation would be subject to any liability or any suit.

In the liquor amendment that presents itself to us, Mr. Speaker, we move all the way down the road to free enterprise. We indicate that now people who participate in this scheme do not have that protection, and as a result they are vulnerable to that particular risk. More importantly than that, it will be very easy for the free enterprisers to say: "Ah, it's free enterprise; it's free enterprise. Buy your insurance, and take your chances." But more importantly than that, there is a gray, a blurred area between the issue of the government agency and their own process and the licensees. As a result it may be that the protection against the liability that the ALCB worked so hard to be able to hide behind goes out the door as well. Now instead of making \$400 million a year in profit, what we have is exposure to litigation that equals or exceeds \$400 million a year. Sooner or later one of those will slip through and tag the operators of liquor disposition in this particular province. I want to suggest to all members of this House that we have a chance to do something now at this stage with this legislation.

The next area of concern is the mixed message that other sections of this legislation give out, such as section 80, Mr. Speaker. Before, it was very clearly identified that you could not participate in any form of Liquor Control Board administration and also participate at the profit-making end of this operation. It was an absolute taboo. That was the desire to avoid any allegations of unfairness or impropriety. Now we have a situation where we speak of openness and we speak of fairness. What do we see in this legislation, the second or third piece of legislation that comes before this House sponsored by the government? We see that we have slid back into the aura and the era where you can in fact blow the whistle at both ends: you can participate in the administration and still profit in your ownership. Anybody that thinks that that is not found in the legislation should take a good, hard look at section 80 of the proposed legislation as amended.

Mr. Speaker, that concludes only a very few of the commentaries that can be said about this legislation. We return to the paradoxical question: how is it that people can be supporting a purebred and end up being put in a position where they are presented with such a mongrel?

Thank you, Mr. Speaker.

MR. SPEAKER: The hon. Member for Leduc.

MR. KIRKLAND: Thank you, Mr. Speaker. I think that privatization certainly is the right direction to take government

into, and I would support it wholeheartedly without hesitation if in fact I thought it was being done with a tremendous amount of efficiency. I don't find this particular exercise one of efficiency; I think it's been a very chaotic approach to it. When I say that, I would say that the situation that illustrates that best is the fact that we put some 1,600 employees into the unemployment lines when in fact they were in a position of generating some \$400 million-plus for the province. Yet we continue to pump \$20 million into an operation such as Gainers to ensure that 1,100 jobs are retained there. That's an area that I've never been able to justify or rationalize to the many people that have asked me exactly why we're pursuing that line of privatization when on the other hand we're sustaining 1,100 jobs in Edmonton at the cost of some \$20 million a year.

That chaos has spilled over into the marketing aspect. I think we can clearly see that. The hon. Member for Fort McMurray referred to the stranded assets. In the city of Leduc, which I represent, certainly we have one of those stranded assets. We have a brand-new building out there, \$120,000-a-year lease, a 20-year tenure to that particular lease. Three applications for liquor stores have been awarded, as I understand it, in Leduc. None of them of course have taken that particular site because it is too costly and it's somewhat out of the way. When we look at presenting a plan for this particular privatization, nowhere have I seen any sort of indication that we have gone throughout the province to find out how many of these stranded assets we have, totaled them up, and tried to factor that into the supposed revenue-neutral dollars that were not going to be diminished as a result of privatization. I think that is a tremendous oversight, and I think that in fact it is something that will be far larger and greater than we've been led to believe. That is one stranded asset.

Another stranded asset that I think is of tremendous magnitude – and this Bill will enable the province to privatize the warehousing – is the warehouse in St. Albert. That is a very expensive structure. It was very recently opened and, as I understand it, somewhat of a unique building, so it's not going to have a large marketable appeal to anybody that may look at it to carry on. So I have a concern that that in itself has been overlooked and not factored in. From my recollection there has been no aggressive attempt to market a lot of the stores in a bundled fashion to ensure that some of the high-end leases and some of the more successful stores were tied in to off-balance or offset that. I believe that was an oversight.

We have not spent the time we should have as a government exploring the social impacts. We are beginning to see the fallout of that, and in essence what we have done is off-loaded to the municipalities. They today are experiencing a tremendous backlash to the many placements of liquor stores. We cannot overlook that the not-in-my-backyard syndrome still exists throughout. Liquor stores are not a desirable business to have in your community. As a consequence, due to the fact that we did not study the social aspect to the degree we should and maybe make an attempt to control the numbers on a per capita basis for each of the municipalities involved, we now are forcing municipalities into several development appeal board situations which, of course, are costly and cause great consternation within the communities themselves.

4:00

Another aspect in our haste to privatize was the shameless approach we took with the employees of the ALCB. There were some very long-term employees in that organization and, I'm sure, some quality employees. We never offered them job retraining and never offered them in a lot of cases a reasonable package to

leave the service, and we certainly never offered them the opportunity to move into another area as far as the civil service is concerned. Also, in most instances they were frozen out of the opportunity to bring their expertise to ownership of stores simply by virtue of the fact that most of the leases or bids for the stores were sealed and signed by the time they received their layoff notices. Thereby, they were frozen out or precluded from actually participating.

Privatization, as I indicated in my opening comments, is something I embrace, and it's an area I believe the government should continue to move into. We should learn from this particular example. It has been a chaotic example, and I believe there will be further fallout that in fact we do not foresee yet or have not identified yet. I have a large concern that we may have disadvantaged the operators or owners of liquor stores in places such as Leduc or Vermilion or Vegreville. When we understand warehousing is to be privatized and transportation costs will be factored in, those in the communities I mentioned certainly will not be able to sell their alcohol at the same price those in the city of Edmonton or probably Red Deer or Calgary will be able to because the cost of transportation is considerably higher. I wonder if in fact we haven't caused some concern in rural areas when we all come to the large centres nearby, if in fact we're not going to load up with their inexpensive liquor as when we go south of the 49th parallel. Will citizens of Alberta now stop in Edmonton or Red Deer or Calgary or Medicine Hat or Lethbridge, buy their liquor there, and in essence put the rural outlets at a disadvantage? I have a concern that we haven't looked at that closely enough. We're all very conscious of the cost of alcohol – it's expensive in Alberta; it's expensive in Canada – and I think we have added more costs to it.

Privatization, as I indicated earlier, is certainly the area to go, Mr. Speaker, and I support it wholeheartedly. I hope everyone in this House has given very serious thought to the exercise we've undertaken so we can profit from what I would perceive and identify as mistakes in areas we could have improved upon. I still am a little perplexed as to why we had to move with such tremendous haste on this particular matter. If we had given it more thought, I'm sure everybody would be embracing privatization wholeheartedly and with full support.

I will stand forth and vote for the Bill because in principle and philosophically it's certainly the wise area for government to move into. As I say, I do have some apprehension simply on the basis that it was not well planned, and I don't think it's going to do the citizens of Alberta the justice it was intended to initially. I would credit that simply to haste and the lack of a plan moving into it.

Thank you, Mr. Speaker.

MR. SPEAKER: The hon. Member for Bonnyville.

MR. VASSEUR: Thank you, Mr. Speaker. Many of the concerns that have been raised over this issue over the last couple of months have already been discussed in this House. However, there's one major issue that the government certainly omitted in this process, and we've talked about inefficiencies in the process. One of the issues is that the local municipalities, being small urbans – and we've seen the problems in Edmonton right now – the local jurisdictions were never contacted prior to this process starting so they could address that in their own zoning bylaws. The zoning bylaws are addressed at the local level in allowing certain businesses in certain areas. In the situation of liquor stores, the towns have never had that opportunity. So it's not just a matter of saying, "Well, it's going to be allowed in commercial C-1 or C-2 zoning." There's some zoning there now that probably wouldn't

be there if they'd known a liquor store possibly would have gone in.

So in repeating some hon. members, privatization as such is not an issue a lot of us are against. We question some of the process. I would like to see this Bill, if it is to go through, entertain many amendments, especially in a case such as allowing the local jurisdiction the opportunity to address their zoning bylaws.

Thank you, Mr. Speaker.

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

MR. BENIUK: Thank you, Mr. Speaker. While I fully support the concept of private ownership, I oppose this Act. I regard it to be a declaration of war against the residents of the inner city. If areas of this province represented by Conservative members – be it Drumheller, be it Red Deer, be it Wainwright or Vermilion-Lloydminster – want to enter the *Guinness Book of Records* for having the greatest number of liquor stores, I say great. But when it affects my riding or a portion of my riding, I must raise the issue in this House.

I recognize that the Conservative government has said it will create something like 100,000 jobs. I didn't realize when that promise was made that they were going to open up so many thousands of stores, that they would be creating these jobs by privatizing the Alberta Liquor Control Board and establishing liquor stores throughout Alberta. I would like to draw the attention of this House to section 5, which amends section 13(1). If one looks at this section and reads it in an amended form where the word “shall” now becomes “may,” it reads, “The Board may determine the places in which liquor stores, agency stores, duty-free stores . . . are to be established in Alberta.” It continues that this will also apply to warehousing. So by this legislation this government would have the right to determine where and how many liquor stores will be established. Therefore, all the stores that are about to enter the inner city would not have to enter the inner city. They could end up also in Vermilion and Lloydminster.

This section creates a problem. On one hand, the government would have the power to regulate the number and location of the liquor stores, but on the other hand, it has already sent a signal that it will not regulate and determine where and how many stores will be established. The rationale, from what I understand from comments made in the past from across the aisle, is that private . . .

Point of Order Questioning a Member

DR. WEST: Mr. Speaker, a point of order, please.

MR. SPEAKER: The hon. Minister of Municipal Affairs rising on a point of order.

DR. WEST: Actually, would the member entertain a question in debate under *Beauchesne 492*?

MR. BENIUK: Mr. Speaker, I realize I only have 20 minutes to speak and I cannot speak twice. I realize the minister also has the same amount of time, and I would appreciate being able to say a few words.

Debate Continued

MR. BENIUK: As I was saying, under this legislation the government will have the power to determine where and how many stores will be established in any part of Alberta, in any part

of the city. It has that mandate by this legislation. But it has sent a signal: it will not limit the number of stores being given licences in any area, the rationale being that private enterprise will in due course . . .

Point of Order Clarification

DR. WEST: Point of order, Mr. Speaker.

MR. SPEAKER: The hon. Minister of Municipal Affairs on a point of order.

DR. WEST: My point of order. Maybe it was wrong to ask if he'd entertain a question. It's not a criticism; it's a point of clarification under Standing Orders.

4:10

MR. SPEAKER: The Chair will inquire as to whether the hon. member will entertain a point of clarification.

MR. BENIUK: Mr. Speaker, the clock is going, and I hope there will be sufficient extra time given to me if I require it, based on attempts by members opposite to participate in the debate rather than giving me an opportunity of making a statement.

Debate Continued

MR. BENIUK: As I indicated, the rationale appears to be that the number of stores established, if there are too many in any area or any town, will remedy themselves, with some going bankrupt, closing up, et cetera. The impact will be that people that have put their money forth will end up going bankrupt, having a negative effect on the economy. There is no justification for the government going this route.

AN HON. MEMBER: Free enterprise.

MR. BENIUK: It's called free enterprise, yes. The member – I forget; I believe he's from Cypress-Medicine Hat – is a member of what I believe is the D Six. I haven't figured out what the “D” stands for.

AN HON. MEMBER: Deep.

MR. BENIUK: Depressing or Drowning.

AN HON. MEMBER: Deep like your thoughts.

MR. BENIUK: Well, Mr. Speaker, if I could suggest, instead of “Deep,” it should be “Shallow” and should be S Six.

Anyway, going on with this, Mr. Speaker, as the government can regulate the number of stores and is refusing to do so, let's take a look at another side of this. Governments – this government, the municipal governments – regulate by zoning where commercial, industrial, and residential construction and businesses can take place. They also regulate where the petrochemicals can be built. You cannot build them in the centre of a city or in a suburb; it's in a particular area. Yet legislation which will give power to the minister, to this government, to the board to carry out appropriate – appropriate – decisions that will not have a major negative impact on parts of the city apparently is not going to be implemented.

There is a question that also has to come forth. The board will have the power to establish duty-free stores. Now, the normal implication is that duty-free stores are at the international airport

or at a border crossing with, say, the United States. But is it going to be limited to that, or are we suddenly going to have duty-free stores appearing in the centre of a city, et cetera? Who will end up owning these duty-free stores, and what will be the impact on revenue to the province?

Now, under section 5 also, there is the right for the government to permit warehouses to be established. Will these warehouses be restricted to a certain area? Or, as the signal has already been sent regarding the retail stores, are they going to be allowed anywhere in the city? If so, how many of these warehousing operations will end up in the inner city?

There is a social cost society has to pay if there is an overconcentration of liquor outlets in any given area. For decades in this province liquor was regarded as a restricted substance. It was very, very regulated. To go overnight from an area of total regulation into an area of no regulation by not only privatizing the retail outlets but sending a signal that wholesaling is also going to be privatized will end up in a transition period of chaos, I would suggest, or bordering on chaos, because the market will not be able to adjust in a logical fashion in a short period of time.

Under section 6 the government "is not required to establish, maintain or operate liquor stores". It is not prevented from doing so. It is simply not required to. Then the next question that will arise is: will the government continue to be in business – in the retail and the wholesale business – in competition with private enterprise, or is it going to be totally pulling out of these operations? The phrase is: "is not required."

Point of Order Relevance

MR. SPEAKER: Is the hon. Member for Cypress-Medicine Hat rising on a point of order?

DR. L. TAYLOR: Point of order, *Beauchesne* 459. It has to do with relevance. I don't believe the comments of the member opposite have any relevance to this Bill that we're talking about.

SOME HON. MEMBERS: Agreed.

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

MR. BENIUK: Do I respond to that, or do I continue?

I would like to suggest that the member opposite take a look at section 5 and section 6.

MR. SPEAKER: Order please. The Chair would say that if the Chair had any criticism of the hon. Member for Edmonton-Norwood, it would be that he might be getting down to too much detail and not sticking with the general principle, which is the purpose of second reading debate. I don't know if the Chair could agree with the hon. Member for Cypress-Medicine Hat that it was not relevant. It may have been just too relevant.

The hon. Member for Edmonton-Norwood.

Debate Continued

MR. BENIUK: Principle in abstract cannot very logically be debated when the impact on society is going to be so negative. Like I said, I believe in private enterprise, but I cannot accept a Bill that is going to have a major impact on the inner city. I have to raise some of the negative implications so members on both sides of this House realize what could come to pass very quickly.

Going on principle, there is an issue that also has to be addressed. I find it interesting that the government is targeting and has targeted in this case a profitable agency, a profitable

board, a profitable corporation that the government now owns and that is generating a great deal of profit. It is interesting that the government is not targeting for sale, for liquidation at bargain prices – or even ignoring the value of something and simply saying: we are going to just sell licences, and we're not going to sell it as a business – items and companies that are losing money, that are not making a profit. They have targeted a half billion dollar profit business. The question that has to be asked is: why would the government only target the profitable corporations and agencies under its control?

It is one thing for the government to say it is in the business of going out of business, but it also has an obligation to take a look at the impact this decision is going to have on many people within this city, within this province. I am sure the inner city of Edmonton is not the only one it's going to have a negative impact on. There will be negative impacts on areas in Calgary and other cities throughout Alberta and, I'm sure, many of the small towns.

As I indicated earlier, governments try to regulate the environment by restricting businesses from going into certain areas. You cannot have an industrial operation in a residential area. In this case, we're going to have liquor stores saturating certain areas of a community, and it's going to have a negative impact on the quality of life. At the present time, for example, Mr. Speaker, there are approximately 60 pawnshops on 118th Avenue. The businesspeople and people in that area are trying to revitalize the avenue. To turn around and have that avenue and that area saturated with liquor stores is going to hamper efforts to revitalize, to redevelop that area.

DR. WEST: City planning bylaws.

4:20

MR. BENIUK: The minister shouted across "bylaws." The bylaws, Mr. Speaker, do not say you can have one or two or three barbershops or one or two or three liquor stores or one or two or three grocery stores. They simply say residential – and various types of residential are broken down depending on whether it's apartments, housing, et cetera – or commercial or industrial. They do not restrict the number of businesses. This legislation gave the power to the minister to regulate the number of stores going into an area, the number of warehouses that may go into an area. This has been waived, and certain areas are going to be virtually saturated with stores and possibly warehouses without due regard to the social impact on the communities and the people living in those communities.

The duty-free stores I referred to – I would like some assurance, Mr. Speaker, from the minister. Could he provide how many duty-free stores will soon emerge? Would they be only at the U.S. border, for example? Would they be only at the international airport? Would they be allowed to be established throughout this province in various areas, and if so, who will end up with these licences? How will they determine who gets these licences? Obviously, they could be a very, very profitable operation if there's no liquor tax on it.

My main concern, as I have said, is the impact it is going to have on a portion of my riding, and I would like the members of this House to take a very careful look at what impact it will have on their areas, on their constituencies. Possibly some sort of mechanism should be in place to overcome this negative impact, the problems that are going to emerge because of the number of stores going in. It is one thing to have one or two or three stores in an area; it's another thing to have a dozen or more.

At the present time I will conclude, and I'm sure I will have another opportunity to carry on later.

Thank you.

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

MS LEIBOVICI: Thank you, Mr. Speaker. I'm just wondering, before I start, if the Minister of Municipal Affairs would like to make a few comments at this point.

DR. WEST: For clarification, yes, I would, if you don't mind.

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

AN HON. MEMBER: Close the debate.

MR. SPEAKER: He does not close the debate. The hon. Member for Grande Prairie-Wapiti will close the debate.

DR. WEST: I can't close debate?

MR. SPEAKER: No, you cannot.

DR. WEST: With respect to the last speaker's comments, I wasn't getting up to criticize them. I just wanted to clarify that a duty-free or agency licence that is made reference to in these changes of "may" and "shall" does not bear any weight at all to the class D licences that are being put into the cities. What I mean by that is that those agency stores are a special section within the liquor Act that's been there since its inception. They are to go in areas that previously couldn't be serviced normally by the ALCB. Say Cadomin, which is way out in a tourist area, a very small area that could never sustain a major liquor store and would never be serviced by the ALCB, was given agency store status. The changes in this will enable the ALCB in those areas where an existing liquor store is not taken up in one of these class D licences, and nobody wants to go into business because it's not viable for the amount of sales, \$150,000 or \$200,000 a year – it allows the liquor store, after a due period of time, to close that store, sell the real estate, and allow an agency store to establish. That's the agency store you're mistaking when you talk about the licences that are going into an area in the city of Edmonton and that the minister may make a decision. That is not the same licence whatsoever.

The municipal bylaws that are set within a municipality on zoning and clarification – how far it should be from this or that, whether it's a school or whether it's another area – are set in the municipal council chambers and can be changed, by the way, if so be it, by setting in regulations and in bylaws certain requirements of licences in certain areas. Therefore, that hasn't been precluded in any city or any municipality in this province if they so speak to do it. As a matter of fact, in some places in this province, such as Cardston, there are provisions where they can preclude any licences. There shall be no liquor sales made whatsoever in that municipality and in others in this province, and that's a matter of historic point in the history of the ALCB. We have another area that is down toward the college that the Seventh-day Adventists run near Lacombe, I think. That area is carved out in the province of Alberta, and no liquor licence can go in there no matter whether it's agency store or class D, a hotel licence or a restaurant licence. That was done. The people took a plebiscite and won the plebiscite. Therefore, local areas or jurisdictions or municipalities can, through the Alberta liquor Act, preclude the sale of any alcoholic beverage in this province.

So I just wanted to get up and make a point of clarification, because as the debate goes on, do not confuse that area where we're going from "shall" to "may" on the agency and the duty-free. That has nothing to do with the class D licences that have

been put out to some 325. I'm not criticizing your comments, but I'm saying: understand the historical reference to the liquor act and that municipalities can preclude completely the sale of an alcoholic beverage if they so desire.

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

MS LEIBOVICI: Thank you, and thank you for those comments.

The hon. Member for Fort McMurray talked about this Bill in relation to it being a dog's breakfast, and that's what we're seeing when we look at the amendments in this particular Bill. The situation with the Alberta Liquor Control Board privatization is much like a volcano at this point in time. It's brewing and bubbling and simmering and at the point where it's going to just blow up.

I think one of the things we need to do as legislators is take a step backwards and look at what the implication of this Bill is. My hon. colleague, the Minister of Labour, in answer to some of my questions today, talked about ridiculous, ridiculous-er, and ridiculous-est. I would liken this indeed to the situation from *Alice in Wonderland* and *The Rocky Horror Picture Show*. It seems that whatever is real or seems to be real just dissipates when you look at it a little more closely.

I'd like to talk in terms of the employees of the Alberta Liquor Control Board and some of the things that did seem real at one point in time and now are not real. We had at one point 1,500 employees who were employed by the province of Alberta. This layoff, just for your information, is the largest layoff ever to occur in this province, and this is a layoff that is by this province. When you look at how this particular situation relates to the Iowa model, which is the model we are looking at, it's very easy to see that we are not taking some of the best elements of the Iowa model. In terms of the Iowa model, laid-off employees were given preference on state recall lists for many comparable jobs, and those who wanted to remain employed by the state were able to do that. We haven't done that. In terms of looking at – and I'm going to digress a little off the situation of the employees but stick with the Iowa model. Some of the rationalization for this privatization has been in terms of the province maintaining the wholesale side of it. I don't know if the members here are aware, but what the perspective lessors or perspective buyers of stores are being told is that the ALCB will in fact be a wholesaler in name only.

4:30

Then the question remains as to how this province can keep revenue neutrality in terms of its sales. Are we going to have a flat tax? If so, how much is that tax going to be? Can the Minister of Municipal Affairs be up front on that and let us know what that's going to be? Or are we going to be looking at some other model? Again, it doesn't appear clear in here. That comes back to: what seems real is not.

[Mr. Deputy Speaker in the Chair]

When the employees went to the bargaining table prior to the election – and it's very convenient that it was prior to June 15, the election – they heard the rumours, much as every one of you when you went door knocking. You knocked on someone's door, and if they happened to be an ALCB employee, they asked you, "What are you going to do with ALCB?" What the union said was: "What is going to happen with ALCB? Will you be privatizing?" What they were told is: "Well, no, we don't have any comments on that. We haven't heard anything about that."

Soon after the election the mandate on which this government claims to run said, "Oh, sure, we can privatize." And we can have the largest single layoff in this province, along with trying to tiptoe around some of our labour legislation laws, because again there is no plan. If there was a plan, it would be an orderly process. It would be a process that said: what are we going to do with some of the stores that may not sell? What are we going to do with some of the leases that we can't get rid of? How are we going to factor that into the fact that we are looking at potential losses in regards to this area? Again, no plan and, as a result, a situation that is surreal in terms of the public and the employees.

When we look at some of the issues that seem to be coming forward in this volcano situation that's bubbling over, we've got the issue of successor rights, and that has been talked about in question period. For those of you who don't know what that means, that means that if an employee is employed in a particular store and someone buys that store, then those employees move over to that other store. Originally, this government said, "No, we don't have to worry about successor rights." A couple of days ago a letter went out from the Alberta Liquor Control Board saying to prospective lessees as well as to prospective licence holders that you may well want to look at the fact that you will have to consider successor rights. Now, again, does that sound like this is a process that's planned? Does that sound like this is a process that has been well understood? Does that sound like a process that in fact has looked at all the ups and downs of privatization of ALCB?

We look at other aspects in terms of the whole issue of the warehousing, distribution, wholesaling. Again, I go back to my initial comments that talked about being a wholesaler in name only. Again, what are the implications for this? The hon. Member for Edmonton-Whitemud asked a question in question period today that asked for any of the projections with regards to the dollars that we would be losing, the dollars that we would be gaining through privatization. Again, there did not seem to be an answer.

When we look at the warehousing aspect - it's section 1(1)(j)(iv), section 5.1(2)(a.1), section 13(1)(m.1), sections 29(1) and 29(2)(ii)(a.1), and section 71(2)(b) - it appears that there's a big question as to the control aspect. The board that is being set up - again, for your information what is happening is that there's a board that's being delegated responsibility to look after whatever is left of ALCB - has some kind of control through the warehouse operation. The question is: how is that control going to happen? It's our information that there will be only 11 new inspectors hired. Well, with the current complement of inspectors and only 26 wine stores, there were a lot of problems in terms of trying to keep tabs as to whether the wine stores were operating within the strict parameters of the legislation that covered. So will 11 more inspectors be able to inspect 300-odd stores? Will those inspectors be there or be able to find out if, as in the case again of the hon. Member for Fort McMurray, an individual who is below the drinking age enters the store and is given alcohol even though he is not entitled to? How are we going to ensure that there are those stringent parameters there so that an individual who is not entitled to alcohol either because of age or because they are under the influence of alcohol will be refused alcohol and that it's not the almighty dollar that rules in such a situation?

Again what I find interesting is that here we stand, and it's MADD, Mothers Against Drinking Drivers. We're asked to support this cause and it's a worthy cause, but by this privatization of ALCB, are we in fact undermining what is happening through organizations such as MADD? If I can give you an example, I happened to have the privilege of being at a community meeting

on Thursday night. I think when you hear my answer that it will be yes, not no, we are undermining what's happening with MADD. At that community meeting was an inspector from the police association. That inspector from Edmonton quite clearly stated that, yes, having increased access to alcohol does in fact increase the ability for drunk drivers, does in fact increase the crime, and that there are distinct problems with increasing the access to alcohol. There was a report that the police association has done which I can provide to that hon. member who said no to maybe change your mind and come onside in terms of what the arguments are on this side of the House with regards to the privatization of ALCB.

Some of the other areas that I think we need to really look at are in terms of the leases and getting out of the retail aspect. I must admit that the clarification on behalf of the Minister of Municipal Affairs has to my mind substantiated what the Member for Fort McMurray has said. In fact, we seem to be looking at a hybrid model. What we're looking at is not pure privatization but that in certain areas you may well see government stores, agency stores still occurring because there will not be service provided to the citizens of Alberta that they are used to having. So again I'm not quite sure. Are we in the business, out of the business? If we're in the business, how are we going to keep tabs on that business?

The hon. minister also talked about municipalities and that it's up to the municipalities to change the bylaws. Again this is something that I would have hoped to have seen addressed in an overall plan as to the privatization of the Liquor Control Board. It's fine to say that, yes, the policy and mandate of the current government is to get rid of the debt and the deficit and to do it by any means possible. That seems to be the attitude on the other side of the Assembly. However, I think there are certain other constituents that need to be considered, and those are the municipalities.

In terms of the municipalities changing their bylaws, if you look at what is happening within the city of Edmonton at this current point in time, what the municipality is saying is: "Give us time. Give us time to change our bylaws. Give us time to see what the implications of the privatization of the Liquor Control Board are. Give us time to look at what kind of standards or where we want to see stores being opened." Again there's a rush by this government to go ahead with this that defies rationale in terms of what exactly is the proper way to look at it if we are looking at privatization of ALCB.

4:40

There's another area that no one has touched on right now, I don't think, and that's in terms of the distribution agents. That's in section 29(2)(ii)(a.2). I would like to have clarification as to what exactly a distribution agent is. It's my understanding from reading the Bill and from some of the interpretations thereof that a distribution agent is not in effect a distributor of alcohol but is a go-between between the distributor and the stores. So are we then setting up a whole other level of go-between that in effect will want to skim some dollars off the profit? There seems to be an arm's-length status that's required within the legislation so that if I am selling some brand of beer or alcohol, I do not go directly to the retail outlet but there's an in-between, a go-between who does that. Now, if there is that go-between, that person has to get paid. If that person is getting paid, he's getting paid out of the profit that the retail store, I would imagine, is making or off the markup that the distributor is putting on the product. Either way, what that says to me is that there is going to be an increase in end cost to the consumer if we are to maintain revenue neutrality in

terms of the dollars that we as a province wish to keep, and that's in the neighbourhood of about \$400 million.

We as a caucus had looked at various things in terms of the privatization of ALCB, and we said that all the money raised through the sales of the outlets and real estate should be applied to the debt and not to the budget so that the budget looks good for this year and then we suffer thereafter. We felt that there needed to be beefed-up education and consultation programs in terms of the social consequences of this move. This is a moral issue, and I think each one of us has to look within ourselves in terms of voting on this Bill. It is not only an economic issue, but it's a moral issue.

The other thing we talked about was the handling of the licences. Perception is reality even these days, and there seems to be a perception that the licences have in fact been given not in a neutral manner. I think that needs to be corrected as quickly as possible.

Another principle, we said, was that the ALCB employees had to be treated fairly and humanely. So far, from the process of negotiations to the process of settlement to the process of severance packages – I had asked in this Legislative Assembly with regards to severance packages on behalf of the employees. I was told by the Premier, I believe, as well as the Minister of Municipal Affairs that, yes, this would be something we would look at and consider. In effect, it has not happened.

One of the other areas we talked about was that taxpayers needed to be assured that there would be no net reduction in provincial income as a result of the sale. I don't see that the taxpayer has had any reassurance of that. As a matter of fact, if I were someone who was – well, I am a taxpayer. As a taxpayer, I feel that there is an ability for my dollars to be wasted in terms of this whole process, and then in actual fact at the end of the day I may well end up with more dollars coming out of my pocket through a hidden tax for the purchase of alcohol and less dollars coming into the actual revenue of this province.

Again, I urge all the members in this Legislative Assembly to look at what the impact of this particular bit of legislation is, to try and get away from this fairy tale world we seem to be creating around the privatization of the Alberta Liquor Control Board, that it is a good thing and will have a happy ending. The route we're going now is that this is a bad horror story and that the ending will not be good for the citizens of this province. So I would again urge you all to look at this in detail and then to search within yourselves as to whether or not you can in fact support this legislation.

Thank you very much.

DR. NICOL: Mr. Speaker, I'd just like to address the issue of the privatization of ALCB for a few minutes. What I see here is really an issue coming up in terms of the function that a government takes in terms of allowing private enterprise to operate: the conflict that comes with control; the role the government has to play in dealing with the idea that the people of the province look toward the government to set rules and regulations that protect itself from the activities of the community that aren't conducive to the kind of community value they put forth; the idea that if we have a government in control of the distribution of liquor products in the province, we'll basically have a situation where the access can be controlled, the supervision of users can be controlled, but the regulations that are put in place to do this have the same application whether it's done through a government agency or through the private business sector. It's a matter of regulation, it's a matter of enforcement of the regulation, and it's a matter of how the process is monitored that makes the difference. So what

we have to deal with, then, is looking at the issue from the perspective of the role that privatization plays in the trade-offs that exist between letting free enterprise operate and the ability of the citizens of Alberta to have a government that reacts to their wishes.

Some of the issues that come up in this particular case with the ALCB deal with basically the amount of information the public has been provided and the impact of the new scenario with privatization, first of all, of the retail agencies and now the warehousing component of the wholesale part. The communities are very uncertain as to what the impacts will be. A lot of questions that they have haven't been answered. It deals with the amount of control the community will have over the access that their members have.

We've heard a lot of discussion today on the location of the retail stores. We're going to see the same kind of discussion and the same kind of concerns raised in connection with the wholesale facilities. What will be the relationship between the manufacturers and the wholesale industry? Will industries like Labatt's in Lethbridge and the Palliser distillery be able to develop their own outlet, their own wholesaling facilities and act on behalf of the government as an agent to distribute this in the community? What impact will this have, then, on the ability of the government to regulate special deals, the promotion programs that get put in place by the producers of the product, through their activities as wholesalers and distributors to the retail outlets? Could we end up with, you know, an opening up and the price war competition situation that we saw connected with the recent removal of the floor price on milk products, where you can go into the stores now and get them for basically 10 cents a two-litre jug? Are we going to see the same kind of competition in the industry, set up by the privatization in the liquor industry, as the wholesale facilities begin to interact with the retail agents that are being put in place and the co-operative efforts that will then be promoted to encourage larger consumption or preferential product consumption? We heard discussions earlier in question period about the levelling off of prices.

Another one of the concerns that comes up effectively deals with the issue of the availability of products. We've seen in the past where some of the specialty wine stores that were introduced had to deal through the wholesale process as they brought in wines that weren't generally marketed and warehoused through the ALCB. Will we see the same kinds of issues being raised as the hard liquor and high alcohol content products? We want greater variety in this. Will it be available to the consumers? How will it be handled through the channels of the wholesaling and distribution?

4:50

The main issue that comes up with the constituents of Lethbridge-East basically deals with the ability of the government to maintain revenue. They're concerned that there will be an erosion of the support that the liquor industry has been giving to the general revenue fund. They see the change in the government structure that has gone on in the past and the focus on different aspects of taxation. I guess one of the areas the public seems very willing to accept is the role that our vices may play in the support of government revenues, the revenue derived from the sale of alcoholic beverages. The constituents that have called my office have basically been really concerned about the role the revenue control program would have and how the government makes sure that it maintains it, yet this brings up a conflict for the individuals who don't want to be caught in a position where they're going to end up having to pay significantly more for their products. In

essence, they have a conflict where they don't want to see the government losing revenues, but they also don't want to see additional cost to their social activities come about because of the desire to consume the product.

So as this gets put in place, I think these kinds of things could have been brought out and illustrated to the people of Alberta on a more direct basis so they could have felt more comfortable with the process and had an idea of what they were looking forward to. I don't think they're really that directly concerned with where it comes from. It's the availability and the conflict that they have between their use of it and the detrimental impacts on society.

We've heard a lot of discussion about the impacts. We had our little stickers given out today from the MADD group, the Mothers Against Drinking Drivers. You know, these kinds of emphases need to be brought out and the conflict that we have, then, between the economic activity of the province, the economic activity of the private sector, and the, quote, social well-being concerns.

The last issue that I just want to address slightly is: are there provisions within the program or is there being any co-ordination put in place to look at monitoring any change in the way alcoholic beverages are being consumed over the next two or three years as this goes into place? Will we see corresponding increases in activity in the government-supported programs that look at counseling and control of alcohol? Will we see the opportunity for people to get involved in programs that deal with abuse counseling so that we can basically make sure the safety of the province is maintained as the acceptance of the people in the province changes from one of controlled access and controlled use to one of market-driven factors, so that we can be sure the idea of the public safety and the public well-being is well addressed?

Basically, then, in summary, the main issues that come out in dealing with the constituents in my area are the revenue ideas, the safety issues, the idea that they would like to have more information on the process, what the impact is going to be, the direction that they see, the availability, and the support for potential abusers in the issue.

Thank you, Mr. Speaker.

MR. DEPUTY SPEAKER: West Yellowhead.

MR. VAN BINSBERGEN: Thank you, Mr. Speaker. I'm in a bit of a quandary here because I kind of like the notion of privatization, but this is just not the kind of thing I'd like to vote for unless there are quite a few changes made.

First off, as I understand it, the corporation gets an awful lot of power, and perhaps if I'm mistaken there the minister can clue me in. The corporation is supposed to operate at arm's length from the government, but I find very little restriction in the way of who shall sit on there or how they get paid. I don't know; it seems to me that these people are almost getting a blank cheque here. [interjection] Mr. Speaker, the minister can, of course, answer later on if he'd like.

As I understand it, the corporation will try to get the warehousing to go into private hands, the retailing as well. Once they get out of the business of the leases – probably at great cost, as I understand it; it's already happening – they want to hang on to the wholesale part. Now, I wonder whether this is on a matter of principle: for some reason wholesaling ought not to be privatized, but everything else ought to be. I find that hard to understand. Perhaps the minister could clue me in there too. [interjection] No, you'll get your chance later, won't he, Mr. Speaker?

Now, the question I have is: why all this now? Why is it that this all is going to be privatized? We've also seen the

privatization of all kinds of registries. What it all drives home, Mr. Speaker, is that there doesn't appear to be much of a plan. Now, the minister is not going to like me saying that, and I say it with great trepidation. I don't want to insult him at all, of course, but there doesn't appear to be much of a plan. That is the common theme that we seem to be enunciating on a daily basis here: no plan. I mean, if this had been planned well, then probably we would not be taking a bath on getting rid of our leases. And what about the number of licences that are going to go out? What about locations? Would we have people in the centre of the city here being terribly upset because they're going to get a liquor store at every corner? That kind of stuff worries them. What about the workers? The workers had to read in the paper and hear over the radio that their jobs had been terminated. I call that probably the worst example of human relations I've ever seen or heard of. I can't believe this. The list goes on. What about any contractual agreements?

Mr. Speaker, really the only conclusion I can draw is that this is a bad Bill. Once again, I hate to be so negative, because I would clearly like to uphold the Bill and vote for a Bill that privatizes something that needs to be privatized. In the case of the liquor stores particularly, I'm not sure that there is a need for it, that it was working wrongly in some way.

Now, there's another item that bothers me greatly in all this. That is the fact that any realization of a profit – and the minister has told us that we're going to really grow fat on getting out of all these buildings and so on and so forth. According to the law as I read it now, it could go to the reduction of the deficit as well as the debt. I would like to see and I think everybody on this side of the House would like to see that go to the reduction of the debt. We haven't seen that at all either.

In short, Mr. Speaker, I have many questions, and I'd like to hear some answers from the minister before I cast my vote because my vote means a lot to me. I don't want to throw it away on a Bill that appears to be rather nincompoopian, to say the least.

Thank you, Mr. Speaker.

MR. DEPUTY SPEAKER: The hon. Member for Grande Prairie-Wapiti in conclusion on second reading.

MR. JACQUES: Thank you, Mr. Speaker. It seems that the deliberations of yesterday, being Halloween, in terms of ghosts and darkness and goblins and costumes and bogeymen are all carrying forward to November 1 of 1993. Had this debate taken place in 1893, it may have been more relevant. The comments today are of the declaration of war, volcanoes erupting, the Rocky Horror Picture Show, and dogs. Mr. Speaker, this is pedigree legislation.

This Bill reflects three fundamental areas of change: number one, to put us onside with GATT with regard to the distribution and the warehousing of beer; number two, some housekeeping items such as changing the fiscal year-end; and, thirdly, to allow us to move into the 21st century by enabling legislation for the privatization of the ALCB stores in accordance with the plan that was tabled in this Legislature and announced in this Legislature on September 2 of this year.

Mr. Speaker, it is my pleasure to move second reading of Bill 12, the Liquor Control Amendment Act.

[Motion carried; Bill 12 read a second time]

5:00

Bill 10
Alberta Registries Act

[Adjourned debate October 25: Mrs. Burgener]

MR. DEPUTY SPEAKER: Calgary-Currie.

MRS. BURGNER: Thank you, Mr. Speaker. I'd like to call the question.

MR. DEPUTY SPEAKER: Are you ready for the question?
The hon. Member for St. Albert.

MR. BRACKO: Thank you, Mr. Speaker. Speaking to Bill 10, the Alberta Registries Act, there are some concerns I have with this, and I would like to elaborate on them and ask some questions.

First of all, drivers' examination. We see a process that now has gone from a six-month training process to a miracle of five days. I know the government moves fast, but this is moving too quickly on something that concerns every Albertan, every Albertan from the north to the south, every town, city, and so on. As we look at it, we need expertise in the examination of new drivers, the handicapped, and seniors, and it is unbelievable that someone could obtain these skills in five days. These skills come with time with someone helping, assisting in the process. We all know that safety is of utmost importance here. We know that if people get their licences without passing the test correctly, they could be the cause of many accidents. We know that students respect teachers who give hard exams, exams that are fair, to bring out the best in them.

Here we have a situation where there's no consistency to what is happening. It can vary from one part of the province to another. We saw that happen a bit with grade 12 marks before the diploma exam was brought in. Some parts of the province had more honour students than others. In fairness to this, they brought in a system which works very well now, that had more thought put into it, where 50 percent of the testing comes from the teacher and 50 percent from the diploma. This is based to be a very fair way of doing things. So the same consistency and fairness has to take place in the giving out of drivers' licences.

Right now we know that with the present system, and it's a very excellent system. Students or young drivers still know where they can get their licences in the easiest way. In St. Albert they have a choice. They can come into Edmonton, or they can go to Morinville. Of course, most of them will go to Morinville due to the fact that there's less traffic in Morinville. It has easier driving conditions. You do not have the large traffic flow that you have in the western part of Edmonton, where it would be more difficult to get your driver's licence. So they go out there. The system that we have today is probably as fair as you're going to get. In the future we'll see students – and they're very street-smart young adults. They know where they can get their licence in the easiest manner. They will find out where they are and go to these areas. Thus we'll have conditions where safety is at risk for these drivers who may have passed the test when they should not have.

Again, we all know people who got licences, even with this system, in a way that they probably shouldn't have. I remember one fellow down in southern Alberta who got his licence for good attendance. He went five times, and the fifth time he got his licence.

MR. WICKMAN: My mother-in-law went eight times.

MR. BRACKO: Eight times. Thank you.

In the long run this fellow who got his licence after five times for good attendance was a danger to all of southern Alberta. No one would ride with him wherever he went, and they always looked out when he was driving the government truck for the department he worked for. We need criteria set up to make sure

that this is done well, that this is done carefully, that this is thought through.

Also, as time goes on, the vehicles change, the speed limits change, and conditions change. Who is going to be making up the questions that take this into consideration? We haven't heard. We don't know if the new registries will have their own people making up the questions or if they're going to come from the corporation itself. This of course has to be challenged and looked at. We know that, again, even in driving different vehicles, we have bus companies who will not take the casual driver, like they used to. There have been tragic accidents and great lawsuits; huge lawsuits have taken place. They will take people who drive on a regular basis.

So it's of utmost importance that there is consistency in the giving out of licences, that the testing is done fairly, that there are people who look at and go around testing the people who are doing the testing, and this can't be done in five days. I will challenge anyone to prove to me that it can. It needs to be done regularly. In education we give tests, and we review them continuously and change them to make them the best possible test we can give. This again needs to be done with those who are giving out the licences. They need to be tested. Also, there needs to be upgrading courses throughout the years on a certain time set or a certain time basis.

Again, one-stop shopping where only class 4 and class 5 driver's licences are given out in some areas doesn't really eliminate the problem for most of rural Alberta. They can obtain these licences, but they must come into the city or the larger centres to obtain other licences.

Another point must be made, and we found that this has happened in Quebec, where friends are testing friends, and they found that this didn't work. Licences were given out to friends when they did not deserve the licence, so all people were put at risk.

Next, the people of Alberta must have confidence in the system. The way it's set up here, we hesitate to see if that would happen. We have to be shown that that will happen. Again, if this doesn't work like it should work and could work, if the problems increase, again the insurance increases, and every Albertan suffers. We're at that stage right now. We're at the stage now where people are getting upset with the high amounts of insurance. We're going to have a two-tiered system, Mr. Speaker, with those who can afford the insurance and those who can't. We see this happening with the young people of our province, where insurance can go from \$1,500 to \$4,000 or \$5,000 for a young adult. This means that many will not be able to drive, because this will not be affordable to them.

5:10

We heard that privatization will make it more efficient, yet it's difficult to see how this will happen. We looked at the government licensing bureaus and we looked at the private ones, and the computer system was the same for both. Whether you were in Edmonton or you were in St. Albert or some other place, the slowness of the computer kept you waiting anywhere from half an hour to, I think the longest period – I talked to a person who waited over 65 minutes. So what is needed, too, is speed in the computer. I talked to the former Minister of Municipal Affairs, and he was saying that it couldn't be done or they didn't have the finances to do it. To me, if this isn't going to happen, it's not going to make the system more efficient.

Mr. Speaker, there are other concerns. There's a corporation being set up to overlook the registries. Of course, with this they will need board members. We can see what has happened in the

past with the patronage appointments that have occurred with this government. As I visited the many homes in St. Albert, this was one of the things that the residents objected to the most: the patronage appointments of friends of the government that have happened throughout the years. They want and demand that a fair process take place in this area. Hopefully the new appointment system will work more efficiently and will get rid of the patronage, or most of it, and you'll have the best possible people.

I guess I still can't for the life of me figure out how a government would appoint patronage people. Their goal is to cover the government's behind. You would want people who are going to tell you what is wrong with the system or the board or the corporation or whatever so you could go forward and improve it and make it the most efficient and effective. We see many times that the appointed people may not care – some of them; I shouldn't mention all of them. Many would be very faithful and would want the best system, but many are there to continue their positions on these boards. Of course, instead of addressing the problems or concerns and making the situation better, they're more interested in staying on the board and the per diems paid for being on these boards.

Also, we look at advisory boards being set up and where they would have all the meetings. Some of these take place in Banff, Jasper, Kananaskis. You get the mileage expense, you get the meals, you get the fancy hotels, when it could have happened in Edmonton or Calgary or Red Deer at a much cheaper cost. So a fair process is needed for board selection, where anyone who has the experience, the expertise has a fair chance at being selected to the board.

Another one that every Albertan is concerned with is information. You read articles. You hear this in talk shows. The new card that's coming out that you can use. People are concerned how this information will be given out and how secure it will be. Again, this information can cover a person's complete life, and if misinformation is obtained, they may suffer the consequences. As we know, in some cases this has happened. So what we're looking at, of course, is preventing this abuse from taking place before it happens. Prevention.

As in most situations we look ahead and see how we avoid costly errors. We all need to do that, especially from a government perspective. Private enterprise does this. They completely analyze the situation – look at the cost benefits; look at the profits – and see if they go ahead. We have to look at what the results can be of the privatization of the Alberta registries. How can it affect negatively? We haven't seen the things that could happen, and they haven't been addressed.

We know that of course information is money, that information is power. We know that those who have it have power, and they can also accumulate wealth. So the criminal element will always be there, as it is today. We have to make sure that this is addressed. We know that when the profit motive is there, the main goal of any company is to make money and rightly so. However, in the policing of this, private enterprise is not going to police themselves. They are not going to spend money or time to make sure that the policing takes place. They are more concerned with making money. So answers are needed. Security of this information is needed. We need to know where it's coming from, how it's going to be secured. We want to see a plan for this.

Mr. Speaker, these are three of the concerns that I have, three concerns that must be addressed. I'll just regurgitate them for you. The drivers' examination: of course, we must have a system that works well, that is consistent, that can be updated, can be tested, and is the same for all. Secondly, we must look at the corporation and make sure that's set up well and properly and that there's no

patronage and favouritism to friends, relatives, neighbours, and others.

Point of Order Repetition

DR. L. TAYLOR: Point of order.

MR. DEPUTY SPEAKER: The hon. Member for Cypress-Medicine Hat has a point of order.

DR. L. TAYLOR: Yes, under *Beauchesne* 409. This is clearly against *Beauchesne* as it's repetition. It's quite clear that repetition shouldn't be allowed. So I'd ask you to rule, Mr. Speaker, that this not be continued.

MR. DEPUTY SPEAKER: Hon. member, I think it's perfectly within order for someone to briefly summarize their main points. I trust the hon. member will do so.

MR. BRACKO: Thank you, Mr. Speaker. Being an educator I think it's important in teaching that you always summarize and bring the points home to make sure the best learning takes place. I want those members to have the best learning possible.

Debate Continued

MR. BRACKO: Oh, I forgot my point. I'll have to start again here in summary.

Thirdly, security of information is very important. I want to make sure there's a system so that this will take place.

Thank you very much.

MR. GERMAIN: I'm prepared, Mr. Speaker, even though it will be the second time my colleagues have honoured me today, allowing me to rise twice on the same day and express some points of view from northern Alberta. I'm happy to do so again. I want to preface my comments by indicating to you that I will take no offence if somebody wants to stand up and move for adjournment in the middle of my comments. It'll kind of remind me how it is at the kitchen table at home when everybody gets up after supper and simply leaves me there talking. [interjections] I know; it's terrible. With so many comedians out of work, why would I try?

5:20

I do want to talk, Mr. Speaker, about the Alberta Registries Act today. I want to begin my commentary by indicating that contrary to my friend opposite you cannot keep a good dog down, whether it be a thoroughbred, a purebred, or a mongrel. You can't keep a good dog down. I'm grateful for the comments on animal husbandry that I've received today, but I'm going to press on.

I ask you this rhetorical question, Mr. Speaker: is there a line to be drawn in the sand beyond which we will not go in our zeal to privatize essential services in the province of Alberta? Why is it that members of this House do not invest wildly in Costa Rica? Why is it that they do not invest wildly in many other countries?

MR. WICKMAN: Don't give them ideas.

Speaker's Ruling Relevance

MR. DEPUTY SPEAKER: Order. The lateness of the hour does not mean licence for unbridled interjections.

If the hon. member could contain himself to the principles of this important Bill, we'd all be the benefactors.

MR. GERMAIN: Thank you. I was on that point, sir. I was on that point, and I'm grateful for you refocusing me.

Debate Continued

MR. GERMAIN: Why, you ask, do we not make some of these investments? There may be lots of reasons, but I suggest that one reason that's paramount in the thinking of the investment climate is that the people who invest want the guaranteed integrity of a government-guaranteed system of record keeping. They do not want to find out that there is any dilution whatsoever concerning the important vital statistics records that they keep.

The minister in charge of Municipal Affairs today released a press release dated November 1, and the press release speaks of the privatization of some services: vital statistics services, land registration services. These are very, very important fundamental concepts. Why, a few days ago we had a private member in this House argue about the sanctity of land so much so that they wanted to inscribe guarantees of land ownership in the Constitution of Canada or the nearest equivalent for which we have control in this Legislative Assembly. On the one hand, that paramount right is so important, and, on the other hand, that important right will be delegated to anybody who comes along and who can convince the government, in the words of the minister, of this. This is the screening process. Like a compass that has lost its magnetic drift, we're circling 360 degrees looking for a drifting control, looking for direction, and we have this comment. This is how you got to be successful. You got to be successful if you could fall within this definition: "This was a large process, and through a series of downscaling matrixes, the best proposals surfaced."

People will debate from now till the turn of the century what exactly that selection criteria meant, but I think it means that the selection criteria shifted like quicksand to allow the proposals to fit the scheme of what had to be done. I'm not sure how that equates to the integrity of land titles records and vital statistics that people have come to count on. How many people, Mr. Speaker, do you want to entrust in this province to reveal the circumstances of your birth, to reveal the circumstances of your marriages?

DR. WEST: The courts all have it now.

MR. GERMAIN: Yes. Well, those are the kinds of comments, Mr. Speaker, that are difficult to debate because they cloud the important issue here with the humour of the speculation that numerous people throughout Alberta, notwithstanding the fines and the controls, will all of a sudden have direct access to the government linkups to provide services.

Now let's move a little further. I hate to sound like the proverbial CD or eight-track tape player that's stuck at one spot, but once again in this legislation the government does not give the operators any protection against liability. Okay; that's fair. They can buy insurance, and they can cover themselves. But what happens in this particular case, Mr. Speaker, is that these registry offices become the agent of the government. So where there was historically some protection, suddenly that protection is lost for the government. I want to repeat that theme because it has come through now in this privatization legislation repeatedly.

You are interested further in the efforts that the government sponsors of this Bill have taken in connection with protecting taxpayers' money. Fundamental to every single piece of legislation that collects money is the imposition on that money of a trust. When you are running a small business, Mr. Speaker, and collect

the government's taxes, you must impress those with a trust. When you collect GST, you must impress those with a trust. But when you collect registry fees in this province, you do not have to impress those with any form of trust.* The economists can debate that, but it seems to me that we would be hard pressed to find a legitimate explanation for that particular requirement in this legislation.

Now we go down to the issue of the backup of liability. Further in this legislation we find that the government may require some bonding or may require backstopping or that the government will be the backstop in this legislation for errors. But who is going to backstop those businesses who apply for and obtain a licence if they find that it is not as lucrative as they want, not as lucrative as they planned and in the meantime they begin to make errors in collection and errors of development of their moneys?

Mr. Speaker, I notice the time of the day, and I would ask leave of this Assembly to vote on a motion to adjourn at this time.

MR. DEPUTY SPEAKER: Okay. The hon. Member for Fort McMurray has moved that we adjourn debate at this time. Are the hon. members agreed?

HON. MEMBERS: Agreed.

MR. DEPUTY SPEAKER: Opposed? 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 to consider the estimates of the Alberta heritage savings trust fund, capital projects division.

MR. DEPUTY SPEAKER: It has been moved by the hon. Deputy Government House Leader that we now adjourn and that when we reassemble this evening, we do so in Committee of Supply. All those agreed?

HON. MEMBERS: Agreed.

MR. DEPUTY SPEAKER: Opposed? Carried.

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

*see page 1207, left col., para. 8 and 9

