

## Legislative Assembly of Alberta

Title: **Monday, November 8, 1993** 1:30 p.m.  
Date: 93/11/08  
[Mr. Speaker in the Chair]

head: **Prayers**

MR. SPEAKER: Let us pray.

Our Father, keep us mindful of the special and unique opportunity we have to work for our constituents and our province, and in that work give us strength and wisdom.

Amen.

head: **Presenting Petitions**

MR. KIRKLAND: Mr. Speaker, I beg leave to present a petition signed by 103 Leduc composite high school students expressing their concern about potential funding cutbacks in education.

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

MR. ZARIWNY: Thank you, Mr. Speaker. I beg leave today to introduce to you a petition organized by the St. Martin's parent/teacher advisory society, which is in Edmonton-Strathcona, my constituency. It's signed by 192 people who are urging "the Government of Alberta not to eliminate funding to the Ukrainian Bilingual and other second language programs."

head: **Notices of Motions**

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

Be it resolved that

- (1) A select special Auditor General search committee of the Legislative Assembly of Alberta be appointed consisting of the following members, namely Mr. Ron Hierath, chairman, Mr. Frank Bruseker, Mr. Victor Doerksen, Mrs. Yvonne Fritz, Mr. Gary Friedel, and Dr. Don Massey for the purpose of inviting applications for the position of Auditor General and to recommend to the Assembly the applicant it considers most suitable for appointment to that position.
- (2) The chairman and members of the committee shall be paid in accordance with the schedule of category A committees provided in Members' Services Committee Order 10/89.
- (3) Reasonable disbursements by the committee for advertising, staff assistance, equipment and supplies, rent, travel, and other expenditures necessary for the effective conduct of its responsibilities shall be paid subject to the approval of the chairman.
- (4) In carrying out its responsibilities, the committee may with the concurrence of the head of the department utilize the services of members of the public service employed in that department or of the staff employed by the Assembly.
- (5) The committee may without leave of the Assembly sit during a period when the Assembly is adjourned.
- (6) When its work has been completed, the committee shall report to the Assembly if it is then sitting. During a period when the Assembly is adjourned, the committee may release its report by depositing a copy with the Clerk and forwarding a copy to each member of the Assembly.

Mr. Speaker, I also have a second oral notice to give. Would it be appropriate to proceed with that one as well, sir?

As well, Mr. Speaker, I wish to give oral notice of the following motion:

Be it resolved that when the Assembly adjourns at 5:30 p.m. Wednesday, November 10, 1993, it shall stand adjourned until Monday, November 15, 1993, at 1:30 p.m.

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

MS LEIBOVICI: Thank you, Mr. Speaker. I rise to give oral notice of a motion under Standing Order 40 that I expect to present after question period which gives congratulations to the new president of the Alberta Union of Provincial Employees.

head: **Tabling Returns and Reports**

MR. CARDINAL: Mr. Speaker, I am pleased to file four copies of the reforms to child welfare announced this morning. This is the second phase of the reforms to the Department of Family and Social Services.

MR. WICKMAN: Mr. Speaker, I'd like to table a petition signed by almost 200 students – this is not a formal petition – of the Vernon Barford school and spearheaded by Kelly Cuffe in objection to any proposed educational cuts.

head: **Introduction of Guests**

MR. SPEAKER: The hon. Member for Stony Plain.

MR. WOLOSHYN: Thank you, Mr. Speaker. It's a pleasure for me to introduce to you and through you to the Assembly a young lady from my constituency Krista Clintberg, who's accompanied by her mother, Linda. Krista is a grade 12 student from Memorial composite high school in Stony Plain, where she is also the students' union president and is getting together a forum on education shortly. She is only one of two recipients in Canada of the 1993 National Council of Teachers of English achievement award and writing contest. More than 4,000 students from across North America were nominated for the award. Only 13 percent of the nominees – and only two of those were from Canada – were singled out for the award. Krista is one of the two award winners in Canada. She is 17 years old and is in the advanced placement English program at Memorial composite high school. I would ask that Krista and her very proud mother, Linda, rise and receive the warm welcome of this Assembly.

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

MRS. BURGNER: Thank you, Mr. Speaker. It is my pleasure to introduce to you and through you to the House on behalf of the Premier 75 visitors from Milton Williams junior high school in the constituency of Calgary-Elbow. They are sitting in both the members' and the public galleries. They are accompanied by their teacher Lloyd McConnell and their parent assistants Laurie Stackhouse, Claudette MacDonald-Amaolo, and Debbie Pomeroy. I'd ask them to rise and receive the warm welcome of this House.

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

DR. WEST: Thank you, Mr. Speaker. I'd like to introduce to you and to the Members of the Legislative Assembly 29 grade 6 students from St. Jeromes school in the constituency of Vermilion-Lloydminster. They're here today looking at how the parliamentary procedures go forth and to listen intently to question period. They are accompanied by their teacher Mrs. Margaret McCormack and by parents Mrs. Peggy Moore, Mrs. Vera Watling, and Mr. Michael Jacejko. They're in the public gallery, and I'd ask that they stand and receive the cordial warm welcome of this Assembly.

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

MRS. BURGNER: Thank you, Mr. Speaker. It is a unique privilege for me to introduce my first guests from my constituency of Calgary-Currie. I have 21 students visiting from Mount Royal College. They are seated in the members' gallery and are accompanied by their teacher Mr. Tom Bateman. I thank them for attending today and ask them to rise and receive the warm welcome of this Assembly.

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

MR. BRUSEKER: Thank you, Mr. Speaker. In the public gallery this afternoon there are a number of visitors from the University of Alberta. These are members of the University of Alberta Young Liberals Club. I would ask that they stand in the gallery and receive the warm welcome of this Assembly.

DR. NICOL: Mr. Speaker, it gives me great pleasure to introduce to you and through you to the members of the House four visitors from central Alberta. These visitors have been farmers in the Blackfalds area for a number of years, and they've had the opportunity to observe many of the changes that have gone on in the sector. Our visitors are Arthur and Olive Wigmore, Ed Ironside, and Floyd Van Slyke. I would ask them now to rise and receive the greetings of the Legislature.

head: **Oral Question Period**

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

#### **Child Welfare**

MR. MITCHELL: Thank you, Mr. Speaker. The minister of social services just doesn't get it. His allegiance can't be to some obsessive political ideology. It's got to be to uphold the welfare of vulnerable children in this province. The minister's own report outlines 1,200 children who were violently abused in their homes last year, and he wants to put who knows how many of them back into the same situation – and get this – because he says they really want to be there. My first question is to the minister of social services. What would ever possess this minister to suggest that these 1,200 children would want to go back into the very home where somebody beat them consistently enough to actually be convicted for it in court?

**1:40**

MR. CARDINAL: Mr. Speaker, I just want to advise this Assembly, like I have before, that there's nothing in that report that indicates that the 1,200 children will be returned to their homes. I announced this morning part of the three-year welfare strategy of this province. We want to put young Albertans back into the work force, and that program was announced April 15. To date we've reduced the caseload by 23,000, and these are young, healthy Albertans either training or back in the work force, which allows me now to concentrate on the second phase of the reforms, and that's the high-needs area, which we increased this year, by the way, by \$28 million.

The second phase of the welfare reforms is the changes in the child welfare system, and that is what I announced. The one thing that I would also advise Albertans out there and the Assembly here is in April of 1993 I asked the Liberals to develop their long-range welfare reforms, which should include child welfare, if they're interested in it. Those reforms we would use. Instead do you know what they did? They waited till I filed that report, Mr. Speaker, so they could question it. But I have a trick for them. The child welfare portion of the three-year welfare strategy that

was announced, the 18-month portion, allows for them to participate, and I look for that challenge.

MR. MITCHELL: Well, in June of 1992 he also asked Bernd Walter to spend \$300,000 to give him advice. You know what he did with that advice, Mr. Speaker? He threw it away.

The minister said a variety of things at his press conference. He's avoiding them in here. He said that children will be protected because their convicted abusers will sign a promise not to beat a child again. Is it this minister's idea of protection that a child will stand with a piece of paper and say, "Please don't beat me; you promised me you'd never do it again"?

MR. CARDINAL: Mr. Speaker, part of the plan that was announced, the 18-month plan, where a commissioner will be working with various agencies across the province, allows for some changes in the Child Welfare Act where the parents are allowed to become more accountable and responsible wherever possible. I hear that from aboriginal leaders. I hear that from Albertans out there. We didn't do that in the past. We went in as soon as there was a problem and apprehended the children. I don't believe that is the complete answer because the problem was never the children. The problem was the situation they were in, not the children. We apprehended the children and let the problem continue. This new plan will allow us to keep the family together wherever possible by putting the necessary support services that are required so the family can stay together.

MR. MITCHELL: It's definitely going to be the children's problem now, Mr. Speaker.

What has ever brought this minister to the point that he would risk the safety and well-being of children under his care by using these kinds of code words and these kinds of slick ideas? Is it that he wants to stand up in his caucus and say: look how tough I am when it comes to cutting costs?

MR. CARDINAL: Mr. Speaker, this plan doesn't have any cuts in costs in relation to the department. The cuts took place with the 23,000 cases that went back into the work force or training. The high-needs area was increased by \$28 million. In fact, there's no indication anywhere in the report that there will be less dollars provided to the system. In fact, the home supports area may require an increase in dollars, and this minister is willing to move forward with that plan.

I would like to also advise Albertans, Mr. Speaker, that this government is serious. We are spending \$249 million in children's services in this province.

MR. MITCHELL: Mr. Speaker, in August of this year, after more than 12 months of consultation and \$300,000, the Children's Advocate produced this 327-page document with literally hundreds of concerns and recommendations, which he brought forward because, and I quote: the system is so bad that no amount of re-organization can salvage it for families desperately in need of its services. The document was recognized literally all over North America as being one of the most progressive and advanced studies of its kind. Why, then, would the minister of social services not meet personally with this advocate since the release of his report to discuss his recommendations, to begin to act on his recommendations, particularly when leaders in social services in jurisdictions across this country have already begun to implement these recommendations?

MR. CARDINAL: Mr. Speaker, I want to advise Albertans that the Children's Advocate will be directed as of immediately to be

involved in the development of this plan. The Children's Advocate works for me. I have the authority to direct the person to do that job, and this is what I intend to do. In fact, I've instructed my staff to do that immediately. The Children's Advocate also has other responsibilities. I as the minister have the opportunity to assign certain duties to the Children's Advocate as time goes on. A mandate of the job is carrying on investigations of complaints to our department. That person will continue doing that process as a high priority. In addition to that, I've directed the person to be involved now in the development of the 18-month plan.

MR. MITCHELL: Well, Mr. Speaker, how can the minister stand in this Legislature today and present this very plan that outlines the fundamental restructuring of how he is going to handle child welfare in this province and then say that he's going to turn around and consult the Children's Advocate after the fact to help him in developing the plan?

MR. CARDINAL: Mr. Speaker, I'd like to advise Albertans that I wish I would have had that member's plan. You would have been guaranteed that it would have been incorporated in this. April 21 I asked them to participate in the plan. They waited till today, till the plan was drafted so they could criticize it. That shows you how responsible they would be as a government.

MR. MITCHELL: Well, Mr. Speaker, we'd be very happy if the minister would simply accept the Bernd Walter plan, which he spent \$300,000 and 12 months getting.

It begs a further question. This government has done seven studies of the child welfare system. This is the eighth study, and now he's outlining in what can't be a plan, because he said he's developing his plan, in this document that we need yet another study. What's going to happen to these children that have been subjected to this document, this plan while he's off studying, evaluating, and trying to figure out what exactly he's going to do to uphold his responsibility towards them?

MR. CARDINAL: Mr. Speaker, there is no study. If the Liberals would have been interested in child welfare in Alberta, they would have participated in the plan. There's a lot of content in here that is taken from the Children's Advocate's report. The opportunity for the Children's Advocate and the Liberals to be involved in the next 18 months is there. The commissioner that's been appointed to head up the reshaping of child welfare in Alberta for the next 18 months has definite guidelines and time lines set as to when the job will be completed. It's not a research program. The person will gather information including from the Liberals and the advocate and other jurisdictions by March of 1994. Action 2 of the plan will be to plan and design the new system by June of 1994, and you can be involved in that. Action 3 is the implementation of the plan by June of 1995, and you can be involved in that if you want. It's wide open.

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

1:50

#### Day Care

MS HANSON: Thank you, Mr. Speaker. This government is targeting children to bear the brunt of the government's financial mismanagement. The government is actually considering stripping away the regulations that help keep children safe in day care. My question is to the Minister of Family and Social Services. Why

would a government even consider deregulating an industry that has the responsibility of caring for the children in this province?

MR. CARDINAL: Mr. Speaker, I've advised the Assembly in the past that in Alberta, with 2 and a half million people, a considerably small population, we are now spending \$70.7 million in day care: 32,567 spaces, 644 centres. Just because your leader last week asked the question that there may be delegations in the wind, there is no plan to deregulate anything at this time specific to day cares. As a responsible minister part of the three-year welfare strategy of reforms will include day care in order to make sure that the welfare reform is co-ordinated with the availability of spaces for day care. It may mean an increase in day care in some areas but maybe a decrease in other areas.

MS HANSON: Mr. Minister, in your consideration about the reform of day care has the government analyzed the downsizing cost to society if day care is deregulated?

MR. CARDINAL: I wish the hon. member would discuss this with her leader, Mr. Speaker, because the same person says in one breath that we're going to put efficiency audits in departments and reviews and then when I ask for a review to make a certain portion of my department efficient, they call it a cut. There are no cuts.

MR. SPEAKER: Final supplemental.

MS HANSON: Thank you, Mr. Speaker. I'm assuming that at the moment you haven't decided about cuts, but in regard to regulations, if you are studying them, regulations flow from the bitter experience of inadequate care. How will the government encourage employable parents off welfare if they have no confidence in the day care?

MR. CARDINAL: One thing I've always wanted to address in this House, Mr. Speaker, is parent responsibility and accountability. I don't believe the government should regulate all decisions for parents. I am confident that if given the opportunity, the parents will assist us in making the right choice as to where the children should go, and that is all I'm trying to review.

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

#### Provincial Fiscal Policies

DR. L. TAYLOR: Thank you, Mr. Speaker. On Thursday evening last I attended an education roundtable in my constituency. There were about 550 people there. There was some concern about education cuts of 20 percent. There were also groups that sat at the table that had done some research and came up with figures in the neighbourhood of \$300 million that they felt could be cut from education. My question is to the Treasurer. Could the Treasurer clarify for this House: are we in fact going to cut Education and Health 20 percent, or are we talking about an overall budget cut of 20 percent with some departments being cut less than others?

MR. DINNING: Mr. Speaker, I would refer the hon. member to the plan that we spelled out in the September 8 budget, which is very clear, that under program expenditure in '92-93 the sum of \$13 billion will be reduced by '96-97 to \$10.2 billion. He should make that clear to all of his constituents and all of the people with whom he speaks.

On August 19, when we released the first quarterly report of the government for '93-94 pursuant to the Deficit Elimination Act, I made it clear on behalf of this government that all government departments had been directed to prepare a plan based on a minimum of a 20 percent reduction in each department. Mr. Speaker, those departments are working on that now, but most importantly they are talking with Albertans and they are listening to Albertans as to how such a 20 percent reduction could be implemented and what priorities Albertans ascribe to and have for this government in finding that 20 percent overall reduction.

More importantly, they're not focusing just on the 20 percent. They're not just talking about Education's 20 percent, which is some \$369 million. More importantly, they're focusing on the change process, the process that must occur in our education system across all government services so that we find out: how do we do the business of education better so that kids actually learn better and so that they finish their education with a better education and ready for the world as they are going to find it. I encourage all Albertans and the hon. member to be part of that discussion as to how the savings could be found but, more importantly, how we can do the job of education even better.

MR. SPEAKER: Supplemental question.

DR. L. TAYLOR: Thank you. In light of the financial realities we face, does the Treasurer really feel that he can reach the 20 percent overall budget cut without taking 20 percent from the big three: Health, social services, and Education?

MR. DINNING: Well, clearly, Mr. Speaker, government departments have a responsibility to design how a 20 percent reduction could be achieved. For me to stand in this Assembly before Albertans have had their final say, before caucus has had a discussion about what the reduction will actually be – I'm not going to prejudge the outcome of those discussions. Clearly we are in a discussion with Albertans, listening to what their priorities are. Let's be clear. Is this going to be easy? The answer is no. Is it going to require sacrifice? The answer is yes. But in the end we will have reduced our overall spending by 20 percent, and in the end Albertans will have before them and have for them a better education system that focuses on clear outcomes and achieves measurable results.

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

#### **Edmonton Oilers**

MR. CHADI: Thank you, Mr. Speaker. Because this government gave Peter Pocklington millions of dollars in loans and loan guarantees for Gainers and the Edmonton Oilers, it appears Alberta taxpayers may be left hung out to dry. My question is to the Provincial Treasurer. Can the Treasurer indicate whether it is the position of this government to regard the Edmonton Oilers hockey club as security for these loans?

MR. DINNING: Well, Mr. Speaker, I appreciate the hon. gentleman's question and probing. Let's be very clear about this government's position vis-à-vis the Edmonton Oilers, quite separate and apart from Gainers. In the case of the Oilers it is well known that I don't like to get involved in these kinds of dealings between Treasury Branches and their clients, but Mr. Pocklington has made it clear that his Edmonton Oilers hockey team banks with the Alberta Treasury Branches. There is a full, secure position between the Treasury Branches and Mr.

Pocklington and, more importantly, the Edmonton Oilers hockey club. That is a matter between those two entities, and there is no government involvement, there is no government guarantee, there is no government exposure in that matter between the Oilers and the Treasury Branches.

As for Gainers, let's be clear. This government had an agreement with Mr. Pocklington back in 1987 on the basis that he would receive certain sums, in this case \$6 million, and he would build a plant. In fact, what happened was – and this is now a matter before the courts, Mr. Speaker, so allow me to be careful – that in fact the government took possession of the Gainers asset, not by choice, because there was a default on the arrangement between the government and Mr. Pocklington, and we seized those assets. What we are now doing is we have some 14 pieces of litigation among the government, Gainers, and Mr. Pocklington. Our objective clearly is to secure the Alberta taxpayers' position and get back from Mr. Pocklington what the taxpayers deserve.

MR. CHADI: Mr. Speaker, it has everything to do with Gainers, and the Provincial Treasurer knows it. My question to the Provincial Treasurer is: why didn't the government seek an immediate injunction back in February of this year, when the Premier himself indicated that the Oilers were considered security?

**2:00**

MR. DINNING: Well, Mr. Speaker, that's exactly what the legal process, the judicial process that we're now going through is all about: to get back from Mr. Pocklington what taxpayers are due and what they deserve. That's precisely the process that we're going through right now.

MR. CHADI: Mr. Speaker, my question, then, is to the Minister of Justice. Will this government stop talking and start acting and seek injunctions on any and all assets held by the Pocklington Financial Corporation to prevent the Oilers from moving from Edmonton?

MR. ROSTAD: Mr. Speaker, I'm quite amazed to find that after last week's dialogue in this House the Edmonton MLAs are finally worried about Gainers. The Treasurer has very clearly spelled out the legal position that the government has against Mr. Pocklington and Gainers, and there has been some dialogue and some musings and some quotations in the press that the Minister of Justice will be instructed to bring an injunction on assets of Mr. Pocklington. I can assure the hon. member and the Assembly that any action that is taken to seek an injunction will be based on the legal framework that we're working in and won't be taken just to try and stop the Oilers from leaving Edmonton. In fact, if an action is taken, the court will decide what assets would be put into the injunction and the court would decide how those assets could be moved, if they can be moved, once in that injunction. On the basis of legal action, we'll take the action when that comes.

MR. SPEAKER: The hon. Member for Peace River, followed by Lac La Biche-St. Paul.

#### **Teaching Profession Amendment Act**

MR. FRIEDEL: Thank you, Mr. Speaker. My question is to the Deputy Premier and Government House Leader. As you're aware, the Alberta School Boards Association is having its convention in town this week. In speaking with a number of the trustees, the question was raised a number of times as to the status of Bill 212, or in the case of those who were aware that it was withdrawn,

why. I'm wondering if you would care to comment on why this Bill was withdrawn.

MR. KOWALSKI: Mr. Speaker, this is not a government Bill. This is a private member's Bill. I was in the House on November 3, 1993, when the hon. member asked that the Bill be withdrawn. It has nothing to do with government business. It's not a government Bill.

MR. FRIEDEL: My second question, then, on behalf of those who did ask me: are there any plans by the government to introduce at a later date perhaps a similar Bill under government sponsorship?

MR. KOWALSKI: Mr. Speaker, there's no intention by the government to do so, but as I recall the words of the hon. Member for Innisfail-Sylvan Lake when he asked for consent to withdraw the Bill, he said that he wanted to review the contents of the Bill, rework, consult, and perhaps return with another such Bill.

#### Ambulance Services

MR. LANGEVIN: Mr. Speaker, ambulance service in rural Alberta is a mess. The level of service varies. It varies from a volunteer with an ill-equipped vehicle to state-of-the-art technology. As this province moves towards regionalization of health care, members on both sides of this Assembly are concerned about ambulance funding and access to quality service. My question is to the Minister of Health. Why would an ambulance system be set up so that a child from Grand Centre who suffers a seizure in a car has to pay for the ambulance trip to Edmonton from the nearest hospital along the highway?

MRS. McCLELLAN: Mr. Speaker, I believe I answered a question very similar to that in the past week on ambulance services. Ambulance services are a municipal responsibility. The province is responsible for interhospital transfers and a number of other areas and also for the complete air ambulance system. We do assist at a municipal level through a granting structure, but it is a responsibility.

The member would also recall that I had indicated that we would be looking at the proclamation of the ambulance Act in the very near future, when we had completed the review of the information that we received from the roundtable consultation to ensure that there were not issues such as the one that the hon. member has just raised that were not included. So that will be concluded at the very earliest possible time.

MR. SPEAKER: Supplemental question.

MR. LANGEVIN: Yes, Mr. Speaker. Again to the Minister of Health: does the minister expect Albertans to pay for secondary medical insurance such as Blue Cross in order to ensure that they are not left with large ambulance bills as a result of unexpected illness or accidents?

MRS. McCLELLAN: Well, Mr. Speaker, there is an insurance program in place that Albertans may take part in to ensure that they do have insurance to cover unexpected costs. The Canada Health Act, which Alberta abides by, very clearly requires us to pay for medically required treatments. I think we do that very adequately. As I say, there are insurance programs in place for that very reason.

MR. SPEAKER: Final supplemental.

MR. LANGEVIN: Yes, Mr. Speaker. Again to the Minister of Health: given the concerns expressed, will the minister commit to tabling legislation which will remove the inequities in funding from Alberta's ambulance service?

MRS. McCLELLAN: Well, again, Mr. Speaker, I think I probably answered that question in the second supplementary. We have an ambulance Act. There was a very in-depth study done of the ambulance system in this province. The hon. Speaker might recall having played a very lead role in that exercise. We introduced an Act in the Legislature, and we set about developing the regulations that would follow that Act. I don't know of anything that's had a more extensive consultation process. In the development of the regulations, there occurred some difficulties. We have, again, consulted very extensively with the municipal districts and counties in this province, with AUMA, and with other stakeholders such as the ambulance operators to ensure that indeed we do have an ambulance system in this province that meets the needs of Albertans. I am confident that this will occur, and again I expect the proclamation of that Act in the very near future.

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

#### Liquor Sales

MR. AMERY: Thank you, Mr. Speaker. Over the last weekend I received many phone calls from residents of Calgary-East about the privatization of ALCB. They are upset, worried, and I don't blame them for that. Liquor store licences are being issued to operators all over the place and within close proximity to schools, senior citizen homes, and day care centres. Can the minister interfere immediately and urge municipalities and in this case the city of Calgary to apply the same rules and conditions on liquor store operators as those applied to arcades and other entertainment centres?

DR. WEST: Mr. Speaker, I appreciate the question. I see in the headlines that the mayor of Calgary wants quick action on liquor store guidelines, and he's asking his council to bring in regulations and that that would address this. We in the ALCB certainly have been co-operative with the municipalities in stating that no liquor licence shall be approved until it meets the requirements. I have a letter here that we sent out recently to various people and various municipalities. It says that

the policy of the ALCB is not to approve a liquor licence in any Alberta community - village, town or city, before applicants have met all requirements of local authorities. The ALCB also subscribes to a long-standing principle that a liquor store should not be established in an area where local residents have legitimate concerns that the nature of the business of a liquor store would diminish the quality of life in their neighbourhood.

The letter goes on to say that we will give resources and commitment to work with the municipalities in seeing that these principles that we've always upheld will be continued.

MR. SPEAKER: Supplemental question.

MR. AMERY: Thank you, Mr. Speaker. I thank the minister for his concern.

Can the minister tell the House why a small restaurateur in Edmonton, Sherwood Park, and St. Albert can buy five cases of liquor from the ALCB warehouse and get a 6 percent discount, while a small restaurateur in Calgary, High River, or for that matter Fort Macleod must buy 25 cases of liquor before he or she can qualify for a 6 percent discount?

**2:10**

DR. WEST: There's just a little catch to that question which you didn't point out. Those people getting five cases must back up to the wholesale warehouse in St. Albert and pick it up themselves. The people in Fort Macleod or that, if they want it delivered from the warehouse in St. Albert, must buy it in 25-case lots. That of course has a distance factor to it. If they want to drive in from Fort Macleod and pick it up, they can still address that same principle.

I must say that at the present time we have about 112 what we call freight on board sites in the province of Alberta that will be set up through the ALCB in St. Albert, and that means that arrangements can be made for those smaller restaurants and that that want to pick and choose a small amount of product. They can make arrangements with those class D licences that will be bringing in larger orders.

MR. SPEAKER: Final supplemental.

MR. AMERY: Thank you, Mr. Speaker. Twenty-five cases of liquor can mean as much as six months of income for small restaurant operators. Would the minister encourage the establishment of a warehouse in the southern part of the province so small operators can get the same 6 percent as their counterparts in the Edmonton area?

DR. WEST: There are amendments going before the House here that certainly will allow the establishment of warehouses in the province of Alberta by manufacturers both in and out of this province, in and out of Canada. That is going through and will be debated in this House. Secondly, as we go forward with the privatization model, the warehousing and distribution of the products will certainly be looked at in the light of what you just said.

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

### Students Finance

DR. MASSEY: Thank you, Mr. Speaker. Thousands of students from low socioeconomic backgrounds do not get to attend our postsecondary schools. A major goal of the Alberta student loans program is to improve access for these needy students. My question is to the Minister of Advanced Education and Career Development. How can the privatization of the lending program proposed in the recent loans review do anything other than slam the door in the faces of these students?

MR. ADY: Mr. Speaker, let's be clear that there were a variety of options brought forward in the recent report that I made public last Friday on the Students Finance Board, and certainly there has been no adoption by this government of any of those recommendations, although there was a broad array of recommendations brought forward for consideration. The report was made public so that students and other stakeholders in this province could have input into it. As we move through it, perhaps there are those there that will better serve the students and the taxpayers of this province, and that's what we're aiming to do.

The report was commissioned primarily to find ways that are better for students to repay their student loan program because the one we have is far too stringent and is certainly not responsive to the needs of students. A bank is guaranteed by the government on the loan, and the minute that they had a default, they called on the loan and had their money, having just put the student into default

without due diligence. I didn't see that as fair. I don't see anything about this report that is threatening to a student as opposed to bringing forward some options that I believe are very positive for students to find it even easier to work with the student finance program in this province.

MR. SPEAKER: Supplemental question.

DR. MASSEY: Thank you, Mr. Speaker. Then, will student requests for some form of contingency repayment plan rejected in the loans review now be considered?

MR. ADY: Mr. Speaker, the so-called contingency income program has been proposed by a variety of people who feel that it has some benefit. True, it was recommended in that report that it not be adopted. There are different models of income contingency programs available out there. I think we need to be clear that there is a great deal of latitude in the present program, whereby when students graduate they can receive interest relief for six months after graduation. If they don't have a job at the end of that six months, they can reapply and receive an additional six months. In fact at the end of a year, if they still have no employment, they can receive a third six-month delay on interest. In my mind that's a pretty lenient program that's in place for students to give them time to get their feet on the ground, find employment, get established, put themselves in a position to begin to repay their student loan. In addition to that, there are a variety of recommendations in there that will let them pick and choose options that will suit them better. Really the reason that I commissioned the report is because students need more options, more opportunity to accept the responsibility that they took when they took out the loan to repay it.

DR. MASSEY: Is the answer to the students: no, there won't be a contingency plan?

MR. ADY: Mr. Speaker, the answer is no more no to that than it is yes to all of the recommendations that are in the report. It's a report that's been brought forward with recommendations in it. In some cases it recommends in favour of certain directions to go. That happens to be one that the report recommends against. I'm going to be listening to students and other stakeholders that I mentioned earlier to hear what they have to say about the direction we should go. In my mind, the objective is to give students an opportunity, some flexibility, some options on how they might meet their obligations. I believe that students want to repay their loans. I certainly want them to be able to. The taxpayer wants them to. Students that I have met with have told me that they want to be able to repay their loan. I guess I'm just having a problem understanding what the Liberals want.

MR. SPEAKER: The hon. Member for Vegreville-Viking.

### Health Care System

MR. STELMACH: Thank you, Mr. Speaker. A conference was held this weekend at the University of Alberta to discuss health budget reductions. Will the minister be able to advise this Assembly about the purpose of this conference?

MRS. McCLELLAN: Well, Mr. Speaker, the conference I believe the hon. member is referring to is a conference that was organized by a nongovernment agency, the ethics and crisis in health care organization. I was invited to participate in that conference.

Regrettably I wasn't able to, but members of my department did attend on my behalf. It is my understanding that it was a very useful discussion. It was a very constructive discussion on how we can go forward in restructuring health care in this province. The organization has also sent me word that they are going to send me a copy of the proceedings of the conference, and I appreciate that very much. We will add that input into the realm of work that we are gathering from all across the province. What it tells me is that everyone in this province is interested in restructuring health care and interested in being a part of it. So I'm looking forward to their proceedings.

MR. STELMACH: Mr. Speaker, driving into Edmonton early this morning, various radio news reports seemed to indicate that our vision for health differs from that of the participants. Where does our plan differ from that proposed by conference participants?

MRS. McCLELLAN: Well, Mr. Speaker, there are a couple of things I could say in that regard. One is in regard to a vision. We have made it very clear that we are in the process of restructuring our health system. We have some guiding principles that we have held to in that process. One of those principles certainly is that we cannot continue to have spiraling health costs in this province. We consider that that would be very unethical. It would be ensuring that we do not have a health system for the future.

I don't believe that we have a conflict in a vision. I believe that we're very much on the same track, and I have made it very clear that the plan for health restructuring will not be made by this minister alone, that it will be made in full consultation. I will take the information from that conference as part of the consultation.

2:20

MR. STELMACH: Mr. Speaker, there was also reported a concern that recent changes in Alberta were in violation of the Canada Health Act. Is the government in violation of the Canada Health Act?

MRS. McCLELLAN: Mr. Speaker, we are very firmly committed to the principles of the Canada Health Act. I am very sure that we are abiding by the principles of the Canada Health Act. It is a federal piece of legislation. I am quite confident that if we were violating it, I would be informed.

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

#### **Alberta Intermodal Services Limited**

DR. PERCY: Thank you, Mr. Speaker. On November 4 the Minister of Economic Development and Tourism announced the sale of Alberta Intermodal Services. However no information was released either on the value of the sale or the financing of the sale to Canadian Pacific rail system. My question is to the Deputy Premier. How much of the proceeds of the sale price will the government receive up front, and how much of it is deferred and financed by the government?

MR. KOWALSKI: Mr. Speaker, I made all that information available last Thursday. In the event that the hon. member forgot it, perhaps I'll just repeat then. Seven point six million dollars was received from the previous sale of rolling stock. This rolling stock was sold to CGTX of Montreal. That was sold on March 3, 1993, and it was for 50 articulated, or bendable, rail cars. Eight hundred and eight thousand dollars was received from the sale of miscellaneous equipment to a variety of purchasers, \$2.1 million

from the sale of sundry leases with respect to the project. There was \$1.9 million on the sale of the lease to CP Rail, and there's \$20 million in cash to close the deal. I made all this information available last Thursday.

DR. PERCY: Mr. Speaker, let me rephrase the question for the hon. Deputy Premier. How much of the sale is deferred, and what portion of it is being financed by the government?

MR. KOWALSKI: Mr. Speaker, when I just finished saying "cash to close," that means nothing has been financed. We've been paid.

DR. PERCY: The other participants in the deal have a slightly different story, Mr. Speaker.

Final supplemental to the Deputy Premier: will he assure the House that all of the proceeds will be applied against the debt, none to the deficit in the general revenue fund?

MR. KOWALSKI: Mr. Speaker, the dollars flow to the Provincial Treasurer. The Provincial Treasurer has enunciated and made it very clear that when the government does sell materials and receives cash, then the dollars are devoted to the debt and the deficit.

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

#### **Grey Cup**

MR. SMITH: Thank you, Mr. Speaker. Calgary-Varsity is proud to be the host riding in the host city of Calgary for the 1993 Grey Cup. The volunteer spirit is again working in Calgary. My question is to the Minister of Economic Development and Tourism. Does the government of Alberta have any information regarding the financial benefits and economic impact that the city of Calgary will gain from hosting this event?

MR. KOWALSKI: Mr. Speaker, the government of Alberta has taken no economic impact analysis of the 1993 Grey Cup festival in Calgary, but earlier this year the Calgary Convention & Visitors Bureau did issue a report. An executive summary with it basically said that there would be approximately \$13.3 million in visitor and resident expenditures. Some \$2.75 million would be spent on merchandise. They estimated in their proposal that the gross domestic product in Calgary of the 1993 Grey Cup will be some \$17 million and overall to Alberta some \$18.3 million. They indicated as well that they projected the total industry output in 1993 resulting from the 1993 Grey Cup championship would be in the neighbourhood of \$27.7 million in Calgary, \$30.8 million for Alberta. They expected 507 jobs. Approximately \$6.5 million in taxes at the federal, provincial, and municipal levels will be generated as a result of the 1993 Grey Cup. [interjections]

MR. SMITH: That's football, not a political football, Mr. Speaker.

Will the government of Alberta be providing any direct or indirect financial assistance to this event?

MR. KOWALSKI: Not to my knowledge, Mr. Speaker.

MR. SMITH: What will the ministry of lotteries, Mr. Speaker, be providing to the Grey Cup event for support?

MR. KOWALSKI: Nil, Mr. Speaker.

MR. SPEAKER: The Member for Edmonton-Glenora.

**Health Care System**  
(continued)

MR. SAPERS: Thank you, Mr. Speaker. [interjection] I can do it. Last week I was pleased to attend a meeting where a number of west Edmonton residents got together to discuss the future of health care. They're very concerned about the current level of services and the services being reduced throughout the city and throughout the province, and they are even more concerned about the future. They fear in particular because the Alberta Medical Association is now considering which medical procedures will be insured and which will not. My question for the Minister of Health is: will she please tell the Assembly what instructions she has given the Alberta Medical Association leading them to begin determining which services will be insured and which will be deinsured?

MRS. McCLELLAN: No instructions, Mr. Speaker. I think it's a matter of discussion among the AMA members.

MR. SAPERS: Thank you for that direct answer.  
Is the minister now telling Albertans, therefore, that they should purchase additional private health insurance to make sure that they will receive coverage for even basic health care?

MRS. McCLELLAN: Mr. Speaker, I don't think that question requires an answer. There is no reason for a recommendation such as that.

MR. SAPERS: Well, physicians all over the province might disagree.

To the minister then: as more procedures are deinsured or as their level of funding is capped, how does the minister respond to concerns that a two-tiered health system, one for the rich and one for the poor, is in fact being created by this government in this province?

MRS. McCLELLAN: Mr. Speaker, the hon. member is really groping and is away out in a wild world somewhere in this whole line of questioning. In Alberta we insure all medically required services as indicated under the Canada Health Act. In addition to that, we offer insurance on a partial or full basis for other services. Any discussions of what services we insure or will not insure will go on in the normal manner. We offer a very, very comprehensive health care system in this province. Our task ahead of us is to ensure that we can continue to offer a very comprehensive system. To suggest that we are only at a basic level now is just quite ridiculous. In what we deliver we are away beyond what the Canada Health Act requires. I believe we have a very high quality system in this province, and it will continue.

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

head: **Motions under Standing Order 40**

MR. SPEAKER: The hon. Member for Edmonton-Meadowlark wishes to request consent for the presentation of a motion under Standing Order 40.

The hon. Member for Edmonton-Meadowlark.

2:30 **AUPE Presidential Election**

MS LEIBOVICI: Thank you, Mr. Speaker. The president of the Alberta Union of Provincial Employees plays an important role in

the relationship between this government and some of its employees. As this is the Assembly's first opportunity since the recent election of the president to present congratulations, I'm urging that the Assembly vote unanimously to support this motion without the requirement of notice.

MR. SPEAKER: The hon. Member for Edmonton-Meadowlark has asked unanimous consent to present a motion. All those in favour of granting unanimous consent, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Those opposed, please say no.  
The hon. Member for Edmonton-Meadowlark.

Moved by Ms Leibovici:  
Be it resolved that the Legislative Assembly send its congratulations to Carol Anne Dean for her recent election as president of the Alberta Union of Provincial Employees.

MS LEIBOVICI: Thank you, Mr. Speaker. In speaking to this motion, I would like to emphasize that the Alberta Union of Provincial Employees represents the interests of approximately 44,000 employees of the Alberta government. Despite the unsettling atmosphere that many are working in, these employees continue to be dedicated to the duties they perform. With this union's numbers being reduced as a result of privatization and restructuring, there is likely to be tension across the negotiating table. It's absolutely critical that the issues on both sides are addressed with compassion, fairness, and humanity. Elections are new beginnings. As a show of good faith to the principles of collective bargaining I urge that this Assembly unanimously support the motion to congratulate the new president of AUPE, Carol Anne Dean.

MR. DAY: Well, Mr. Speaker, first I'd like to say that as Minister of Labour I've already taken the opportunity to send congratulations to the new president. As a matter of fact, the airwaves on Friday and Saturday carried my congratulations and the sincerity of them not only to the new president but also to all those involved in the whole process.

I must admit that obviously we're supportive of this motion. We'd have to check the records to see how usual it would be to take parliamentary, legislative, time to deal with motions like this when we've already sent congratulations. I've also actually sent a letter and asked the new president for a meeting as soon as possible. I'm interested; only the future will tell whether members opposite would also be standing up and asking for congratulations for the person who becomes the new head of CUPE, the Staff Nurses Associations, the United Nurses association, the Health Services Association, the ATA, the School Boards Association, the chamber of commerce. There's quite a list of very significant organizations in this province where people work very hard to get elected and then serve the people of Alberta. We might put that consideration before the Assembly, in terms of looking for the most appropriate way to send congratulations.

I also send congratulations to the former president, Pat Wocknitz. I very much appreciated the working relationship we had. Ms Wocknitz was always very firm in terms of representing her constituents and in no uncertain terms made known to me and to our government what areas she and her constituents agreed with and certainly what areas they were not in agreement with and was always very up front with that.

The message that needs to be sent and which I constantly work at sending is that I believe Alberta can continue to be the most attractive workplace in Canada for workers, for employees and for employers. That only is achieved as we move beyond a we/they type of approach to labour/management issues and realize that we're all in this together. The more we can work together in a co-operative, consultative way, the better that's going to be. Obviously, we're not always going to agree on everything. The goal, I would think, is to clearly identify the areas where there isn't agreement and agree to disagree and then look at where there can be agreement and move to work together. In this day, in this highly competitive not only national but international workplace, investors, workers, employees and employers are looking at places where they can literally set up shop where they know there's a sense of harmony, where there's diversity even within unity, and where people really work to achieve those goals. I will be pleased to be working towards that end with the new president and with all Albertans who also see that as a goal for this province.

MR. SPEAKER: Having heard the motion proposed by the hon. Member for Edmonton-Meadowlark, all those in favour, please say aye.

HON. MEMBERS: Aye.

MR. SPEAKER: Those opposed, please say no. Let the record show it was carried unanimously.

head: **Orders of the Day**

head: **Government Motions**

**Parliamentary Reform Committee Report**

19. Moved by Mr. Day:

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 November 15, 1993, respectively be now received and concurred in.

MR. DAY: Mr. Speaker, the Assembly has been pleased to appoint a Select Special Committee on Parliamentary Reform. It was established to review and to report to the Assembly on deliberations surrounding the whole question of parliamentary reform. The original, initial resolution called for immediate consideration of three specific areas and then called for the committee to consider any and all areas which would enhance the whole subject of reform: how we can better conduct our business here in the Assembly and how Albertans can have the most effective input into that process as possible.

I'm happy to report that in spite of the busyness of this session all members on both sides have been very diligent to clear their calendars and take part not only in the meetings themselves very early in the morning but also in the considerable study of the various material that's out there in terms of what goes on in other provinces in the different areas that we're dealing with.

The committee was charged with submitting a report to the Assembly and to do it in at least three stages: one, to give consideration to the whole question of the sub judice rule and to report on that to the Assembly by November 1; then to also give consideration to the feasibility of minority reports of committees and subcommittees of the Assembly and to report by November 15

on that; and then also to have a report to the Assembly by December 1 on the role and mandate of the Standing Committee on Public Accounts. I'm happy to say that because of the diligence of all the members we were, as you know, able to table the report within the time lines on the first two items, which are the sub judice rule and the issue of minority reports. We are going on to meet again very early in the morning to begin the discussion on the Standing Committee on Public Accounts and how that process might be improved. Then we'll be looking at other items, many of which received public input in a process that took place some months ago. We're going to continue to look at the best ways to get input on those items.

If I can briefly outline what was accomplished on the sub judice ruling and the area of minority reports. Mr. Speaker, as you are more acutely aware than anyone, the question of sub judice rulings is one that requires sensitivity because what we are talking about are public discussions of matters that are before a court of law or in various stages thereof. Recognizing the fact that the media can cover and report on these matters, we recognize that discussions, depending what stage they're at, could prejudice a judge or jury or others in that discussion. So after a lot of good discussion, after comparing what goes on in every other province and also in the United Kingdom in this particular area, the motion was brought forward by Mr. Brassard and amended and added to by Mr. Mitchell which gives, we feel, some clear guidance to the Speaker and to the Assembly in terms of how the sub judice ruling should be applied.

I don't know if we want to read all parts of everything into the record here, but we have clearly laid out time lines referring to matters

pending in a court or before a judge for judicial determination

- i) of a criminal nature, from the time the charges have been laid until passing of sentence and from the date of the filing of a Notice of Appeal until date of Decision by an Appellate Court, or
- ii) of a civil nature, that has been set down for a trial or Notice of Motion filed, as in an injunction proceeding, until judgment or from the date of filing Notice of Appeal until judgment by an Appellate Court.

Then Mr. Mitchell had recommended an amendment which helps the Speaker again to deal with areas of doubt and when that may arise and what direction might be taken. There was good discussion on those items and a unanimous passing of the amended motion, so we have that before the Assembly.

**2:40**

The other discussion was on the area of the feasibility of minority reports of committees. I think it was of special interest because in fact the very discussion on that point reflected the difficulty and in fact the disagreement that there can be in an Assembly on the issue of minority reports. Again without going into a lot of detail and wanting to possibly leave room for response to this, on this particular one the motion that was passed in that particular committee was that there would not be, in fact, a minority report of a report of a committee or a subcommittee of the Legislative Assembly of Alberta. Various reasons were given for that. Again, I don't want to protract the debate. It's all in *Hansard* for those who want to consider it.

It is fair to make the comment that this particular motion was not unanimous. In fact, it was disagreed with by members Mr. Mitchell, Mrs. Hewes, and Mr. Germain. It really crystallized the very debate itself, the fact of: how can somebody's dissent be recorded? The feeling was that without a minority report being allowed, it was a sense of being stifled, not being allowed to fully express one's opinion. The committee as a whole felt that dissenting opinion could still be recorded in a majority report and

that dissent clearly noted so that a person, then, who wasn't in favour, didn't vote for the particular item in a report – it would still be noted and recorded that there was dissent and their reasons for it. Also, it was recognized that in the debate itself, once it moves into the Assembly, there would be full expression of a person's concern with the report.

Those were the two items that were tabled before the Assembly, and it is on those two items that I seek to gain concurrence by the Assembly.

### **Speaker's Ruling Referring to Members by Name**

MR. SPEAKER: Before I recognize the hon. Opposition House Leader, the Chair would again point out to hon. members and make the plea to try to refer to hon. members by their constituency rather than their names.

The hon. Opposition House Leader.

MR. MITCHELL: Thank you, Mr. Speaker. I must say that as he was mentioning our names, some of us broke out in a cold sweat thinking that maybe we were going to be removed. Thank you for pointing that out to him. We're working very hard to meet those kinds of rules.

### **Debate Continued**

MR. MITCHELL: I welcome the opportunity to speak briefly to this motion. I have mixed feelings in considering the motion, Mr. Speaker. I believe that the committee worked well together, that we worked hard. I was pleased with the efforts of the chairman to call meetings at all hours of the day so that we could ensure that we would have time to meet. In fact, he would modify meeting times in accordance with our scheduling difficulties. From our point of view, half of the work of the committee was very, very acceptable. That's noted in the committee's unanimous support for the sub judge motion that we've proposed in the report.

I would like to emphasize one point simply so that the Members of the Legislative Assembly are aware of the nature, the spirit of the discussion which surrounded the sub judge motion that we have presented in our report, and that is that we have done two things. We have provided the Speaker with certain guidelines under which the sub judge judgment will become more intense, shall I say, so that once charges have been laid in a criminal case, the sub judge consideration would be heightened in its intensity, and once a trial had been laid down in a civil case, similarly the focus of the Speaker and of the Legislature on a sub judge matter would come to the forefront. At the same time – and this is something I want to underline – we felt that there were some very strong reasons for leaving a degree of judgment in the hands of the Speaker with respect to whether or not a case, criminal or civil, before or after the deadlines, these guideline times, truly would result in prejudice to some party if debate or questioning in the House was allowed to proceed. Just as somebody might be prejudiced prior to charges being laid in a criminal case or prior to a matter being laid down for a trial in a civil case, the Speaker we would expect would exercise discretion prior to those deadlines to ensure that no Albertan or other person would be prejudiced by some kind of proceeding in this Legislature.

Similarly, after those two deadlines or those two time lines it would be up to the Speaker to exercise discretion to ensure that debate could proceed and not be arbitrarily and unnecessarily prohibited simply in a blanket way after charges were laid in a criminal case or after a trial was laid down in a civil case. We feel that the Speaker needs judgment to ensure that whenever

somebody's interests could be prejudiced, he or she can exercise judgment to ensure that debate wouldn't be allowed to proceed that could cause that, but at the same time it is very, very important that the House not be limited in debate when that debate wouldn't in fact prejudice someone, regardless of whether or not a charge had been laid or a court date had been set. There are many issues today that the Speaker allows us to debate; among them, for example, the Gainers case. He's right to allow us to do that, and I think all members of the House appreciate that, despite the fact that some feature of the Gainers case is before the courts. I think the members of the House have demonstrated their ability and their responsibility in approaching issues of this nature and that the Speaker has guided us very, very well throughout the debate and the questioning on an issue of that nature. So what I want to underline is that the spirit of our discussion was that there should be judgment exercised but that the guidelines in this motion would assist the Speaker in exercising that judgment.

I'm not as happy with the outcome of the minority report deliberations of the committee. Having said that, I will say that we did make some progress. We do acknowledge in this motion that the committee may in its discretion include any dissenting opinions in its report. Much of the reluctance of some members to allow for more detailed minority reports seemed to be in my estimation, Mr. Speaker, a view that committees had a specific role, a specific mandate. All committees that could be struck by this Legislature would have the same role, and that is to develop a consensus on some item. Therefore, if that was their role, it would be contrary to that mandate or that role to allow a minority report. I would argue that that's a very limited view of what a committee of the Legislature can do. Certainly some issues that might be referred to such a committee would lend themselves to the development of a consensus. In other cases that might not be the case at all. It might be that what the committee could offer would be an airing of the views on both sides of an issue so that the Legislature would have a much broader understanding of both sides of a given issue so that they could deliberate more effectively. It might be that the committee has been designed to listen to Albertans and to report back on what they've found and what they've heard. Dissenting reports in that regard would not undermine the need to develop a consensus. If Albertans to whom we were listening didn't have a consensus, it would seem to me that it would be somewhat inordinate for the committee to try and develop one.

It would underline, I think, very clearly and very logically that there is a mandate that would go beyond this idea of developing a consensus. Yes, in many cases it would be that committees or subcommittees of this Legislature should develop a consensus. In many other cases that might not at all be the prime objective in the Legislature's thinking for establishing such a committee. I think it's somewhat naive and somewhat limiting in the perspective that some members brought to that debate to think that we have to be limited only to developing a consensus through a committee.

So I would argue quite the contrary, Mr. Speaker: that in fact one of the issues facing this Legislature, facing the political process, facing governments today in this province and elsewhere is the profound cynicism that people feel about the political process. One of the reasons, I believe, that they feel that cynicism is that they believe that this institution and institutions like it don't hear them. They don't listen to them, and they don't hear them. I believe that if we are not allowed to develop minority reports, then what we do is underline that frustration on the part of people who were expecting that their side of the story could be heard and could be presented in an official way to this Legislature within the walls of this room. I think we lose a great deal in what commit-

tees could achieve with respect to creating amongst the people of this province that sense of trust and that sense that we are listening if we are limited to not being able to give a minority report.

2:50

It is interesting to note, for example, that on many issues we might find that in fact not even a majority of the people whose opinion we solicited were in favour of one recommendation over another recommendation over another recommendation. It might be that the people who presented to this subcommittee on a given issue were 10 percent in favour of one solution, 10 percent in another, 10 percent in another, 10 percent in another, 8 percent in the ninth, and 12 percent in the 10th. So the committee would be driven by this need to come up with one report. "Well, we'd better back the 12 percent." That's what we'll say? Well, of course not. All those other people with almost equivalent support for their position in the public who presented would say: "Well, wait a minute; wait a minute. The 2 percent difference hardly warrants our position not being reflected in the official way that the majority opinion would be reflected" – or the plurality opinion, if you will, would be reflected in a report to this Legislature. So when I balance, yes, I'm concerned that we would not develop consensus when consensus should be developed. I am also very concerned, and more concerned, that we would be driven not to reflect bona fide, sincere views presented by Albertans to a subcommittee, that we would not be able to reflect those views properly, that we would shut out those people from being heard properly, and that we would in fact exacerbate and enhance the cynicism that people might feel.

I don't know what we're afraid of. I don't know why we would want to take that risk. For what gain? So that somehow we can convince ourselves that really there's a consensus in this report when there isn't; that somehow the people who had a minority view reflecting a minority view of many, many Albertans don't have the right to present that view in the same way that a majority view is presented? Those kinds of considerations simply seem to me to pale against the risk of yet again shutting people out of the process and not allowing them to believe, and properly so, that they have been heard in a subcommittee process established by this Legislature. While we appreciate that dissenting opinions may be reported, we are reticent to accept this particular motion because we believe that it doesn't accomplish what minority reports, properly endorsed by a subcommittee and properly printed and distributed as the majority reports will be, could accomplish for this political process and for enhancing the development of public policy in this province.

Given that both the sub judge and the minority report provisions of our subcommittee are contained in this motion, it would be very difficult, of course, for us to disagree in a vote on one and want to agree on the other. In fact, it would be impossible. So I will vote for this motion to achieve what's been achieved in sub judge, in order to inch our way forward on the question of dissenting opinions. But I do it with a great deal of reluctance, Mr. Speaker, because I believe we came awfully close to doing a much, much better job for the people of this province with respect to minority reports. I am disappointed that we simply were unable to get this committee to come to a consensus about how important it would be for us to have minority reports.

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

MR. GERMAIN: Thank you very much, Mr. Speaker. I do not want to get into a habit in this Assembly, and I do not want to get a reputation in this Assembly for simply sawing sawdust, but in

addition to the appropriate comments that have been expressed already on this particular motion, what we are asking this Assembly to do and what this committee is asking the Assembly to do is to say that we could have built no better mousetrap in connection with our Standing Order 65(2). It was of some interest that when the report was tabled, with the exception of some cosmetic changes there was no improvement whatsoever in the issue of minority reports. The changes are simply cosmetic only. It is not appropriate, I suggest to the members of this Assembly, that we simply say, "Well, we're no different than other Legislatures elsewhere." Why don't we get to the front of the parade for once instead of simply saying, "Well, if it works elsewhere, it should be good enough for us hometown men and women in Alberta"?

The committee was structured to bring about some parliamentary change and some positive reform in areas that were perceived to be of concern to various Members of this Legislative Assembly on both sides of the House. Are we so quick now to concede defeat on the issue of minority reports by saying that we in this committee could come up with nothing better than that which we had before? Now, Mr. Speaker, the irony of all of this is that the more difficult problem of the two, discussing in this Assembly issues that are before the courts and the potential prejudice that has, we were able to deal with and come to a consensus. On the minority reports we did not allow ourselves the opportunity to permit minority reports if the enabling legislation allows that to be done. We did not even at least guarantee those people who speak in the minority that after thorough debate their views would be expressed, because we left it up to the discretion of the chairman.

I must confess my limited knowledge in terms of procedure in this particular matter, but it would be wonderful if there was a way that we could sever this motion that is before us today, vote on the more complex issue that we dealt with and reached agreement on, and perhaps refer the one rule back to the committee for a second kick at the cat. For us to say today that we've studied it and we've come back with the same rule we had before is hardly, in my respectful estimation, a full and thorough debate of the issue.

Now, the minister who chaired this committee did an admirable job. He had to work at 7 o'clock and at pre 7 o'clock in the morning times with people who had sat in the House, often involved in ferocious debate, up to 10 and 10:30 the nights before. It was very difficult between eating the sticky buns and drinking the coffee to get all of the debate in connection with this committee out on the floor.

Mr. Speaker, I would urge all members of this House to either not approve this motion at this time or refer the minority report issue back to the committee for another whack at it, because I think we can do better.

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

MR. DICKSON: Thank you very much, Mr. Speaker. I salute the efforts of the Select Special Committee on Parliamentary Reform. Just a couple of observations I want to make, sir, before this matter comes to a vote. The sub judge rule I think has typically been a vexing problem. As the Member for Fort McMurray has indicated, you're trying to reconcile two competing goals: on the one hand public accountability, which of course is a very important one; and on the other hand protection of the integrity of the judicial process and the rights of either an accused person or litigants in a civil matter.

My observation would be this: I think that with respect to criminal matters the recommendation is excellent. The only comment I'd make is that it now indicates that the immunity or privilege or sub judge character only survives until date of

decision by an appellate court. You, Mr. Speaker, will appreciate that it's not uncommon that courts will make partial decisions and reserve on other aspects pending something else happening – pending another submission being filed, a decision in a higher court. I'm not going to tie this up with amendments, but I'd suggest that where it says “until date of Decision,” that ought to be construed to be until date of disposition, because I think that's really when the sub justice should dissipate and not before.

**3:00**

In the second part dealing with civil actions, I'm concerned where it provides that sub justice commences when a matter is set down for trial. That's a very positive step. I think that's an important reform. It says, “or Notice of Motion filed, as in an injunction proceeding.” I take that, Mr. Speaker, to refer to a notice of motion for substantive relief as opposed to substitutional service or some process matter only. It doesn't say that, and I'd be more comfortable if it specifically said, “until set down for trial or a notice of motion for some substantive relief.” Then my same comment with respect to disposition by an appellate court instead of “until judgment by an Appellate Court.”

Then the only other comment I'd make with respect to the minority reports. It seems to me that if one of the purposes of a committee is to take an aggregate opinion and attempt to distill and to focus on what might be a complicated or a difficult issue and crystallize it in some fashion, a minority report by defining the other view still serves a useful purpose. When a report then comes back to the full Assembly, if there's a majority and a minority report, a majority and a dissenting report, it's still much easier. We're still better served in this House because the issues will have been further defined, further shaped, further clarified than would have been the case if there wasn't that provision for a minority report.

Those are the only observations I wanted to make, Mr. Speaker. Thank you.

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

**MR. BRUSEKER:** Thank you, Mr. Speaker. I, too, just want to make a few comments about the motion before us today, Motion 19, that we stand and concur in the report produced by the Select Special Committee on Parliamentary Reform. It's curious in the report itself, when you look at the physical construction of the report – the chairman of the committee that introduced the motion today talked initially about the sub justice convention and how it was sort of researched, I guess, through looking at what we have or what other jurisdictions have in various provinces. You look in fact through the report that is under discussion today and you'll see a good deal of research and a good deal of information about Ontario and British Columbia and so on and so forth. What we have proposed to adopt under this report would be the process that applies to sub justice as it relates to the province of British Columbia with some minor alterations.

Mr. Speaker, indeed the decision in the committee that dealt with the sub justice issue was passed unanimously. Unfortunately, I was not able to attend the second meeting, but I was there for the first meeting, and there seemed to be a fair amount of concurrence on where we should go on that particular issue. When we look at the report that we have before us today in the Legislature, you can see the background information that led to that particular decision. In fact, the bulk of the report that we're looking at today deals with the sub justice convention, which was agreed upon unanimously. Curiously, when we then look at the other part of the report that deals with minority reports, four pages

deal with minority reports, which of course in the past have been somewhat more contentious.

So I echo the concern of the Member for Edmonton-McClung regarding how we should possibly vote on this. I guess ultimately we'll have to support it, because it is an improvement over what we've had. Certainly the sub justice convention was agreed upon unanimously, and that is a step in the right direction. I suppose the issue of minority reports is moving along somewhat as well. When I look at the four pages that are allocated to minority reports and I consider some of the reports we've had in this Legislature in the past and some of the events that have occurred as a result of those reports, I have to wonder if in fact four pages that propose some direction is in fact the right way to go.

Not to beat a dead horse, but the one select special committee and report that I had the greatest experience with in this Legislature of course dealt with electoral boundaries. The chairman of this committee was also a member. The current Minister of Energy and one other over in the front bench, the Minister of Family and Social Services, were also involved. That was a long process, Mr. Speaker, and what ended up happening was a committee A and then a committee B and a commission in between and a whole variety of interesting events. Of course, at that time our Standing Orders did not allow for a minority report.

Now, I'm not sure if a minority report would have turned things around and would have solved the problem and maybe shortened it down from being a four-year process to maybe a year and a half kind of process, but certainly being able to express concerns much more fully I think might have prevented the hung jury we had when our commission came back with in fact a report containing five individual positions. The reason I think we ended up with that kind of a position at the time was because of the fact that we had a report that essentially, I believe, had some serious errors, some serious flaws in it, which in fact was ultimately shown to be the case when the government came in and amended the legislation a second time around. They said: oh, the report that came out gave us all the background and all the information we need. They produced a set of legislation despite amendments from the then New Democrat Official Opposition and from this member as a member of the Liberal opposition. Those were all ignored. We had a commission created that then came back and said: well, the legislation is so bad we can't possibly deal with it. Lo and behold, we had amendments.

Well, it's little comfort for Albertans and little comfort for any particular member to be able to stand up and say, “I told you so,” despite the fact that indeed we did tell them so. Unfortunately, we couldn't tell them so in a minority report. I think that's the key issue here, Mr. Speaker. We need to be able to have a much broader position, a minority position, whether it's an individual from the government side who feels concerned about an issue or a member from the opposition side who feels concerned about an issue, to be able to express an opinion much more broadly. That indeed, I think, is the need for a minority report and a minority report to be introduced as a part of the body of the major report itself, not as an addendum tabled somewhere else at some other time, not as an unofficial document that is simply introduced in the Legislature to be forgotten in the bowels of the archives that we have somewhere here in this building and in other buildings but in fact as a part of the report itself. Had we had that ability – and again I use this one purely as an example – on the electoral boundaries committee, I think we would have been better served in the province of Alberta and I think the Legislature could have dealt with that issue much more expeditiously.

So while on one hand I have no difficulty in accepting the portion of the motion that deals with the sub justice rule, Mr.

Speaker, I do have some concerns with the direction that we're taking with respect to minority reports. It is an improvement. I suppose we should be grateful for small steps, but here was an opportunity to take a much larger step, and I am sorry to see we didn't do that.

Thank you, Mr. Speaker.

MR. DAY: Well, I appreciate the remarks that have been made on this, and our members of the select committee have indicated to me that they feel their own comments which are recorded in *Hansard* very accurately and fairly show the various sides and angles of this debate as related to minority reports. I think the debate itself shows that with a minority report or not, or even if we had gone as far as to not include dissenting opinion, in fact there still is the opportunity for that dissenting opinion.

I will say that we continue to look forward to working together as a committee. The discussion and the debate on the minority reports especially by members opposite was very strongly felt on their behalf and very strongly indicated, but I think it's fair to say that it was indicated without acrimony or malice. We just acknowledge there were some differences. We all look forward to improving the public accounts process and many other processes that govern this Assembly.

The only inaccuracy that I have heard by members opposite in terms of reflecting the debate was by the Member for Fort McMurray. I believe he referred to one of the breakfast meetings in which he said that there were sticky buns served. I have checked the records. It was only muffins. Other than that all remarks made accurately reflected the debate. On that note I would call for the question on this motion.

[Motion carried]

### 3:10 Winter Recess

21. Moved by Mr. Kowalski:

Be it resolved that when the Assembly adjourns to recess the First Session of the 23rd Legislature, it shall stand adjourned until a time and date prior to the announcement of the Second Session of the Legislature as determined by the Speaker after consultation with the Lieutenant Governor in Council.

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

HON. MEMBERS: Question.

[Motion carried]

head: **Government Bills and Orders**

head: **Second Reading**

#### **Bill 21 Agriculture Financial Services Act**

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

MR. PASZKOWSKI: Thank you, Mr. Speaker. I'm pleased to move second reading of Bill 21, the Agriculture Financial Services Act.

Mr. Speaker, the purpose of this Bill is to enable a merger of the Alberta Agricultural Development Corporation and the Alberta Hail and Crop Insurance Corporation. This Bill will establish a new corporation, the agricultural financial services corporation, which will deliver financial services to the agriculture and food processing industries throughout the province of Alberta.

Some background is perhaps in order here, so if you'll indulge, I'll try and give some background as to the two Acts that will be coming together as one. In October of '92 our government announced the merger of ADC and Alberta Hail and Crop Insurance Corporation, and since that time a single board of directors has been directed to combine the two organizations. The legislation before us today, Mr. Speaker, is designed to integrate the operation of the two corporations.

For those members who may not have an agricultural background, I'll briefly outline the functions of this new corporation called the agricultural financial services corporation. First, let me review the insurance division. The Alberta Hail and Crop Insurance Corporation has offered hail insurance, all-risk crop insurance, and revenue insurance to Alberta farmers. Its head office has been in Lacombe, and it serves the farm public through 54 district offices throughout the province. Second is a lending institution, the Agricultural Development Corporation. This is a Crown corporation delivering financial consulting and lending services to farmers throughout the province. Secondary food processors as well as agribusiness receive the benefits of this particular agency. Its main service has been to the beginning farmer however. In recent years its supports to value-added food processing has grown significantly reflecting ADC's role in advancing the diversification of our agricultural economy. Its head office has been in Camrose, and it's served its clients through 43 district offices throughout the province. The two organizations fit well together because they are both in the business of helping farmers manage financial risk and to a large extent they have identical clientele.

[Mr. Deputy Speaker in the Chair]

The merger of these two entities fulfills two objectives of this government. First, we promised less government, and this merger does this. The two organizations are now overseen by one board of directors, and I'm pleased to report that the number of directors in total has dropped from 20 in the previous two boards to 11 today, operating and functioning as one board. The second promise we made was to improve service to the local community. Creating the agricultural financial services corporation is the first step towards one-stop shopping for all agricultural services throughout the province.

The new organization is expected to offer comprehensive and accessible service to Alberta farmers. The service improvements will result from administrative functions being merged wherever possible. The move will also save money for the government and the taxpayers in the long run. The new corporation reflects the fact that farmers are becoming more sophisticated. Their financial decisions are interrelated. Credit, insurance, income protection, debt, and cash flow management are all part of managing risk. The ultimate goal is to offer one-stop shopping to farmers, one place where they can get all of their needs and all of their requirements through the one-window approach. While here they can obtain production, marketing, and management advice. Credit, financial services, hail insurance, and the gross revenue insurance program can all be covered in this one-stop shop.

Mr. Speaker, I'd like to comment on some of the major changes that this new Act will bring as compared to the two existing old Acts. As part of this government's plain language initiative the new Act uses 1990's legislative language, which we trust will be easier for all of us to understand. The new Act is set up in divisions to separate the various core functions of lending, insurance, and local opportunity bonds. The corporate powers will include – and I'll break this down into various segments and

various areas, if I may. The old style of dealing with control over powers was to make an extensive list. The risk in doing it that way was that the list might become obsolete or misinterpreted. Newer Acts control powers in a different way, by giving the agencies the power of the natural person. For these functions covered by these Acts and providing restrictions in these powers through these regulations, by doing it this way, it will indeed make it much simpler. The new Act has been written in this new style to give the agriculture finances services corporation the powers of the natural person. As a practical example of the agriculture financial services corporation using the powers of a natural person, the corporation could enter into agreements with other governments for joint delivery of programs thus reducing the cost of duplication between the administration of governmental services or the proviso of governmental services.

In the new Act limits for obtaining cash advances for crop and revenue insurance from the general revenue fund without specific approval by the cabinet have been increased. This will enable the corporation to ensure that payments of claims, premiums, and expenses are made promptly, especially if there are delays in receipt of funds from the federal government. We've had occasion in the past where the federal government has not advanced funds in time, so farmers had to sit and wait for that money to come forward before the agency was able to administer these funds and provide them to the farmers who actually needed them. Of course, this presented some very difficult times for the farmers. Consumers should not be inconvenienced for long delays that can result as a result of the lack of funding coming forward.

The new Act exempts the corporation from the Mortgage Brokers Regulation Act. This exemption is essential to the efficient operation of the corporation's vendor mortgage program. Without the exemption the program would be bogged down in paperwork. The Consumer Credit Transactions Act exemption was necessary for the operation of the indexed deferral plan. The Financial Consumers Act was intended for private consumer financial transactions and was not really applicable to this Act. Section 74 of the Financial Administration Act has different limits on guarantees than the Agricultural Development Act and this new Act. Section 81 of the Financial Administration Act and the Securities Act are exempt so that the corporation can operate the local opportunity bonds.

To clarify items which were implied in the previous Act and questioned by the Auditor General, sections were added dealing with pension, financial, and other assistance for employees. This additional wording provides that the ambiguity which was there before will not be there today. This of course will help in the presentation of audits.

The new Act provides for agreements with the government of Canada, other governments, or other persons with the respective lending, insurance, or compensation programs. These agreements are subject to cabinet approval and could mean joint delivery or acting as an agent for a program for another government or another person or another agency. This of course is largely here to remove potential overlap that exists. As you know, back in March of this past year there was a meeting with the federal/provincial governments where they tried to determine any overlap that may indeed be taking place and tried to streamline the process and again go back to the one-window approach which I had mentioned earlier.

3:20

Maximum fines and jail terms have been increased for the providing of false insurance information, and fines have been

increased for failure to observe the corporation liens on crops. These are more in line with the penalties in other legislations.

For several years the Hail and Crop Insurance Corporation has administered the wildlife damage compensation program. To be more efficient, the applicable parts of this program will be transferred from the environmental department to the corporation through this legislation.

The Alberta Agricultural Development Corporation and the Alberta Opportunity Company are currently accepting applications for three pilot projects using the local opportunity bond concept. The results of these pilot projects could result in a full-fledged local opportunity bond program. A local opportunity bond program requires legislation both in the Act as well as in the regulations. It is our intention that the regulations will be developed after the pilot projects have been approved and assessed.

Mr. Speaker, I'm looking forward to the passage of this Bill so that we can realize the full financial benefits of merging these two organizations while also improving the customer service through the one-stop shopping that we have committed to our constituents.

MR. DEPUTY SPEAKER: Lethbridge-East.

DR. NICOL: Thank you, Mr. Speaker. I'd like to address Bill 21 this afternoon. What I see here is a program by the government to effect, as the minister has called it, a one-stop shop for government financial services for the agriculture and rural community sectors. The question that comes up right off the bat or at the start is: why are we doing this now after the fact? My understanding is that the ADC and the Hail and Crop Insurance Corporation have already been functionally approved. What process is this in terms of putting together policy when we're actually legitimizing things after they've happened? We should be in a position where the government debates these kinds of changes in structure and then implements them, rather than acting in response to after-the-fact actions by the Executive Council.

What I see here is basically a corporation that's being created to deal with farmers in three different areas: first of all, their loans, their hail and crop insurance, their gross revenue insurance program, and also the potential for wildlife damage, if they want to make claims for that function. What we've got now is the opportunity for one agency – and I know the minister explained this as being a great contribution to co-operative action, but what we need is some degree of independence so that we can operate under these different functions. Are we going to see situations where if a farmer goes in for a loan, the adviser that approves or evaluates the potential for the loan also deals with requirements for hail and crop insurance? Are they going to be mandated to take it through the government agency, or will they still be able to use the free market, the open market, as the current situation exists? So we're going to have a lot of pressure put on for farmers to get involved.

The same with the GRIP program. Under the unfortunate situation where a farmer has to collect under one of these programs, are they going to be in a position where the administrative unit will be able to make an internal transfer of funds, where the farmers will in essence then use their crop insurance to pay off their loan without having the access to it on their own? It'll just be transferred internally within the organization. What this does is put farmers in a very bad position where they don't have control over their own cash flow; they don't have control over their own decisions. What we end up with then are these advisers that were administering the loans in essence becoming default bankers and financial control agents for the farmers.

In terms of the farm aspect of it, this is one of the main concerns that I see in this Bill. We've got to be able to make sure that the free market still operates for farmers when they deal with this agency. We recognize that many farmers deal with Alberta Hail and Crop Insurance and they also deal with the lending functions of the government, and to date they've been able to maintain a degree of independence. Now, all of a sudden we see these coming under one umbrella and the possibility existing for the manipulation of the farmer in terms of their financial decision-making, their independence to allocate their receipts from a crop insurance program to their mortgage or not.

Mr. Speaker, I can speak from personal experience on this. Last year my farm was hailed out, and I had hail and crop insurance. I don't know whether I should say fortunately or unfortunately; I had used a private vendor for my hail insurance, and the cheque came to me within two weeks of the time that the adjuster was there. Many of my neighbours were waiting significantly longer for theirs that came through Alberta Hail and Crop Insurance. I had the option to apply that money wherever I felt was in the best interests of my farming activities. This is important, because for a lot of the other people, if they also carried an ADC mortgage or that, the banks were right there after it. I'm afraid that if this is all done under the umbrella of one organization, we'll see this kind of pressure.

I guess the problem that I have here also is the kind of independence that this corporation is being given. What we see is the corporation effectively having the power to totally allocate and totally control the Alberta government's commitment to the financial support programs in the agriculture sector, in the gross revenue insurance area, in the support and subsidization of the hail and crop insurance, and also in the wildlife damage program. What we're going to end up with then is a lack of versatility in terms of what exposure the farmers can have with the interaction with their government.

In the minister's introduction he mentioned the fact that what farmers were going to have is an opportunity to come through and get advice from this organization. My understanding, Mr. Speaker, is that the advice component of Alberta agriculture comes through the field services branch, not through Alberta Hail and Crop Insurance or ADC under their current titles or now under this new agriculture financial services corporation. I would like to have a little more explanation here. It seems that the minister is reading something into this Bill that wasn't very obvious for other people looking through it, this advice component, as to where it's going to come out. What we're going to then have is the impact of the government, you know, totally controlling agriculture. Will this advice be mandatory? Will the farmer have the option to go away then and say, "Well, you know, I think this is in the best interests of my farm operation"? So I guess that was one concern that I wanted to add on to this section of my comments after listening to the minister's introduction to the Bill.

I guess the concern that I have – and I think we all support the idea that the government is acting to reduce the number of kind of nonfunctional administrative positions that are associated with the provision of services. We heard that the boards have been reduced from 20 to 11. I think these are all good moves. What we need to do is look at this Bill and see that there's really no change in the way the corporation is supervised: its responsibility, its methods through which it answers back to the government other than its annual reports. We've seen some situations that arise under the two original corporations where administrative inefficiencies and the independence that was allowed to these boards created inefficiencies that cost both the users of the program and the taxpayers through the government great amounts of money in

terms of the loss that occurred because of the administrative inefficiency or the administrative mismanagement that arose. Again the areas that come out in terms of concern about the government's commitment in this particular new corporation and the areas that they've talked about and given us as their platform – they've talked about openness, and they've talked about accountability. Yet again here we see the same transfer of power that existed under the Alberta Ag Development Corporation into this new corporation in terms of approval of loans. We see Executive Council still having the ultimate control on loans over a million dollars. What accountability provisions are going to be built into this? What kind of openness is going to be built into it? The corporation has the aspects of providing total cost recovery in its operations. I guess these are the mechanisms that are allowed within this wording to provide for the operation of services like the beginning farmer loans, interest deferrals on farm loans, interest deferrals on business loans, or subsidized interest rates on these loans that go out either to the farm sector or to the ag business community that gets support through the nonfarming, the value-added sectors. I think that as a commitment to the openness that this government has promised Albertans, it may be appropriate to have these million dollar loans come into the Legislature for debate and discussion and evaluation as to their effectiveness in contributing to the Alberta agriculture sector.

### 3:30

Again we see some of the wording in the new Act effectively supporting the idea of loan guarantees. I think it was a commitment that the government made: that we wouldn't be providing loan guarantees any longer. So it creates concern that maybe the government isn't quite as open as we had hoped, because these expressions of loan guarantees still continue to show up in the wording.

The last concern I have in kind of the farm sector of it deals with the hail and crop insurance, the relationship that that has with the gross revenue insurance program. These will both be administered under the new corporation, yet in many ways they are separate. What's going to happen in terms of the relationship of any new programs that might come out to replace the current gross revenue insurance? Is the diversity built into the administrative structure and the mandate of the corporation to be able to deal with it? What kind of obligation is going to be passed on to this corporation if in the next year the government decides to withdraw from the gross revenue insurance program? I see the potential here for some discrepancy in terms of the allocation of insurance funds for the farming sector.

I guess the last area that I see as a concern in the construction of this Bill is in the opportunity bonds, the component part of it. What this does is it creates quite an opportunity for rural development initiatives to be developed. We've heard of the pilot projects that are going on right now. As this expands into a general program under this mandate, are we going to see a situation where the agriculture value-added industry is the source of the transfer of capital accumulation from the provincial government into the rural communities as they get subsidized loans and subsidized activities to help promote development in their communities?

We talk about a competitive tax structure being promoted by the government. Why is it, then, that we're all of a sudden now coming into the situation where we have the government getting involved in creating a, quote, noncompetitive environment for businesses that can qualify for these opportunity bonds? I think we've seen numerous examples of where businesses have been brought into Alberta, where they've been created with an incentive for settlement, whether it be through special county-level

or municipality-level exemptions on expenses, direct government loans, direct government support. These have not turned out to be as functionally competitive as we'd like to see. We see an example of this in southern Alberta with all of the support from the government that went, in the agriculture area, to the Cargill plant, the slaughter plant that was created at High River. They still haven't got up to speed. They were talking about slaughtering the number of animals that they were hoping to within a year of the time that they were being put in place. They basically haven't remained competitive with the slaughter plants in the northern part of the United States, and we see an awful lot of our cattle still moving to the northern part of the U.S. because of the lack of competitiveness of the Cargill plant in the High River area.

So what we see basically are concerns that what we're going to end up doing is encouraging the introduction of businesses in Alberta in areas where we don't have a good, sound economic basis for these businesses to get involved. They're going to be coming in through a financial incentive program, and when they get operating, they'll end up in essence being less than what we expected.

I've expressed a number of what appear to be pessimistic views of this piece of legislation, Bill 21, yet overall I would feel that this is a step in the right direction. We need to begin to look at the functional operation of government agencies. We need to look at the overlap that occurs in these government agencies, and we need to start pulling them together into more co-ordinated efforts.

So, Mr. Speaker, I'll close by just saying that I think that this is a Bill that I can support for the creation of the agriculture financial services corporation.

Thank you.

MR. DEPUTY SPEAKER: The hon. Member for Redwater.

MR. N. TAYLOR: Yes, Mr. Speaker. I'd like to say a few words on this. First of all, I'm a little surprised – well, I guess I'm not surprised, because the department of agriculture and this government for the last few years have been marching to a tune that nobody hears but them.

Talking to the Treasurer and to the House leader and to the Premier, I get the very strong impression that the government's business is to get out of business. If there's ever a Bill that's going to put the government even more in business than they are now, this is it. They're talking about expanding the Alberta Agricultural Development Corporation so it runs all the insurance for farmers. They're talking about expanding it so it'll run the wildlife damage program, Mr. Speaker. If that isn't enough, they're going to expand it so it'll also run the local opportunity bonds. You'd have to go back to the Russia of 10 years ago to run in where a government so dominated the rural economy. The only thing they're missing here is that ADC will not be running the local square dance troupe in the local cultural society. That's about all, and I think if we wait a little bit, we'll find that too.

So what we have is a department out there rurally marching in one direction and the government here marching in the other direction. In fact, it's a direction that I rather approve of. I'm not sure I agree with how the government goes about getting out of business and cutting back guarantees. If there was a debate of anything in the last election – and I don't think June 15 supported them in any way, shape, or form – it wasn't that the corporation will issue a local opportunity bond and

assure or undertake to assure that there will be return on the principal amount . . . but may assure the repayment to the holder of the bond of an amount that is not more than 100%.

Well, where in the dickens would you get anybody to guarantee more than 100 percent? Only this government would think it's an attribute, to come up and suddenly say, "Oh, we're only guaranteeing to give the guy all of his money back; it could have been worse." What the heck were you going to do? Give 150 percent of the money back? This is absolutely ridiculous. How the minister can stand in his place and suggest – and you wouldn't get away with that anywhere else. How would any businessman over there on the other side – and I see quite a few of them – like to be told that from now on the government's going to do all your banking?

You've got the Alberta real estate corporation or the Alberta plumbing corporation or the Alberta Deep Six corporation that will loan you all your money. Then on top of that, to make sure of that, you already have the Alberta Deep Six – I keep saying sex, but I know it's out of place here, especially when I look over there – organization, Mr. Speaker, who would also be in charge of insuring the loans and insuring business. I've been in business for years, and the last thing I wanted to do was to go out and borrow from one company and then get the income insurance from the same company. You try to pick a separate company. Here you're seizing the farmers by the ears, because there's very little competition out in the rural area.

3:40

This is the direction this government should be moving in: you should be trying to privatize and multiply the choices for the farmer out there, not only in markets but in financial markets. Here we talk about the barley deal – we wanted to get the government out of controlling barley marketing – and we've got the government moving holus-bolus into the whole financial market under the excuse that this is going to be more efficient. Well, you know, it would be more efficient if we got rid of all the car manufacturers and only turned out one car. It would be more efficient if we only turned out one tractor, and it would be more efficient if we turned out only one set of plumbing. You know how incompetent it would be. But here we have a member of this government standing and saying that we're going to increase the monopoly, that we're going to expand the monopoly.

If we roll on from that, Mr. Speaker, philosophically, the Member for Lethbridge-East has already pointed out the conflicts that could easily develop with the banker also being the one that insured the crop. He mentioned it from the point of view of the farmer possibly getting shafted. But how about the taxpayer getting shafted? Suppose you were a banker and you loaned money to me, the hon. Member for Redwater.

AN HON. MEMBER: That's risky.

MR. N. TAYLOR: You know how risky that could be. Then you turn around and say: Member for Redwater, I will insure that crop of barley. Well, last year it was barley; this year I'm going to try oats, racehorse oats, to keep up. Suppose then you insure my crop. Well, possibly you would insure my crop far beyond what it should be just in order to make the stupid loan that you made look good. You're covered. So the taxpayers of Alberta could be paying for a lot of rather stupid moves on the part of this company in insurance claims in order to cover up the bad loans they made.

Now, Mr. Speaker, we roll on, and I mention look on, and this has to really get you. When you look at the local opportunity bonds here, there's no limit. Mr. Pocklington could suddenly get a farm truck licence and come back and haunt us again for another 60 million bucks. If there's a limit, I haven't seen it. Or the hon. Member for Redwater could suddenly learn something and come

out here and hit for a local opportunity bond. Mind you, it would only guarantee 100 percent of what I put up. I mean, about that I'd feel a little bad; I'd like to get 130 percent of what I put up. After all, if I was foolish enough to put the money in a stupid deal, I should at least get 130 percent back.

But here's a local opportunity, and this is all rolled into one-stop shopping. That's the excuse. But the taxpayers are really going to get fixed, and all I'd like to know is whether this minister waved it through that caucus. All those fresh, young minds from Calgary, have they even sniffed at this? Have they even walked around it a little bit, barked at it a little bit, picked it up and shook it a little bit to see if it was alive? No. They're going to sit here and vote for 100 percent local opportunity bond guarantees. I don't know; I don't think it's intended to be offered in the city. Otherwise, ADC wouldn't be getting it. Or have they been promised their turn at the tank down the road, Mr. Speaker, that if ADC gets 100 percent guaranteed opportunity loans, maybe Calgary will get theirs? Northeast, southeast, southwest, wherever they all come from, it doesn't matter. Here we have a rural thing guaranteeing 100 percent opportunity bonds. Well, I know opportunity bonds have been suggested by many parties, but I've never heard of any party – and I'd ask my own bench: have you ever heard of any party guaranteeing 100 percent?

AN HON. MEMBER: Never.

MR. N. TAYLOR: No. That's right, obviously. Have you ever heard of any party guaranteeing 100 percent, outside of the Pocklington deal? No. But it's right here in the agenda. It's called division 3, local opportunity bonds, section 56, if the minister has read it.

Well, Mr. Speaker, this has to be the worst example of a party that's been preaching one thing going in the absolute opposite direction. This party, this government has preached and a lot of those members over there have been elected on getting the government out of business. This has to be the biggest wholesale grab by a group of bureaucrats, I guess, and I can't blame them. I mean, if I were a bureaucrat and I had a minister like that, I'd try to take over the world, too. Holy smoke, that's what MLAs are elected for and that's why caucuses are elected, to say: "Hold on a minute. Let's get a little competition in financial services. Let's get a little competition in insurance services."

If you want to merge lenders – and I agree this government has had way too many lenders: Alberta Opportunity Company, Alberta mortgage company, the Treasury Branches, the ADC – why not merge some of those together? Back in the good old days we were falling over each other trying to get rid of the money, but right now we're trying to save money. So why ADC – and I suppose ADC bureaucrats have looked through, looked into the crystal ball, and one of the things they can see is that there's less money to loan, so let's take over the insurance and the community bonds.

Mr. Speaker, I think this is one of the worst things I've seen committed. I would expect the dear old NDP opposition that we lost in the last election put this forward, and somehow or another I think that the minister must have picked it up, thought it was something original, and submitted it to the Legislature. I don't see how it passed his caucus. I'd really be interested to know how he did that.

Thank you, Mr. Speaker.

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

MR. HENRY: Thank you, Mr. Speaker. I, too, would like to speak to Bill 21, the Agricultural Financial Services Act. As I understand it, the Act is meant to combine the Alberta Agricultural Development Corporation and the Hail and Crop Insurance Corporation, as the minister indicated, as well as deal with local opportunity bonds. I have a few questions for the minister that I would throw out and ask that the information perhaps be provided at some later date, specifically with regard to AADC and Alberta Hail and Crop Insurance Corporation.

Firstly, I want to reiterate the comments made by the Member for Lethbridge-East. It's somewhat frustrating as a new member of this Legislature to be dealing with a measure and to be actually supposedly debating a measure that in fact has already happened. I mentioned that to somebody recently in my constituency, and the comment that was made was: why doesn't the government just table the legislation, introduce closure, and get it over with if they've already done the Act and we're just formalizing it here? I know that the government is making some attempts to streamline services, and I see that this is one of those measures. It would be nice to be able to actually debate with some potential of having some impact in this Legislature rather than simply do it after the fact. That's, I guess, a general comment not only about this Bill but about some other measures that the government has taken.

In addition, if I'm not mistaken, this seems to be a part of the move by the hon. Justice minister responsible for the Government Reorganization Secretariat. It would be really nice as a member of the opposition, as a duly-elected member of this Legislature to actually see a plan that said: overall, here are some things that we can re-evaluate with regard to what is government's role in our economy and what isn't government's role; here are the things that we're going to get out of over time; here are some things that we think we can save money on in terms of looking at some economies.

50

Having said that, I'd like to pose a couple of questions to the minister, specifically with regard to AADC and the functioning of AADC and the Hail and Crop Insurance Corporation. I'm drawing on some experience. Currently I represent the constituency of Edmonton-Centre, and if I'm not mistaken, we have no farmers in my constituency. However, I have lived in other parts of the province. I've lived in the constituency represented by the Member for Lacombe-Stettler, in Lacombe, and am quite familiar from my years in that community with the Alberta Hail and Crop Insurance Corporation, as the headquarters are in the community that I lived in for a number of years. Prior to that, having lived in the constituency represented by the hon. minister of transportation – that being Whitecourt-Ste. Anne – I was quite involved at the local level. Drawing on that experience, I see the two functions of Alberta Agricultural Development Corporation and the Hail and Crop Insurance Corporation as being separate. Just touching on the concerns raised by the other two members from this side of the House, specifically when the minister or when the government made the decision to amalgamate these two bodies. I'd like the minister to go back perhaps six months or a year, and I'd ask the minister to provide us with any management audits or any comprehensive reviews of the two organizations that have been done so that we can see whether this is the best move possible.

This is a major decision, to combine these two bodies, and I'm sure the minister would acknowledge that whenever you make this kind of a decision, there are pros and cons. The decision to amalgamate these two bodies I'm assuming was not purely ideological or was not simply made over a cup of coffee but was

based on some sort of facts, some sort of evidence about the functioning of the two organizations. I'd be interested in seeing any sort of management studies or comprehensive audits of the two organizations. Obviously, what I'm looking for is to look at how the two organizations are functioning and, I guess, more detailed descriptions of the functioning of the organizations to see if there are any recommendations or any information that would lead one to come to the realization that the two organizations should be combined.

I'd also be interested in some more detailed information from the minister about the two management structures of the two corporations. In fact, what is the process when we have a board of ADC and a board of the Alberta Hail and Crop Insurance Corporation all of a sudden amalgamating into one board? I'd be interested, from the minister, in any sort of detailed plan or perhaps - I'm not sure what was enclosed - memoranda that described that process of how the two were amalgamated, and in addition to that how the two management structures were amalgamated or indeed - and I'm not sure if that's been completed - how that is planned. So I'd like to see any sort of data, information, studies that speak to that specific issue of how the two boards were amalgamated, how the two management structures are being amalgamated.

That leads me to my next question to the minister. Again I'm assuming, from the minister's comments when he opened, that what he's intending to do is try to consolidate services to make it one-stop shopping, if I can say it that way, for farmers. Certainly there's merit in making service delivery more streamlined so that consumers, taxpayers, don't have to be running all over the province for different services. I'd be interested, from the minister, if there are any studies or any projections that indicate if there are particular cost savings to be made in terms of management or in terms of administration here and, specifically, what those cost savings might be.

I'd also like the minister to address the issue of what impact this merger has on the two communities of Lacombe and Camrose, being the headquarters of the Hail and Crop Insurance Corporation and AADC. Again, specifically what I'm looking for, I guess trying to glean from the information I've asked for from the minister, is when we know from this government's previous terms that one of the mandates that the government stated it had, one of the objectives, was to help decentralize some services. I remember when the decision was made to move the Hail and Crop Insurance Corporation to Lacombe - in fact, that was before I lived in the community - and AADC as well and a number of other Crown corporations that are not located in Edmonton and Calgary. That was part of a move, as I understand it, to help revitalize and strengthen the economies of rural Alberta. So the question I'm posing is: are there any studies or does the minister have any figures that indicate that by amalgamating these organizations there is any negative impact in terms of jobs or money in the local economy both in Camrose and in Lacombe? We might well see a shift there, but I'd like the minister to provide us with any sort of information.

With that, Mr. Speaker, I'd like to outline that the concept of the local opportunity bonds I believe is a positive concept. It would be a mistake for the members opposite to believe that those members who come from the urban areas don't value rural life in our province and don't recognize the value of strengthening rural communities and in fact the need to have some public involvement in doing that. The local opportunity bonds - while there were some questions raised by the hon. Member for Redwater, I think that having pilot projects in the three communities is a step in the right direction. I'm going to watch those very closely, because

having spent most of my adult life in rural Alberta, or small-town Alberta, I would like to make sure that those economies are indeed viable and that we have a local private initiative as much as possible and not just government offices in those communities.

To summarize, with regard to the merger, I fully support the streamlining and one-stop shopping for farmers and for any consumer of government services. I also support the downsizing where it's rationalized and where it makes some sense. The questions that I posed to the minister - and I do hope I get some response in due course - are an attempt to help me as an opposition member understand what information led to this decision so that indeed I can participate in some sort of meaningful way in the vote when it comes to that point.

I will vote for the Bill in principle and withhold final until we're into committee, until we see some amendments, if they're coming, or some answers from the minister.

Thank you, Mr. Speaker.

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

DR. PERCY: Thank you, Mr. Speaker. I rise to speak to the Bill, particularly section 56, that deals with local opportunity bonds. I, too, like my colleague for Redwater am somewhat surprised at the provisions of the Bill, as the government had said that it was getting out of the business of being in business. When you do look at the local opportunity bonds, it does appear very much that we are back in the business of offering loan guarantees.

There are a number of things that are not very reassuring in this particular aspect of the Bill. There's no requirement as to the minimum amount an investor must invest to be eligible for an opportunity bond. They're assured repayment of the principle. Again, in an environment that is very unstable, where there is a lot of economic instability, particularly in the agricultural sector, on one hand I know that there is a market risk associated with undertaking investments in the agricultural sector, but on the other hand I would have thought that the best vehicle for dealing with this would have been through small business development strategies, targeting programs that overcome the cost of distance, focusing on electronic highways, mechanisms to try and integrate the rural sector more closely into international markets, tradable services, and the like. To go in and then offer a guaranteed program after the series of defaults that we've had in a variety of other programs is not reassuring. It may in fact be very, very costly. So I certainly do have concerns there, because as we see this government privatizing in a number of areas, this is an area where I think we do have financial bodies in place. There are the Treasury Branches, which are a unique feature for the rural sector. Surely if there are investments out there that are worthy, one would think the Treasury Branches or other financial institutions might be the first stop for them rather than this type of mechanism here. That is certainly an issue of concern that I have.

I'm also somewhat concerned when I read that section 58 of Bill 21 notes that "section 81 of the Financial Administration Act does not apply with respect to local opportunity bonds." Section 81 really is the control of provincial corporate borrowings by the Provincial Treasurer. I'm just wondering why in fact that particular constraint has been removed. It would be reassuring at least to know that within the Provincial Treasurer's office there is still another mechanism of control. Certainly I support the principle of the Bill in terms of collapsing these two entities into one, because really that should yield some savings. But with regard to the local opportunities bonds, it does seem we're going down a road that has been well traveled in the past without much

success by this provincial government or any provincial government. I think we're witnessing in Saskatchewan now certainly serious concern about a number of the community bonds initiatives that have been undertaken. I would welcome the minister's comments on the Saskatchewan experience and how the vehicle they have in place here will insulate us from some of the problems that appear to be emerging there in terms of default in the agricultural sector.

4:00

Again, I would feel much more comfortable if there had been an argument put in place as to why the existing capital markets were not suitable for dealing with the issues facing the rural sector and why our existing small business policies were not suitable, rather than seeing a vehicle set up that effectively sets up a loan guarantee program where the only penalty for a particular investor is that he may lose the interest income on his investment, that he will not lose the principal. I think that sends out the wrong set of signals in this particular environment, particularly in the agricultural sector given the high degree of instability in that sector. So I guess I would be reassured if there were more arguments put forward on why the existing financial markets were not a suitable vehicle for dealing with the issues facing the agricultural sector.

Thank you, Mr. Deputy Speaker.

MR. MITCHELL: Mr. Speaker, I, too, would like to address the issue of the community bonds which is addressed in this Bill. I'd like to express my concern with the manner in which the government has structured its community bond initiative under this Act. Quite apart from politics, about which one could make a great deal in this particular case, I think we have to stop for a minute and consider exactly what this Bill says about 100 percent guarantees of principal for community bonds. It is simply a recipe for disaster. To structure a bond of this nature without requiring any risk to be taken on behalf of the investors, private investors or even community investors, is to have decisions being made by one group of people – bureaucrats in this case – who would have some responsibility for the outcome but would have no responsibility for taking the risk. Clearly, nobody in this process will be in a position to take the risk.

I'm sure it's an oversight. I hope it's something the minister would like to perhaps reconsider now that this debate has pointed out some other possibilities. I think that for a minister, for the Conservative caucus to present a proposal such as this that takes absolutely no regard for market mechanisms, which completely absolves the investors of any responsibility for loss, that takes away all elements of risk from the investors – I want to believe, Mr. Speaker, that this had to be an oversight on the part of this government. If it wasn't, then I think we have an even more serious problem. We could stand in the Legislature and begin to identify all kinds of difficulties that can arise with this, but in summary, in a nutshell, I think it's very clear you'll have a government agency handing out money to private investors for which the private investors will have to take absolutely no responsibility and for which they will bear absolutely no risk. Surely after any number of problems, and I won't list them here today, with loans and loan guarantees in which participants had to take some risk – I mean, even in the Gainers case we could argue that the Gainers ownership had to take some risk. In this case the ownership, the people involved, would take absolutely no risk. I believe, Mr. Speaker, that that can't be allowed to occur.

I would offer to the minister of agriculture, to his caucus colleagues that we would be more than happy to consider amendments in committee that would rectify this situation. We could

demonstrate to the people of Alberta that the debate process in this Legislature truly can result in positive changes to a piece of legislation where an oversight has occurred, where a misjudgment has occurred for example. I would ask the minister of agriculture and his caucus colleagues to at least bring in such amendments or to work with us – we'd be happy to do that – to ensure that this kind of initiative simply will not be endorsed by this Legislature.

MR. DEPUTY SPEAKER: The hon. minister in summation.

MR. PASZKOWSKI: Thank you, Mr. Speaker. I appreciate the comments that were made. Certainly they're helpful. I think what I would like to do, though, is take a moment to explain some of the discussion that's taken place as far as the community bonds, which much of the discussion really has focused on. This is a pilot project. We had indicated that we will initiate three pilot projects of up to a million dollars, and in the process, what the local community puts in would directly reflect the amount of guarantee we would provide. As you may recall, we indicated that the three levels that the local community would put in would be 25 percent equity, 30 percent equity, or 35 percent equity. Therefore, the larger the amount of equity the local community put in, of course the higher degree of guarantee we would provide.

MR. MITCHELL: Let's say that in the Act.

MR. PASZKOWSKI: What I've said is 25 percent equity. This is a pilot . . .

MR. MITCHELL: Let's say it in the Act.

MR. DEPUTY SPEAKER: Could we have the conversation between the Chair and the speaker, please.

MR. PASZKOWSKI: As I indicated in my discussions earlier, these will be determined through regulation. I had indicated fairly clearly and fairly definitively how we will be handling that, and I'm sure that is in *Hansard*.

[Mr. Speaker in the Chair]

As far as the question regarding the amalgamation of the three facilities, yes, there is a cost savings. How did we achieve this? We achieved it basically through discussions with farmers, with various industry groups, with many focus groups throughout the province. Through the process of focus groups the determination came about as to the final structuring. So this isn't just an idea that's come from some bureaucrat or some government person. This was actually tried in the agricultural community. The discussions took place in the agricultural community, and the focus groups are the ones that suggested this is the way it should be handled.

As far as cost efficiencies are concerned, yes, there are cost efficiencies. It's not necessarily front-line delivery people that will provide that cost efficiency, but there are secretarial services, various agencies that we can use the same people for. True, the person that's going to be responsible for lending money may indeed not be the person that's out measuring fields for crop insurance.

The question was raised about the wildlife damage claim. In the past we've been delivering that service. Alberta Hail and Crop has been doing that through their field services and then moving it all over to Environmental Protection. They were the ones that were cutting the cheques and providing the financial return to the

producers. So indeed there's a direct savings there. It's a composite of the services that are provided now.

#### 4:10

Regarding the record, I'm proud to say that our default rate at the present time is one-half of 1 percent. Now, I challenge any banking agency in Canada to bring forward a record such as this. So indeed we do have a good record, and as far as being behind in arrears, the arrears payments are 2.5 percent, which is quite significant as well. So to question whether this agency can indeed deliver the service and be responsible – but the important aspect of all this is that this is an agency that delivers the service as a last resort. When farmers and the agricultural community have been turned down by all the banking institutions, then they come to this agency as a last resort agency, and yet we have records of 2.5 and 5 percent default. I consider that a fairly positive way of delivering service.

As far as the question about how we can deliver the service, really there won't be anything different from delivering the service today. There won't be any breaks in tradition as to how the service is delivered now. It will still be delivered in the same manner.

The question was raised several times about going ahead and doing this and then asking for the legislation. We haven't done anything. To date all the board members are still in place. The agencies still operate out of the two areas, Camrose and Lacombe. We really haven't done anything other than appoint one president and one person responsible for the finances. That's the only consolidation that has taken place to date. Indeed, we're waiting for this legislation, and it's important legislation that has to come forward for us to develop in our efficiencies that we have indicated. I'm sure that everyone here will be cognizant of the direction we are going.

The farming community has asked for this. They have indicated that this is something they would like to see happen. We've done that, as I mentioned, through a multitude of focus groups where farmers have come together and said, "Yes, this is the way we'd like to see it put together." As I said, it's not my brainchild. I wish I could take credit for it, but I can't. This is something farmers have asked for. What it will do in the end is provide a better service; it will provide it in one-stop shopping. But ultimately it will get the money to the farmer at a quicker pace, and that's really the primary objective of that.

Mr. Speaker, at this time I'd like to thank all members for their comments, and I'm pleased to move second reading of Bill 21, the Agricultural Financial Services Act.

[Motion carried; Bill 21 read a second time]

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

[Mr. Tannas in the Chair]

#### **Bill 21** **Agriculture Financial Services Act**

MR. CHAIRMAN: Order. We're now in Committee of the Whole, and I see the minister of agriculture standing. It's my understanding that we were going to go through with, first of all, Peace River. Anyway, you are standing, sir. The hon. Minister of Agriculture, Food, and Rural Development.

MR. PASZKOWSKI: Thank you, Mr. Chairman. I'm looking forward to comments of all members that will be coming forward. First, I'd like to move an amendment to the Agricultural Financial Services Act, and that is that the following be added after section 65 to read 65.1: "The Consumer Credit Transactions Act is amended in section 5 by repealing clause (b)."

MR. CHAIRMAN: Hon. members of the committee, if you could give us a moment to try and figure out where we're at. We have in our script that we're going to be dealing with Bill 20. You're making an amendment to Bill 21.

MR. PASZKOWSKI: I'm sorry. I withdraw my statement.

MR. CHAIRMAN: Could the Government House Leader please let us know where it is that . . .

MR. DAY: Mr. Chairman, we're pleased to go ahead, as in the order, with Bill 20.

MR. CHAIRMAN: If I understand the Minister of Agriculture, Food and Rural Development, you're going to withdraw that for now. Does the committee agree?

HON. MEMBERS: Agreed.

#### **Bill 20** **Public Safety Services Amendment Act, 1993**

MR. CHAIRMAN: We'll proceed now with Bill 20, the Public Safety Services Amendment Act, 1993.

The hon. Member for Peace River.

MR. FRIEDEL: Yes, Mr. Chairman. I think the amendment to the Bill is very short and very straightforward. I'm not going to make any opening statements. I'm just looking forward to whatever questions there may be and will answer as I can.

MR. CHAIRMAN: Hon. member, you're alluding to an amendment. We are continuing under a cloud not unlike the snow that's going on outside. We cannot readily find the amendment. All members have the amendment that's referred to by . . .

MR. FRIEDEL: I'm sorry, Mr. Chairman. I meant that the Act is an amendment to the existing Act. It is the Bill as proposed.

MR. CHAIRMAN: It is with relief that the Chair hears that, as well as the Table.

Do we have any further comments on this Bill? The hon. Member for Leduc, then Redwater.

MR. KIRKLAND: Thank you, Mr. Chairman. We've looked at this Bill extensively, and as I indicated the other day when I stood to speak to it, certainly we're supportive of the Bill. It seems to be very simple. Previously, "disaster" defined "a calamity caused by accident, by an act of war or insurrection or by the forces of nature." I think that when we look at the magnitude of industry today with the introduction of new technologies, new processing methods involving new concoctions of chemicals and the likes of that, there should be some revisiting of that definition of "disaster" so we can cover a calamity that industry can actually direct our way. In this instance, it happened to be the Bennet dam in B.C. that caused the concern. As we understand the Bill, it gives

the government the right to recover. I think that's a level of accountability we would all embrace in this particular House.

When we were trying to develop some scenarios to see how this would fit, we thought of examples such as the Swan Hills hazardous wastes plant having a major failure of some sort causing some disaster within the town of Swan Hills. This would in fact give the government the leverage to pursue legally the management of the hazardous wastes station itself. Maybe that wasn't intended, but certainly I think that is a positive and desirable step.

We could also hypothetically look at something such as major contamination of the Athabasca River as a result of the Al-Pac plant in its infancy perhaps destroying a water source for Fort McMurray. That, as we interpret it, would give the government the right again to pursue redress in that situation.

The Act initially had some concern for us. We felt that in effect it might open doors for some environmental groups to pursue government extensively for contravention of environmental law or environmental standards that have been set in the province. We take some comfort from the fact that really it only empowers the province of Alberta to pursue these sorts of lawsuits. Even though it does expand, as I see it today, it still is a positive step, and we will speak in favour of the Bill.

With that comment and rather than belabour the point, I will take my chair on the matter and offer the hon. Member for Peace River the couple of interpretations we saw there. I don't know if that was intended or not. I wouldn't think he would recoil in horror at those particular interpretations if they are correct. But the heads-up is there.

Thank you very much, Mr. Chairman.

4:20

MR. N. TAYLOR: Mr. Chairman, I'm a little concerned. This is the type of Bill you usually see from the opposition, not from the government. It's enlarging the government's responsibilities rather than cutting them down, so I was a little curious about that. Before, the government felt it was being held responsible for basically what were acts of God, and now they want to be able to sue for human actions. What they bring out is that apparently our left-wing friends at the headwaters of the Peace River have been playing around with the valves on the Bennett dam and causing a bit of a fuss over here. But you must remember that this government, the department of the environment, controls the valves on the Bighorn dam and another one on the North Saskatchewan down here. In fact, one advantage gray hair gives you: I recall very much the late '80s when some people in the city of Edmonton wanted to sue the government because the fluctuation of levels of the North Saskatchewan going through Edmonton was causing a certain amount of damage or was thought to be causing a certain amount of damage, ice rafting and flooding, that shouldn't have taken place.

Far be it from me in the opposition to blow a whistle to try to keep the government from falling into a pit or stubbing its toe. On the other hand, the other side of me won the argument last night as I tossed and turned, and that was representing the taxpayer. I have a feeling that this Bill opens up a whole Pandora's box of what this government could get sued for. If the government indeed says governments of other provinces are responsible for playing with a dam or doing other things, obviously our government is responsible for playing with a dam and doing the same types of things within the province. How do we know we're not setting in place a great number of legal actions along our rivers in Alberta? I'm just speaking of one area; there may be other areas. If we pass this Bill in order to try to pin the tail on the donkey, so to speak, on another province, I have a feeling we

will open up Pandora's box and she could come back to haunt us. However, I pose that more as a question, and maybe it's been better researched than I thought. I just spoke on a Bill a couple of minutes ago that I think had no research at all. It makes me a little suspicious that this one may have been as badly researched as Bill 21, so I am a little curious.

MR. CHAIRMAN: Sherwood Park.

MR. COLLINGWOOD: Thank you, Mr. Chairman. Just for the record, Mr. Deputy Speaker, Mr. Chairman. Now we have that straight.

I'd also like to speak to Bill 20. First of all, I'd like to congratulate the Member for Peace River for bringing this Bill forward and also the Government House Leader for bringing this forward as a government Bill. We heard some comments that members on this side of the Assembly are prepared to support the change to the Public Safety Services Act through the change in the definition of "disaster" and through the inclusion of further regulations. But as other members have said, the change that has been proposed may be more than simply housekeeping, as has been suggested by the hon. Member for Peace River.

We originally had a definition that called for a calamity, and now we have a definition that calls for an event. I don't know, Mr. Chairman, what the difference is between those two, but there must have been some reason for changing the wording from "calamity" to "event." Now, what we've done here, Mr. Chairman, is certainly elaborated as to what could constitute a disaster. In the previous definition, it was "a calamity caused by accident, by an act of war or insurrection or by the forces of nature." Certainly what we've done now, and I think quite rightly, is taken disaster from something that was an act of God to an act that's caused by people or governments who think they're God. It is an important step forward in protecting our environment and giving governments an opportunity to react to those situations that are man-made.

But as I say, some interesting things arise with the change in the definition. An "event" conjures in most people's minds something that happens in terms of a time frame, something that happens very quickly. I'm not sure that's necessarily true as to what could constitute an event. An event may be something that happens over a longer period of time. It may be over several days. It may be over several months. It in fact may be over several years. I'm not prepared to confine the definition of an event, and I think it is something that the government should consider. Perhaps a court might not also take a very narrow view of what constitutes an event and may consider something much broader than a very short time frame.

We also previously had in the definition of "disaster" a causation. The calamity had to be caused by accident, act of war or insurrection, or forces of nature. There was a causation. There doesn't have to be a causation anymore, Mr. Chairman. What we now have is an event that "has resulted . . . in." So there doesn't have to be a direct cause and effect anymore. As long as that event has resulted "in serious harm to the safety, health or welfare of people, or in widespread damage to property," it constitutes a disaster.

In changing the definition, we have lost some of the benefit of the adduced and generous rule as a canon of construction in interpretation of legislation because we don't have it confined anymore. Now, that's good. I'm not saying that's not good. I'm just raising that we now have taken out any causation or any remoteness that many of us or certainly people in the legal profession do understand as being part of a cause/effect relation-

ship. We don't have to have that anymore in the definition as we see it.

The previous definition of disaster also had as the full text of the definition a calamity "that has resulted or may result in serious harm." The new definition requires that it "results in serious harm." Unfortunately, one of the aspects of the original definition that we would have preferred to see remain is that it "may result in." In other words, now "serious harm" has to take place before it's defined as disaster, whereas previously if it was contemplated that it would result in serious harm, that could also have been identified as disaster. It's unfortunate that that aspect has been taken out of the definition.

The examples of potential disasters posed by the Member for Leduc I suppose are those that, when one contemplates the new definition of disaster, would certainly fit. It would seem that in circumstances where this Bill became law, communities who then want to rely upon the Public Safety Services Act could do so as a result of a man-made disaster and the government could then look to the perpetrating party to recover costs as a right of subrogation for that. In many cases, unfortunately, the government may be looking to itself from one pocket to another, but certainly with government being involved as it is with joint ventures and corporations, those will then be certainly subject to the right of subrogation as proposed.

#### 4:30

One of the concerns with the proposed section 5.1(1) – I guess my question to the Member for Peace River is with respect to the powers given to the Lieutenant Governor in Council under this provision. I might just for the record, then, Mr. Chairman, indicate:

The Lieutenant Governor in Council may make regulations establishing that Her Majesty in right of Alberta has a right of subrogation with respect to . . .

Well, I guess my question is: why should a regulation decide whether or not there's a right of subrogation? Why can't we decide that? Why can't that be part of the legislative process, where the Bill, an amendment to the Public Safety Services Act, creates by law the right of subrogation? I mean, is it a situation that we continue to see time and time again by this government, where we want to remove as much as possible legislative accountability and put as much as we can into regulation? I think that's frightening. I think we should be moving in entirely the opposite direction. I think what we need to do is continue to have more legislative debate and not take away and put into the hands of the Lieutenant Governor, the Executive Council the decisions that should be made. If we seriously want to be able to do this, why should the people of Alberta have to rely upon the Executive Council to decide on a whim at some point in time whether or not it will provide the right of subrogation? Let's legislate the right of subrogation.

Subparagraph 2 in 5.1: I have no problem with that, because those are the kinds of things that the Lieutenant Governor in Council should be doing. They should be honing in and refining or setting the parameters, but the actual legislative power in terms of a right of subrogation should be part of the legislation, not simply handed over to Executive Council to be done. I simply don't understand – and perhaps the member might want to respond – why we say in 5.1(1), "The Lieutenant Governor in Council may make regulations establishing . . . a right of subrogation." It doesn't make any sense.

I don't think I want to say anything more. The points I wanted to make have been covered. I will leave other members to make their comments.

Thank you, Mr. Chairman.

MR. CHAIRMAN: Clover Bar-Fort Saskatchewan.

MRS. ABDURAHMAN: Yes, Mr. Chairman. I certainly will speak in support of this Bill. It's something that I believe will bring accountability to government and also, through government, to industry. I'm speaking to it purely from a homemaker's perspective, certainly not as a lawyer or somebody who's going to try and analyze this from a legal perspective. My interpretation certainly would indicate that it cleans things up; no doubt in my mind. I'd use some examples of where I think we as Albertans could benefit substantially from this. When we're licensing industry, particularly when they're managing their waste, there has to be an accountability by industry, but through this Bill there's likewise a full accountability by government. I can use some examples, and I would even go beyond provincial boundaries. At the city of Fort Saskatchewan we have a large gypsum pond, and nobody knows what to do with this waste. Of course, it's an ongoing concern, because it sits on the banks of the North Saskatchewan River. We've had leakages from the gypsum pond that flow into the North Saskatchewan River, which finds its way into Saskatchewan. I would agree with my colleague for Redwater that we may indeed be opening a Pandora's box here, because if we as Albertans can do this back to B.C., we've got to be fully accountable and responsible to our neighbours to the east, particularly Saskatchewan.

I can think of another example that happened in Ontario. Once again, in the Fort Saskatchewan area and Strathcona county we've got deep well injection. For those of you who are not aware, a number of years ago in Sarnia the deep well injection waste actually surfaced through the riverbed and of course caused substantial contamination. If your water source is indeed from a river, obviously you've got some substantive problems.

So I certainly support this, because if there's anything that has made me stay in public life, it's the lack of accountability by governments when it comes to the environment and likewise by industry. We've certainly seen an increase in the accountability by industry, but this has only come about by public pressure. So I certainly commend the government of Alberta for bringing Bill 20 before us, because here we have a fully accountable Bill that not only holds industry accountable but also holds government accountable.

Thank you, Mr. Chairman.

MR. CHAIRMAN: Calgary-Buffalo.

MR. DICKSON: Thanks very much, Mr. Chairman. One of the problems, I suppose, is that when a Bill comes forward and it's targeted at a specific fact situation, it sometimes happens that it has a much wider ambit, a much broader scope, than was originally intended. When I look at Bill 20, there are some troubling parts to it that I want to raise. One of the things I find interesting is that 5.2 of Bill 20 provides for retrospective, retroactive application. Now, my assumption would be that there are specific payments this government wants to bring within the scope of this kind of legislation, but 5.2 is absolutely unrestricted. It's unlimited, and it's conceivable under 5.2 that we could go back 25 years and be worrying about validating past payments that are 25 years old. There's no limitation; there's no means of defining the payout. I would think that the Provincial Treasurer would be alarmed with this kind of broad, nonspecific kind of authority. It seems to me it would undermine the whole deficit elimination program. I know that members opposite talk a lot about sound fiscal management, but 5.2 is a blank cheque every way I look at

it, and I think that's a real problem. If we're talking about certain payments, specific payments that are made, then it's certainly a simple matter, and it's not going to tax Parliamentary Counsel's drafting ability to be able to narrow the ambit of 5.2 so we know precisely what we're talking about. From my perspective, 5.2 now is unacceptably broad.

The other point I want to make, Mr. Chairman, is 5.1(1)(b). We have again the situation where, as the Member for Sherwood Park had indicated before, this is part of a trend. We've seen this trend in Bill 10; we've seen it in other types of government legislation. What we're doing is delegating more and more authority, and decisions are being made, tax dollars are being expended at a greater and greater distance from this Chamber and from the Legislative Assembly. I think Bill 20 is simply another example, another means of taking and diluting and undermining parliamentary responsibility. To me this is poor drafting as well as poor accountability to say in 5.1(1) that "The Lieutenant Governor in Council may make regulations establishing . . . a right of subrogation." Now, either a right of subrogation is provided for by a statute, within the four corners of a statute of this Chamber, or it doesn't exist. To me it's preposterous to say that we're going to allow by regulation a cause of action to be created. This, I think, is a precedent. I can't think of another statute – and if someone can direct me to it, I'd be delighted to look at another statute – that basically gives to regulators the power to create a cause of action. I think that's inconsistent with what we're about in this Chamber.

So I understand, I think, the mischief that Bill 20 was intended to redress. I understand that there was a specific concern. I'd just say, Mr. Chairman, that Bill 20 is a bit of a clumsy or ham-handed way of dealing with that specific mischief. I'd encourage the minister to look at both clarifying 5.2 and narrowing the ambit of that and also making it clear that it would be Bill 20 that creates the cause of action, not the regulators.

Thanks, Mr. Chairman.

4:40

MR. CHAIRMAN: Peace River.

MR. FRIEDEL: Thank you, Mr. Chairman. I'm going to go through the notes here in kind of the order that the questions appeared. I do appreciate the support that the members opposite have given us. I will attempt to answer these questions.

There were several requests regarding clarification of the intent of the definition. The primary intent was that acts of a third party be dealt with.

Also, there was question of the use of the word "event." The people that drafted this Act have indicated that the word "event" is currently used more to describe disasters. They have suggested the deletion of the words "war" and "insurrection" in line with current thought.

The Alberta Department of Justice has recommended a reduced rather than expanded definition, again in the sense of the way legislation is more currently dealt with. It was deliberate that the definition had no time sense. In the old definition it referred to only present or imminent occurrences, and the intent was very definitely to allow for recovery for incidents that may have been caused by a third party at a time previous.

The right to recover from a third party either through insurance or litigation I think is fairly obvious. This was a major intent of the amendment. It allows the province to deal with municipalities or individuals who were affected by a disaster, to allow them to provide the aid as required and then to recover it at a later date if necessary.

The Member for Redwater had suggested that this Act may give licence to another province to sue Alberta. I don't see anything in this Act that would weaken the position of Alberta to protect itself or, in any event, give another province additional rights that it doesn't have now. I think the courts do as they see fit in any case. If there is an action by another party or outside province dealing with the province of Alberta, this Act doesn't expand any of those rights.

The matter of the right of the Lieutenant Governor to make regulations regarding the right of subrogation. The amendment is drafted by Alberta Justice, and their notes indicate that the wording in this is the minimum required to ensure the validity related to subrogation provisions. I must be quite candid. I don't pretend to be a lawyer. I am using the wording in this case that they have suggested.

The matter of retroactivity. If a third party is responsible by virtue of a previous Act, we feel we should be entitled to make claims on a past situation. I think, in any event, there are statutes of limitation which would dictate how far the province can go in actually claiming retroactivity. I think the main intent is that actions which are in the recent past can be dealt with but that the province doesn't have to take litigation before it deals with assistance to a municipality or an individual that might be affected.

I believe, as fast as I could make the notes, that these are the questions that were asked, Mr. Chairman. If there are no other ones, might I move that the committee report on this Bill.

MR. CHAIRMAN: Are you ready for the question?

Calgary-*Buffalo*.

MR. DICKSON: Just one brief comment, Mr. Chairman. I appreciate the explanation from the member opposite in his attempt to deal with the concerns raised. It strikes me in some respects as a bit of a fatalistic approach. I wonder, when I look at Bill 20. I understand the reason, but it strikes me: is there not a less expensive way to sort out problems provincial government to provincial government? It seems to me that we're talking about one specific incident now, but with all the contiguous boundaries we have across Canada, surely there has to be a more imaginative way of setting up some basis by which, through mediation or whatever, provincial government can mediate to provincial government, whether it's an economic situation or something similar to that. It seems to me that it may be a mistake, and we may be falling into the trap of saying we rush off to court and we want to make sure we've got a cause of action.

This isn't a reason to vote against Bill 20, but as I look at it, it just occurs to me that we ought to be a little more creative. I'd like to put in a plug now and plant the seed, if I can, that we should look at some reciprocal arrangement across Canada that binds all provinces to come up with a more effective dispute resolution mechanism than simply allowing people to run off to court and spend substantial amounts of taxpayer dollars resolving what should be more straightforward issues.

Thanks very much, Mr. Chairman.

MR. CHAIRMAN: Are you ready for the question?

HON. MEMBERS: Question.

[Title and preamble agreed to]

[The sections of Bill 20 agreed to]

MR. FRIEDEL: Mr. Chairman, may I move that the Bill be reported.

[Motion carried]

**Bill 21**  
**Agriculture Financial Services Act**  
*(continued)*

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

MR. PASZKOWSKI: I'll take a second try at trying to amend the Agriculture Financial Services Act. I would ask that the Bill be amended as follows. The following is added after section 65 to read 65.1: "The Consumer Credit Transactions Act is amended in section 5 by repealing clause (b)." This is a consequential amendment.

MR. CHAIRMAN: Do all hon. members of the committee have a copy of the minister's amendment? Good. All right then. Comments on the amendment?

The hon. Member for Lethbridge-East.

DR. NICOL: Mr. Chairman, I'd just like to raise some issues in terms of the logic behind removing it from the Consumer Credit Transactions Act. This seems to be making exemptions to one of the Acts that requires credit responsibility within the province. Now we're saying that the actions of the agricultural financial corporation are not subject to any of the Consumer Credit Transactions Act provisions that are set out. It seems that what we're doing is effectively creating a position where farmers or other agencies borrowing money from the agricultural financial corporation will not have to abide by these rules and can effectively get special privileges outside the aspects of the law. I'm just wondering why it is we want to suddenly allow borrowers under this program to have exemption and have options that are not available to borrowers under normal processes. It seems that we're making special provisions again for agriculture.

MR. CHAIRMAN: Thank you.  
Redwater, on the amendment.

MR. N. TAYLOR: I'm not positive, Mr. Chairman. Have you circulated the amendments?

MR. CHAIRMAN: We're on the minister's amendment.

MR. N. TAYLOR: We're on the government amendment? Just the government amendment. It disappeared amongst this blizzard of paper I have.

The government amendment bothers me a bit. It says, "The Consumer Credit Transactions Act is amended in section 5 by repealing clause (b)." Probably the minister could help me out on this. My quick feeling is that ADC is really saying that the Consumer Credit Transactions Act will no longer apply to them. In other words, they could charge exorbitant rates of interest. They could foreclose without notice. They could do all kinds of things. Can you tell me exactly, Mr. Chairman, through to the minister, what this is supposed to give this new ADC child, whatever it is? Rights that they wouldn't have normally?

4:50

MR. CHAIRMAN: Calgary-Buffalo.

MR. DICKSON: Thanks very much, Mr. Chairman. I have a concern as well. It seems to me that if we're going to take certain kinds of commercial transactions and treat them differently, there has to be a stronger and a clearer case made for that treatment. You know, in Alberta one of the common complaints commercial lenders and the credit-granting agencies have is that we already have an elaborate system of differential treatment. Certain kinds of creditors and certain kinds of debtors have different rights and liabilities than other creditors and debtors. I very much agree with the comments of my colleague from Lethbridge a moment ago who really challenged and queried: why do we provide this special treatment here? It seems to me that if there's some compelling reason, the people that propound the amendment ought to attempt to make the case. I haven't heard that yet, Mr. Chairman, and so I share the concern of my colleague from Lethbridge.

MR. CHAIRMAN: Sherwood Park.

MR. COLLINGWOOD: Thank you, Mr. Chairman. Similar comments I'd like to make. I first of all would like to ask the minister, through the Chair, whether or not the Agricultural Development Corporation as it stands right now is subject to this provision, is subject to this Act. Unfortunately, the reason I have to ask the question is that it would have been preferable if, when we were provided with copies of the amendment put forward, we had been provided with the wording of section 5(b) of the Consumer Credit Transactions Act. We wouldn't have had to ask the question. It certainly would have been preferable if we had been given that information with the amendment.

Thank you. Those are my comments.

MR. PASZKOWSKI: Thank you, and we appreciate your comments. Obviously, we don't agree on all the issues, but this is just a consequential amendment that really doesn't affect in any dramatic way the legislation that's coming forward. I at this time feel that what we are achieving here is a consolidation that's going to add to the efficiencies of the operation of these agencies. They are the efficiencies that people have asked for. It's the type of process that the agricultural community has asked for, and it is our intention to try and deliver upon the requests of the agricultural community.

So at this time, Mr. Chairman, I'd like to move that the Bill be reported.

MR. CHAIRMAN: No, hon. member, we're still on the amendment. We can't be moving that Bills be reported when we're still talking about the amendment.

Redwater.

MR. N. TAYLOR: That's no answer at all, to say that we're streamlining and that's what the public wants. I don't know. Streamlining means something that the public wants. That's what we've asked the minister. I'm sure the public – and the minister doesn't know. There's nothing wrong with saying that he doesn't know, and give us a few minutes to go find out. I mean, we're not going to roast the minister because he doesn't know; this is a complex Bill. But to say that the public has asked for some obscure section of the Consumer and Corporate Affairs Act on how you treat creditors to be changed and that that is streamlining – I think it's incumbent upon the minister to explain why. My quick reading is that they will be able to charge exorbitant rates of interest. Let me put that to you as straight, barefaced fact.

Will this Bill give the right to the ADC to charge rates of interest that are not legal under the Consumer and Corporate Affairs Act?

MR. CHAIRMAN: Edmonton-Centre.

MR. HENRY: Thank you, Mr. Chairman. I'm also speaking to the government amendment to Bill 21, which reads: "The Consumer Credit Transactions Act is amended in section 5 by repealing clause (b)."

I'm jumping up to speak to this because I've not heard an answer to the several questions that have been asked by our members, not heard an answer specifically from the minister. If this is an innocuous amendment – that is, simply some housekeeping that perhaps was left out during the drafting – perhaps the minister could explain that to us. That would help.

Mr. Chairman, we often hear in this Legislature how different members on different sides of the House are perceived to value our agricultural and rural sector in Alberta. I know there are members on all sides of the House who value the contribution agriculture makes to our province. As an opposition member and, frankly, as an urban member of downtown Edmonton, I do value the contribution the agricultural sector makes to our economy and, I guess as important, to the quality of life in our province. We have a unique province, and part of that uniqueness is the agricultural sector and the nature of that sector. So I wouldn't want to be in the position of having this amendment just distributed and not having a full explanation of the intent of the amendment. I wouldn't want to be in the position, as an urban member who does value the agricultural sector, of having to make a decision on this amendment without realizing its full impact and without realizing its full potential.

Mr. Chairman, it would be irresponsible of me to stand here and allow an amendment to slip through if indeed that amendment was unfair to farmers in our province. As the Member for Redwater stated, if that amendment allowed for exorbitant interest rates to be charged to farmers, that would be counter to what I believe members in this House would like to see in terms of encouraging and not discouraging the agricultural sector.

As well, if that amendment were to have other ramifications on farmers who are having difficulty perhaps making payments or having difficulty financing in terms of ensuring due process when indeed foreclosures happen – we've already had the hon. Member for Fort McMurray speak in this House very eloquently about the unfairness . . . [some applause] It's amazing what you do to wake people up, Mr. Chairman. The hon. Member for Fort McMurray has spoken very eloquently in this House about the unfair treatment of rural Albertans when it comes to things like farm foreclosures and the fact that they are filed in the major cities, unlike in the Dirty Thirties when farmers and homeowners were able to go to their local courthouse and plead with the judge perhaps to allow them to get one more crop off or to allow their children to finish school. Now, as the hon. Member for Fort McMurray has indicated in this House, often those are filed in Edmonton. How do you expect a farmer from the Peace River country or indeed from Provost or from southern Alberta, when they're struggling on the farm and they're having trouble making payments, to have to find their way to Edmonton or Calgary to defend themselves or to plead with a judge? We want to make sure that we are being fair to farmers and that we're not putting farmers, especially farmers with heavy debt loads, in an unfair situation. This government over the past 20 years has had various measures to help the agricultural community, both in terms of subsidies and as well, when the interest rates were high, in terms of interest rate relief. It would be contradictory if this amendment

that was brought forward by the government would indeed take us in a different direction of being less fair to farmers than perhaps we would be to small businesspeople who are in similar positions in the urban areas.

I certainly don't want to be responsible, Mr. Chairman, for voting for an amendment that might end up in a situation where cousins in rural Alberta were facing foreclosure because they couldn't make payments because of high interest rates that were allowed because of this amendment, or if farmers in rural Alberta were unable to make payments but they didn't have access to due process that would allow them to ensure they've had opportunities for readjusting payment schedules or for looking at delays in payment. We're looking at other kinds of restructuring. Again we have to remember that when we're in this Legislature, it's our responsibility to pass legislation that has no loopholes in it that allow well-meaning but perhaps misguided officials in the field to make decisions that would have negative impacts on our constituents.

5:00

I'm concerned that the matters I'm raising have been raised two or three times by other members. If I could speak to the process and not the personalities, I haven't heard a response from the minister that directly addresses the concerns that have been raised on this side of the House. So perhaps if the minister doesn't have the facts at his fingertips or perhaps if he has not understood our concerns, I would ask any of the members – and I know there are many members on the government benches who are active or have been active in the agricultural community, and I assume that they would have discussed this amendment in their caucus – to perhaps stand up and shed some light on what seems to be a cloudy situation here in terms of what this amendment is intended to do.

Again, speaking to the process, Mr. Chairman, it is difficult to ask members who are duly elected in their own constituencies simply to take things on blind faith. As a member who frankly is not that well educated in terms of agricultural issues and farm issues, who would like to have an opportunity over the next four years to become more enlightened, I find it difficult to be asked to vote for an amendment that there's been little or no explanation provided for, that we're asked to vote on today, and that in fact the minister has chosen not to respond to the concerns or questions of two or three members who share my concerns.

The Consumer Credit Transactions Act. No member in this House perhaps save the lawyers can be expected to know every piece of legislation. We don't have a library in the confines of the Assembly here to be able to allow us to pull out the Consumer Credit Transactions Act. In fact, we haven't had the opportunity to consult with those who would know much more about the Consumer Credit Transactions Act than we might in this House. I'm frankly not intimately familiar with the Consumer Credit Transactions Act and certainly not clause 5(b). If the minister would like to take some opportunity to explain what that section is, to then explain why he would like to amend that particular section, and further to explain what sort of impact that's going to have on Bill 21 and specifically when Bill 21 is implemented, what sort of impact that is going to have when the agriculture financial services corporation, which is the old Alberta Agricultural Development Corporation and the Alberta Hail and Crop Insurance Corporation amalgamated, actually deals with real people, those being farmers out in the field.

Mr. Chairman, I will take my seat, and I will give the minister an opportunity to perhaps provide more explanation. Perhaps the minister hasn't understood our concerns on this side of the House, and I await some more information from the minister.

Thank you.

MR. CHAIRMAN: Minister of agriculture?  
Calgary-Buffalo.

MR. DICKSON: Thank you. I would have been happy to hear the explanation from the minister.

I'd just make the additional observation, Mr. Chairman, that it may be that what the minister is attempting to do is simply to replace the department with a corporation. In fact, if that was what we were about, we would have done it differently or I expect the amendment would have been very different.

We should be very specific and very clear about this. By virtue of this amendment it will mean that farmers in this province will lose the protection that other consumers have. It'll mean that farmers will not have the opportunity to ensure that the interest rate is calculated in the same fashion that other consumer loans are. It will mean that farmers will not have the opportunity to ensure that there are restrictions on credit charges. It will mean that there is no statutory limit on overpayment of credit charges. It will mean that any kind of acceleration clause would be allowed; it isn't for other consumer transactions. It would mean that in terms of disclosure under time sale agreements, farmers wouldn't have the benefit of that type of protection, the protection that every other consumer in Alberta takes for granted. I think this is a major, major change; it's not a minor, inconsequential item.

I think that if the purpose is simply to substitute the corporation for the department, then this amendment should be withdrawn and the appropriate one put in front of us. This proposal in front of us in effect, if not disenfranchises, certainly disentitles farmers doing business with this corporation from a whole range of protection that I think they ought to have unless there's some powerful and compelling reason we haven't heard yet.

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

MR. PASZKOWSKI: Thank you, Mr. Chairman. Earlier in my presentation I referred to the index deferral Act, and this is what this is all about. The present ADC Act is not now subject to this Act, and what we're referring to here are the provisions of the index deferral Act. As you know, if you understand the index deferral Act, there are provisions for lower rates of interest, and that's what this is all about. This is not under the Act at the present time. There's nothing new here. I mentioned when I first discussed this that this was overlooked when this Act was being put together. It's a consequential amendment. Really it's no different than what's in place now, but it does allow for the indexed deferral, which allows for lower interest, not higher interest. If indeed we want to be very specific, then we'd have to deal with the indexed deferral Act. So we're not trying to do something that's underground. We're not trying to do something that's going to create an open-ended situation that would allow the interest rates to go up. It simply allows for that particular element to operate properly.

I move the amendment.

[Motion on amendment carried]

DR. NICOL: Mr. Chairman, I'd like to move an amendment to Bill 21 dealing with section 2(2) following after the word "Minister": "upon the recommendations of the Public Service Commissioner."

MR. CHAIRMAN: Have all members received copies of Lethbridge-East's amendments?

HON. MEMBERS: Yes.

MR. CHAIRMAN: Good. Please proceed, Lethbridge-East.

HON. MEMBERS: Question.

MR. CHAIRMAN: Hon. member, the question is asked. Since there are eight amendments contained within this, does the committee wish to deal with these individually?

SOME HON. MEMBERS: No.

MR. CHAIRMAN: Just a minute. Don't shout. Thank you. We're not in a classroom.

All those in favour of considering these amendments one by one, please say aye.

SOME HON. MEMBERS: Aye.

MR. CHAIRMAN: Those opposed, please say no.

SOME HON. MEMBERS: No.

MR. CHAIRMAN: Defeated.

Presumably on the whole amendment, then, Lethbridge-East, please.

DR. NICOL: Thank you, Mr. Chairman. I'd like to address some of the shortcomings that we saw in the Bill that we made reference to earlier on.

In section 2(2) we'd like to have the amendment made, as indicated in the hand-out, to allow for the Public Service Commissioner to review appointments to the boards, to judge these on the basis of the qualifications of the people that are being considered. This goes along with the ideas that we've talked about: the government's proposal to make sure that qualified people are appointed to boards, that we get an option to deal with the selection of people into the positions on the board for this corporation on the basis of qualifications, and that the procedures that are being set out by the public service for the identification of qualifications are followed.

### 5:10

The second amendment deals with section 20(3). In this one what we would like to do is expand the options "with the . . . consent of the Legislative Assembly." So what we'll end up with, then, is basically that anytime the debt position of the corporation exceeds the \$100 million it's allowed by the Act, this has to come before the Legislative Assembly before that ceiling can be raised. We didn't want to have the opportunity for the ceiling to be raised without the debate in the Legislative Assembly.

MR. CHAIRMAN: I wonder if we could turn up the volume. The Table has difficulty hearing the hon. member.

DR. NICOL: Is that clearer? Okay.

The idea is that basically as the premiums and the outstanding obligations of the corporation get to be too high, then what we want to be able to do is have this process debated within the Legislative Assembly before the ceilings are raised in terms of the obligation of the corporation.

The third part of the amendment deals again with section 20 after (3): "(4) In the event that an expenditure is authorized under s. 20(3) there shall be a review of the process by which premiums

are set.” Basically what we'd like to propose is that if the obligation of the corporation exceeds the specified limit – we're dealing with an insurance program here where part of the proceeds for that have to be collected through premiums. If those are so low or so inadequately assessed that we're going to end up being in the \$100 million or the \$200 million debt position, then what we feel is that we should make it mandatory within the constraints of this Bill that a review of the process offsetting premiums be triggered. We don't want to just allow the process to continue to be built around a process which doesn't allow for a reasonable level of collection of the premiums and the contribution that these premiums are supposed to make up of the revenue associated with the functioning of the corporation.

The fourth part again deals with a restriction on the debate by the Legislative Assembly in connection with the position of the corporation in terms of extending limits on terms of the outstanding amounts that are allowed to be held by the corporation. If they're going to be exceeded, then it would be appropriate that these be debated again by the Legislature. So it follows the same kind of arguments that we had for the second of the amendments that we are dealing with.

Section 21 also deals with the relationship between the insurance functions of the corporation. So our fifth amendment here deals with the insurance function and the conditions and provisions that are set out there to be tied to the operation of the gross revenue insurance program that ties together the federal/provincial relationship and the contribution agreements that exist between the two of them. So before any kind of changes here, this part of the Bill effectively is nonoperational. It will allow the introduction of any new gross revenue insurance or any new insurance programs to be necessarily debated in the Legislature before they can go back if this part of the provision of the corporation's founding Act is withdrawn when the gross revenue insurance program no longer is in effect.

The sixth provision of the amendments again deals with section 28 and also looks at the requirement that the Legislative Assembly be the authorizing body for loans that are given in excess of a million dollars. This brings out into the public, makes available to the public any discussions that deal with the approval of loans that have to be in excess of a million dollars. This provides for greater awareness by the community and an opportunity for debate in the Legislative Assembly. The seventh and eighth amendments effectively follow similar restrictions by affecting it in different forms for section 28(2) and 28(3). So that would cover amendments 6, 7, and 8 in terms of the provisions here.

The main focus here is that we want to be sure that the government brings it out into the open and brings it out to the public anytime they want to exceed the levels of exposure that the taxpayer is taking in activities of this corporation and that as special provisions are made for what appear to be extremely large loans, the public gets a chance to debate both the applicability of the loan and whether or not the loan really will contribute to the value-added and agricultural development initiatives that are the main process and the main purpose behind the loans given under the current Agricultural Development Corporation or the new agency's development mandate in terms of giving out loans both to the producer sector and the sectors that are involved in processing either their outproduct or supplying services as part of the input to the agricultural sector.

Essentially what we're doing is putting in place a series of amendments that would make the corporation more responsible and more open to the public so that we can act with confidence that basically this corporation has been set up to provide the people of Alberta with a real opportunity to expand the opportuni-

ties for agriculture and to create an environment where the agricultural industry has a lot of opportunity to contribute fully to Alberta's economy. Yet in the process, when the taxpayer puts a lot of their dollars on the line, then the legislative process has an opportunity to have the debate that can be put in place, and we can follow through and make the people of Alberta feel that, yes, this corporation is following a development perspective that's good for Alberta and that is open.

Thank you.

MR. DICKSON: Mr. Chairman, I just wanted to specifically ask the minister – a moment ago he told us about a statute I'd never heard of before. Perusing the index of the statutes of Alberta from May 1, 1993, there's still no reference to the statute. So I want to challenge the minister to give us a citation for what he described as either the index deferral Act or the income deferral Act. If he's got it, I'd be delighted to see it. Unless we've got a problem with the way the statutes of Alberta have been prepared, the statute doesn't exist. I'd like an explanation from the minister.

MR. CHAIRMAN: Okay.  
Edmonton-Whitemud.

DR. PERCY: Yes. I rise to speak in favour of the amendments brought forward by my colleague from Lethbridge-East. Several points should be made. First, these amendments are brought forward with the spirit of the Auditor General's report and the report of the Financial Review Commission. The Financial Review Commission said in some detail that there should be an all-party committee or that loan guarantees should be brought forward to this Legislature for scrutiny. That is what these amendments propose: that there is scrutiny, that it is done in this House. Certainly if a friendly amendment were to come from the other side to set up an all-party committee to assess any guarantees, bonds, et cetera, that would come through, it would be welcome. So the first point is that the amendments are consistent with the recommendations of the report of the Financial Review Commission.

5:20

Second, since this is a new Act that is being brought forward, we thought it would be appropriate that the initiative of the Premier with regards to the appointments to significant committees be embodied directly in the Act. That's clearly what the first amendment does, section 2(2), because it signifies that it must be the Public Service Commissioner that makes the recommendation. He would do so in light of the process that had been described earlier.

The amendments, as I suggest, are specified to try and bring into the Legislature issues related to the debt ceiling, the level of the loans, 20(3) for example.

AN HON. MEMBER: Are you lost?

DR. PERCY: Yeah, I'm lost. [interjections] Not my train of thought, not my train of thought.

Section 20(3), “with prior consent of the Legislative Assembly.” Again the point there is to bring back to the Legislature the authority for assessing loans and guarantees. That is something that the Provincial Treasurer says is not occurring, although it's clear when you look at the intent of this Bill that there are going to be a significant number of loans that are going to be emerging under this Bill, particularly under division 3, which sets out the local opportunity bonds. We feel that it is appropriate that these

be assessed and discussed in this House in light of the recommendations of the Financial Review Commission. The hon. Treasurer is very selective in picking and plucking what is to his advantage but is not in fact consistent in the application of those regulations. We also feel with regards to the level of indemnity that might be faced by that corporation that those ceilings have to be assessed and addressed by the Legislature rather than the Lieutenant Governor or order in council.

So we have a number of concerns with the Bill as it's presently set out, one of which, perhaps the most important, is that it's not really consistent with the thrust of what this government has proposed to do. It is not consistent with embodying that significant appointments be done through the new mechanisms set out, and certainly amendment 1 does that. Nor is it consistent, then, with ensuring that taxpayer dollars are subject to the scrutiny of the Legislature, and amendments 2 through 8 are consistent with doing that.

I will stop there. Thank you.

MR. PASZKOWSKI: Going back to my initial statements, the reason we were suggesting that we wanted to make these changes in sections 23 and 20, basically, and section 21(3) is that we're, as you recall, trying to get the money in the hands of the farmer as soon as possible. Now, if we want to change that responsibility, if we feel that the farmer is going to be the pawn out there while we spend time in the House over silly debate, then that's fine. We can do these kinds of things, but we have to remember that these programs are there to assist those who are in need. Consequently, if the federal government has not advanced the money to the province, the province has no way of funding the farmer. That's what that's all about. We have to realize that the reason we're doing this is to assist the farmer. That's the whole purpose of this. We will continue to do that. That's the reason we're trying to streamline this: so that we can get the money in the hands of the farmer sooner rather than having to wait if funding doesn't come through.

Now, if we're going to bring the limit down, then of course we have to bring in the money from the federal government on a regular basis, because these programs are matching programs. So if we carry forward with the amendments, all we're doing is suggesting that the farmer should not receive the money in a hurry. That's unfortunate because the farmer is the one that's losing time there, and it's the farmer that's not going to get his money while we're in the middle of debate.

As far as the question about the index deferral Act, as I had referred to it, I should have called it the plan or the program. This has been part of the ADC program for years. This is not something new; it's always been there. If you understand ADC programs, you would have known that that's part of the program.

It's always been there. That's part of the index deferral program. To make a major issue over that – I'm rather surprised.

As far as sections 21, 28(1), 28(2), and 28(3), again, we create a very, very cumbersome process. It's one that will simply lead to ongoing debate and just stalls the whole process. If that's what we want, if this is what government's here to serve, then we go that way. But what we're trying to do is streamline the process. We're trying to simplify the process. That's what this effort is all about. It's not to try and make it more cumbersome. If that indeed is what we want to do, then of course we'll accept these amendments, but that's not what we're trying to achieve.

MR. CHAIRMAN: Okay.  
Lethbridge-East.

DR. NICOL: Thank you, Mr. Chairman. It's not the intention of these amendments to deprive farmers of any of their money. It's not the intention of these amendments to alter the way the programs work. The intention of these amendments is to make the corporation that we have established through this Bill responsible to the people of Alberta. There's a trade-off between the speed with which a response can be put out, whether it's payment of money, whether it's provision of any other service, and the degree of responsibility that's associated with that.

Mr. Chairman, in terms of section 20, when we're dealing with the amount of outstanding advances that can be made by the government, it's obvious that if they are going to exceed \$100 million, then something is wrong with the way these programs have been set up. There are private corporations in Alberta, in Canada that are providing crop insurance for farmers, and they don't need government advances. They are there to deal with the premiums. They are there to collect the income from the farmer in terms of a premium, make their payments out, and they do it on a basis which is both timely and adequate. If we're dealing with \$100 million in terms of advances on these programs, then something is wrong with the way our program is being set up. If the money is being allocated through government authorizations, it should be authorized through the budget and handled accordingly. When they deal with it in terms of . . . [interjections]

Mr. Chairman, it's being indicated that I should probably ask that debate be adjourned.

MR. CHAIRMAN: It's been moved that the committee now adjourn. All those in favour, please say aye.

HON. MEMBERS: Aye.

MR. CHAIRMAN: Those opposed, please say no.

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