

Legislative Assembly of Alberta

Title: **Wednesday, March 9, 1994**

1:30 p.m.

Date: 94/03/09

[Mr. Speaker in the Chair]

head: **Prayers**

MR. SPEAKER: Let us pray.

As Canadians and as Albertans we give thanks for the precious gifts of freedom and peace which we enjoy.

As Members of this Legislative Assembly we rededicate ourselves to the valued traditions of parliamentary democracy as a means of serving our province and our country.

Amen.

head: **Introduction of Visitors**

MRS. MIROSH: I'd like to introduce to you and through you to Members of the Legislative Assembly a lady who is our U.S. trade consultant from Washington, D.C. She is a lawyer and practises law in the United States and has done extensive work on issues related to a variety of international trade treaties, including GATT and the Canada/U.S. free trade agreement and the North American free trade agreement. She is co-chair of the American Bar Association International Trade Committee and a member of the American Society of International Law and the Federal Bar Association. With her is Mr. Helmut Mack, who is executive director of international economic relations. Seated in your gallery, Mr. Speaker, is Ms Claire Reade and Helmut Mack. Would they please rise and receive the warm welcome of the Assembly.

head: **Presenting Petitions**

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

MR. HENRY: Thank you very much, Mr. Speaker. I beg your leave to present a petition signed by 102 residents of the Calgary-North West area. The petition very briefly petitions the Legislative Assembly to urge the government to reconsider the plan to restructure education in our province.

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

MS CARLSON: Thank you, Mr. Speaker. I beg leave to introduce 1,567 signatures on a petition in support of keeping the Grey Nuns hospital open as an active care hospital.

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

MR. MITCHELL: Thank you, Mr. Speaker. I rise to present a petition signed by literally hundreds of more people in support of the Misericordia hospital being sustained as a full-service, active care hospital.

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

MR. DICKSON: Thank you, Mr. Speaker. I'm introducing a petition signed by 30 Calgaryians I met with last night urging the Government not to alter the level of support for all benefits for Alberta's seniors until seniors have been consulted and have agreed to any revisions.

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

DR. MASSEY: Thank you, Mr. Speaker. I beg leave to present a petition on behalf of 5,598 residents of southeast Edmonton asking that the Grey Nuns remain an active treatment hospital.

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

MS LEBOVICI: Thank you, Mr. Speaker. I beg leave to table some letters of concern with regards to the future of the Misericordia hospital.

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

MR. RENNER: Thank you, Mr. Speaker. As chairman of the Standing Committee on Private Bills I beg leave to present the following petitions that have been received for private Bills:

1. the petition of Leonard Anderson and Mandy Anderson for the Mandy Anderson Adoption Act,
2. the petition of the Lethbridge Foundation for the Lethbridge Foundation Amendment Act, 1994,
3. the petition of Sister Jean Elder for the Companions of Angela and Francis (Koinonia Association) Act,
4. the petition of Concordia College for the Concordia College Amendment Act, 1994,
5. the petition of Kien Lee and Joyce Lee for the Suk Yin Poon Adoption Act,
6. the petition of Howard V. Gimbel, MD, for the Gimbel Foundation Act,
7. the petition of Kenneth K. Bosma for the Scott Peter Lavery Adoption Act,
8. the petition of Shaw Communications Inc. for the Shaw Communications Inc. Act,
9. the petition of Herta Barnes for the Tammy Lee Barnes Adoption Act,
10. the petition of Phillip Ralph Brookson for the Janna Adella Marie Kinnee Adoption Act,
11. the petition of Mr. Kim Hung for the Edmonton Chinatown Multi-Cultural Centre Foundation Association Tax Exemption Act,
12. the petition of Anna-May Woodley for the Travis Trevor Purdy Adoption Act,
13. the petition of TD Trust Company and Central Guaranty Trust Company by its liquidator Deloitte & Touche Inc. for the TD Trust Company and Central Guaranty Trust Company Act,
14. the petition of Frank Arnoud Van Overmeeren for the Jody Anne Van Overmeeren Adoption Act, and
15. the petition of Douglas Charles Miles and Sarah Kathleen Miles for the Silvia Kathleen Miles Adoption Act.

head: **Reading and Receiving Petitions**

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

MR. ZWOZDESKY: Thank you, Mr. Speaker. I would ask that the petition I presented on February 24 urging the government to stop and rethink its plans regarding the Grey Nuns hospital signed by 1,573 residents from Edmonton-Avonmore and surrounding area be now read and received.

CLERK:

We the undersigned petition the Legislative Assembly of Alberta to urge the Government to maintain the Grey Nuns Hospital in Mill Woods as a Full-Service, Active Hospital and continue to serve the south-east end of Edmonton and surrounding area.

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

DR. MASSEY: Thank you, Mr. Speaker. I request that the petition I presented on February 24 in support of the Grey Nuns hospital remaining an active treatment hospital now be read and received by the Assembly.

CLERK:

We the undersigned petition the Legislative Assembly of Alberta to urge the Government to maintain the Grey Nuns Hospital in Mill Woods as a Full-Service, Active Hospital and continue to serve the south-east end of Edmonton and surrounding area.

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

MR. COLLINGWOOD: Thank you, Mr. Speaker. I'd ask that the petition I presented on February 24 respecting the Grey Nuns hospital as an active care facility now be read and received.

CLERK:

We the undersigned petition the Legislative Assembly of Alberta to urge the Government to maintain the Grey Nuns Hospital in Mill Woods as a Full-Service, Active Hospital and continue to serve the south-east end of Edmonton and surrounding area.

head: **Introduction of Bills**

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

**Bill 13
Livestock Identification and Brand Inspection
Amendment Act, 1994**

MR. McFARLAND: Thank you, Mr. Speaker. I request leave to introduce Bill 13, being the Livestock Identification and Brand Inspection Amendment Act, 1994.

The purpose of this Bill is to eliminate the double brand inspection fees paid by Alberta producers when marketing their cattle in neighbouring provinces. Alberta, Saskatchewan, and B.C. brand inspection services are presently negotiating agreements that will allow all cattle producers the opportunity to market their cattle anywhere in western Canada and only pay one inspection fee. This legislation will provide the Minister of Agriculture, Food and Rural Development the authority to enter into the agreements with these other provinces to eliminate double inspection fees.

[Leave granted; Bill 13 read a first time]

MR. DAY: Mr. Speaker, I would move that Bill 13 as just read be placed on the Order Paper under Government Bills and Orders.

[Motion carried]

head: **Tabling Returns and Reports**

1:40

MR. JONSON: Mr. Speaker, it is my pleasure to table six copies of the Premier's Council on the Status of Persons with Disabilities 1992-93 annual report.

Further, Mr. Speaker, it is also my pleasure to table six copies of the amalgamation and regionalization material that is being provided to school boards across Alberta. This information outlines the options available to school boards to amalgamate or regionalize into fewer school jurisdictions.

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

MRS. FRITZ: Thank you, Mr. Speaker. I'd like to file a motion of endorsement and support from the Calgary board of education for Bill 206, the School Amendment Act, 1994, and to thank the Calgary board of education as well as their director of corporate and legal affairs, Mr. Gordon Branson, for their guidance, support, and interest in this Bill.

Thank you, Mr. Speaker.

head: **Introduction of Guests**

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

MR. DUNFORD: Thank you, Mr. Speaker. I'd like to introduce to you and through you to the members of the Legislature this afternoon a woman of distinction from Lethbridge. She is an alderman with the city of Lethbridge and is sitting in the members' gallery. I would ask Ms Jan Foster to rise and receive the greetings of the House.

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

MR. THURBER: Thank you, Mr. Speaker. It's a pleasure for me to introduce to you and through you to this Assembly seven bright students and four accompanists from the Lucy Baker girls' school in the beautiful constituency of Drayton Valley-Calmar. They are seated in the public gallery, and they're accompanied today by Simon Jeynes, the headmaster, and Janice Cantafio and Lori Kelly and Cathleen Lee as headmistress and teachers. I would ask that they rise and receive the warm welcome of the Assembly.

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

MR. COUTTS: Thank you very much, Mr. Speaker. It gives me great pleasure to introduce to you and through you to members of this Assembly Carolynne, Monica, and Bill Wright, who all hail from the very progressive but the very beautiful and the very breathtaking town of Pincher Creek. They are accompanied today on their visit to the Legislature by Ivan Bernardo. They're sitting in the members' gallery, and I would ask them to please rise and receive the traditional warm welcome of this Assembly.

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

MRS. HEWES: Thank you, Mr. Speaker. I'm privileged today to introduce two guests to you and to members of the Assembly. The first is Father Leo Floyd. Father Floyd has been a friend to families and communities in Edmonton and Alberta for many years. He's here from St. Theresa's parish in Mill Woods currently. Members will recall that St. Theresa's church is the church that was recently the subject of an arsonist's attack, and our sympathies go to Father Floyd and his parishioners. Father Floyd is here today in support of the Grey Nuns hospital. He's in the public gallery, and I'd ask him to stand and be welcomed by the Assembly.

Mr. Speaker, I have a second introduction, and that's Mr. Stephen Krolo of the Edmonton-Gold Bar constituency. Mr. Krolo has sent to me a most careful and thoughtful response to the request from the government about the Alberta Seniors Benefit. He is here to express his grave concern about the cuts to seniors in our province. Mr. Krolo I believe is as well in the public gallery, and I'd ask him to rise, wherever he is, and be welcomed.

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

DR. WEST: Thank you, Mr. Speaker. I'd like to introduce to the Assembly today members of an organization that is right at the heart of the economy of the province of Alberta. Hopefully, every Albertan will enjoy the privilege of owning real property in this country some day and have the utilization of the services of this association. They're 40-some members of the Alberta Real Estate Association representing 8,000 such members. These are the people and presidents and directors of 11 boards. They are accompanied by their president, Mr. Ken Shearer, and I would ask that they rise in the members' gallery and receive the warm welcome of this House.

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

MS CARLSON: Thank you, Mr. Speaker. It is my privilege today to introduce to you and through you to members of this Assembly three of my constituents. Corky Meyer is the co-chair of the ad hoc hospital committee in support of the Grey Nuns hospital in Mill Woods. She is also the president of my community down there. Marlene Deregowski and her son Michael are concerned residents and very active volunteers in the community. The three of them are here today in support of keeping the Grey Nuns hospital open as an active care hospital. I ask that they rise and receive the traditional warm welcome of this House.

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

MS LEIBOVICI: Thank you, Mr. Speaker. It's with great pleasure today that I introduce some very important constituents of mine. They are two grade 6 classes from St. Justin school. They're accompanied today by their teachers Mr. King and Mr. Steman and by three parent helpers: Donna Leonard, Cindy Prefontaine, and Brian Lacasse. If they'd please stand and receive the warm welcome of the House.

MR. CARDINAL: Mr. Speaker, I'd like to introduce to you and through you to the Assembly Mrs. Pauline Farmer. Mrs. Farmer worked tirelessly sitting on the Edmonton social allowance appeal panel for five years and as chairperson for two years. I'd like Mrs. Farmer to rise and receive the traditional warm welcome of the Assembly.

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

MR. WOLOSHYN: Thank you, Mr. Speaker. In keeping with the impressive list of introductions, I'd like to introduce a very distinguished gentleman from the Stony Plain constituency. He's a member of a well-known pioneering family that lives in the Edmonton Beach area. I'd like the House to extend the traditional warm welcome to Mr. George Fuhr.

head:

Oral Question Period
Senior Citizens' Programs

MR. DECORE: It's nice to have you back, Mr. Premier.

Mr. Speaker, unbelievably, the Premier of Alberta did not make himself aware of major elements in his own budget. It was only yesterday that seniors found out the truth about reduced benefits to low-income seniors. Seniors deserve an explanation not from the minister responsible but from you, Mr. Premier. Explain why so many days after your budget you yourself did not know what you had in store for seniors in Alberta.

MR. KLEIN: Mr. Speaker, I know precisely what we have in store for seniors. What we have in store for seniors is to protect

low-income seniors, streamline the administration, cut duplication relative to the delivery of those services to seniors, income test but not use a means test, consult with seniors on proposed changes to find out what is right for them from the seniors themselves, and to carefully watch the impact of any changes. That's what we plan to do.

MR. DECORE: Mr. Premier, this matter is now a hopeless mess. How are you going to sort it out?

MR. KLEIN: Mr. Speaker, this matter is not a hopeless mess. The only hopeless mess we have is sitting right over there.

Mr. Speaker, this will sort itself out through meaningful consultation with seniors who will tell us what is right for them.

MR. DECORE: Mr. Speaker, I find it extraordinary that Conservative members could find humour in this assault on seniors in Alberta. I'm struck by that.

Mr. Premier, will you admit that your seniors strategy is a hopeless strategy? Will you stop it, and will you start all over again?

1:50

MR. KLEIN: No, Mr. Speaker. It is not a hopeless failure. As a matter of fact, it is a good, healthy, honest exercise where the minister and the chairman of the Seniors Advisory Council and all my colleagues in the Conservative government are going out and consulting with seniors, listening to seniors, and finding out from seniors what is right for them.

MR. DECORE: When you listen, Mr. Premier, you've got to open up your ears.

Mr. Speaker, perhaps the Premier doesn't know this either, but his government is picking the pockets of seniors in more ways than just one. Among other things long-term care costs are up and benefits like eyeglasses and dental care are now limited for some and done away with completely for others. Nearly 60 percent of seniors earn less – Mr. Premier, listen to this one – than \$15,000 a year. Their pockets aren't deep enough to be picked. My first question to the Premier is this: explain how someone earning so little can afford to pay extra for health care, extra for dental care, extra for eye care, extra for lodge accommodation or long-term hospital care, and extra for property taxes or rent.

MR. KLEIN: Well, Mr. Speaker, I would invite the hon. leader of the Liberal Party to participate with the government in the various forums and public consultation processes rather than going out into the communities and spreading gloom and doom and fear, because what we are doing is trying to find out from the seniors themselves what is right for them. Seniors have indicated to us in numerous public consultation processes that they are willing to pay their fair share. Those that can afford to pay are willing to share, unlike the people over there who want . . . [interjections] Fine. I'll have the hon. minister supplement.

MRS. McCLELLAN: Mr. Speaker, I would like to offer a supplemental answer and some clarification to some of the preamble to that. The extended health benefits program that was in place in this province was a program where seniors if they encountered a need for eyeglasses or dental benefits applied for an amount of dollars. That will continue. Any work that is done in this 1994 year will continue for seniors, but under the new program we will be placing those dollars directly into that

program. There will be no application necessary, and seniors can use those dollars for needs that they have.

Mr. Speaker, I think it has to be identified that seniors . . .

MR. SPEAKER: This answer is going on a little too long.

MR. DECORE: Mr. Premier, when a low-income senior needs help for a painful toothache and needs eyeglasses at the same time, what is it that they should do without?

MR. KLEIN: I don't know if they have to do without anything. A low-income senior will have all the benefits and even more available to him or her, Mr. Speaker. Obviously, the hon. leader of the Liberal Party does not understand what the program is all about. He is more intent on going throughout the communities of this province and spreading gloom and doom and fear and whipping it up rather than participating and doing something constructive. I find that somewhat disgraceful.

MR. DECORE: Mr. Speaker, two days ago the Premier of Alberta didn't know about the details of his own budget, and now he says that he doesn't know. Mr. Premier, when are you going to find out exactly what the situation is for low-income seniors in Alberta? When are you going to do your homework?

MR. KLEIN: The situation is this, Mr. Speaker: the program is designed to protect low-income seniors, the program is designed to streamline administration and cut duplication, the program is designed to income test and not means test, and the program is designed to consult with seniors on proposed changes and find out from seniors what is right for them, certainly not from these guys over there.

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

MR. YANKOWSKY: Thank you, Mr. Speaker. The job of the chairperson of the seniors advisory committee is to advise and look after seniors. This chairperson waved the seniors brochure, which cost Alberta taxpayers \$275,000, and implied that \$17,000 was the level below which seniors would receive all benefits. To the chairperson of the Seniors Advisory Council: will it now cost your government another \$275,000 to send out new brochures just to set the record straight?

MRS. BURGNER: Thank you. Mr. Speaker, I appreciate the opportunity to set the record straight, and I refer to page 417 of the March 7 *Hansard*, wherein I clearly state:

The Alberta Seniors Benefit . . . clearly identifies a target of \$17,000 for a single senior prior to . . . paying any portion of health care benefits.

I spoke supplementary to the minister. I added the fact that we were clarifying a new element on behalf of seniors, how they will access health care premiums, and I appreciated the opportunity. It's in *Hansard*: \$17,000, health care benefits.

Thank you.

MR. SPEAKER: The hon. Minister of Community Development wishes to supplement.

MR. MAR: Mr. Speaker, the budget that was set aside for distributing this booklet, the Alberta Seniors Benefit program booklet, was \$91,000, or approximately 40 cents per senior in the province of Alberta. It was distributed to 185,000 households.

Mr. Speaker, with respect to the hon. member's question about the maximum benefits that were identified in the booklet, indeed right at the top of page 4 it says: "The chart below shows how much the lowest income seniors will get. Remember this chart is the most you can get." It identifies that it is the maximum amount.

On page 3, Mr. Speaker, it does say, "Cash benefits are intended to supplement the income of those seniors who need it the most." [interjections] If members of the opposition share my concern about seniors, then they'll allow me to continue. On the other hand, if I'm not permitted to continue . . . [interjections]

MR. SPEAKER: Order.

The hon. Minister of Community Development.

MR. MAR: Thank you, Mr. Speaker. The last paragraph in the first column of page 3 says:

Seniors who have the lowest income will receive the highest cash benefit under the Alberta Seniors Benefit. As incomes rise, the cash benefit decreases.

It couldn't be any clearer than that.

MR. SPEAKER: Supplemental question.

MR. YANKOWSKY: Thank you, Mr. Speaker. The minister responsible for seniors has already apologized for failing to distribute crucial information.

MR. SPEAKER: Question. Supplemental question.

MR. YANKOWSKY: Will you now stand in this House and apologize for your failure to give seniors the real story?

AN HON. MEMBER: Come on, Jocelyn.

MRS. BURGNER: Mr. Speaker, I believe that question was to the minister responsible for seniors.

2:00

MR. SPEAKER: Yeah. The hon. Minister of Community Development wishes to reply.

MR. MAR: Mr. Speaker, you always make judgment calls about the type of information you put out. You want to make sure there's an adequate amount of information without having too much information that is confusing. This booklet is very, very clear. It does say at the very outset, it's clear that as your income rises, the amount of your cash benefit decreases, and that is in accordance with wishing to confer the greatest benefit upon those who are in greatest need.

MR. SPEAKER: Final supplemental.

MR. YANKOWSKY: Thank you, Mr. Speaker. To the Premier: how can you allow the hon. Member for Calgary-Currie to continue in her role as chairman of the Seniors Advisory Council when she has clearly lost the confidence of the seniors? How can you do that?

MR. KLEIN: I can allow her to continue with a great deal of confidence and a great deal of pride in what she is doing relative to consulting with seniors to find out from seniors what is right for them.

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

Kindergarten Programs

MR. HERARD: Thank you, Mr. Speaker. My questions are to the Minister of Education. ECS parents in my constituency are concerned. They're concerned that our school boards may be taking their advice from the Liberals across the way and creating a two-tiered ECS system. [interjections]

MR. SPEAKER: Order. [interjections] Order.
The hon. Member for Calgary-Egmont.

MR. HERARD: Thank you, Mr. Speaker. In fact, school boards don't appear to be interested in cutting their administrative costs. They're now talking about charging up to \$750 per child in Calgary and up to \$850 per child in Edmonton for a half day of ECS. To the minister: what percent reduction in their administration costs would it take for Calgary and Edmonton boards to fully fund ECS?

MR. JONSON: Mr. Speaker, there is quite a range of amounts in terms of school boards budgets' direction of money to administration. Indications would be that it ranges from about 5 to 17 percent, but I think it would be fair to say that the average in this province runs at about 10 percent. Ten percent of the approximately \$55 million to \$60 million that goes to administration in Edmonton or Calgary would be required to deal with the ECS costs the member is referring to.

MR. SPEAKER: Supplemental question.

MR. HERARD: Thank you. My first supplemental to the minister: when will the minister publish administrative costs including salaries for all Alberta school boards?

MR. JONSON: Mr. Speaker, the direction in our business plan is quite clear in that we want the system to be open and provide more information to parents and to taxpayers in the province. As far as the provision for the reporting of administrative costs, that is part of the overall amendment to the School Act that is planned for this session.

MR. SPEAKER: Final supplemental.

MR. HERARD: Thank you, Mr. Speaker. So do I take it, then, Mr. Minister, that these changes will be made to the Act in the next session?

MR. HENRY: You've got all the information. Just release it.

MR. SPEAKER: The hon. Member for Edmonton-Centre has not got the floor.

MR. JONSON: Mr. Speaker, it is my plan to make those changes this session.

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

Payments to Physicians

MR. SAPERS: Thank you, Mr. Speaker. The soon-to-be-imposed regional health boards will control all health care funding except those payments that are made to doctors. Can the Minister of Health confirm that her department has cut a side deal as

outlined in this memorandum of agreement between the AMA and Alberta Health, which I'm tabling now in the House, that will protect doctors' fees for the next three years?

MRS. McCLELLAN: No, Mr. Speaker, I would not confirm that. What I would confirm is that the Alberta Medical Association has, one, agreed to a 5 percent reduction in fees and payments to physicians in accordance with our request and, two, has offered over the next three years to look at ways to reduce costs associated with physician services by 20 percent. We have agreed to negotiate terms of that agreement. There are no side deals cut with the AMA, and I rather resent that inference. The physicians in this province through the auspices of the Alberta Medical Association have been very responsible in working with government to ensure that they provide services accessibility to the people in this province and I think have behaved in a very responsible way in recognizing the fiscal restraints that we are under. I very much resent the inference that the hon. member has made against a professional group in our province for which we have the highest respect on this side of the House.

MR. SAPERS: If the minister resents it, just think how nurses feel.

Why would this Minister of Health allow doctors to operate outside of the regional board structure when they make up 25 percent of the payments made under the plan? Why would that happen, Mr. Speaker?

MRS. McCLELLAN: If the hon. member would avail himself of the information that is provided in this House and freely through my office, he would have had an opportunity to peruse the action plan, which was action plan one of the restructuring of our health services. Today we have a method of payment of physicians which is by fees or by salaries. It is clearly identified in the restructuring action plan that alternate methods may be examined. We have an agreement with our physicians in this province, and as I said before, the physicians have acted very responsibly under that agreement, volunteering a reduction in their fees before they were ever asked, I might add, as of April 1 last year, the 5 percent reduction since then, and offering to work with us over the period of three years to see a 20 percent reduction in costs associated with physician services. I think that is very responsible, Mr. Speaker.

MR. SAPERS: Effective January 1, not April 1.

Mr. Speaker, if it's supposed to be a level playing field, why would Alberta Health agree to this 5 percent cut in physicians' fees, but you're allowing nurses to take hits of 10 percent and more?

MRS. McCLELLAN: First, may I correct the hon. member? There was a reduction offered by the Alberta Medical Association on behalf of their membership last April 1, '93. The 5 percent reduction was as of January 1. I would also remind the hon. member that we asked all people in health services to offer a 5 percent reduction in their compensation package. That has been achieved.

The Minister of Health has the responsibility of negotiating those agreements with professional associations such as physicians, chiropractors, et cetera. The Minister of Health does not negotiate directly with any union. I respect the collective bargaining process and their collective agreements and the people who are charged with negotiating those agreements.

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

Education Restructuring

MR. SMITH: Thank you, Mr. Speaker. My question is to the Minister of Education and comes from a town hall meeting I held last night in Calgary-Varsity. If each student in school receives about \$5,500 per year in total funding and the average class size is 25 students, this would mean that each classroom receives about \$137,500. A teacher's salary is about \$53,000, and normal business overhead at 30 percent is \$39,000. This totals \$92,000 and leaves a balance of \$45,000. Can the minister account for this balance of about 33 percent?

MR. JONSON: Mr. Speaker, some of the key items that would be accounting for that amount of money that the hon. member identifies would be the cost of governance, the cost of administration, the cost of support staff, the cost of buildings and infrastructure. I think what is important here is that in the business plan we have outlined for the future of education in this province and the restructuring that we're undertaking, we are reducing the cost of governance through the reduction in the number of school boards and other measures, we are focusing on the reduction of the cost in administration, and we have taken measures to reduce capital cost. There's an overall direction there to direct the funds that are available to the classroom and to the student.

2:10

MR. SMITH: To the Minister of Education: how will one-source funding and the new superintendent hiring process effect cost reductions, and how will it affect classroom instruction?

MR. JONSON: Mr. Speaker, with respect to provincial funding we will be able to direct the funding on a fair and equitable basis in this province, use it efficiently so there's the maximum amount of benefit to the classroom and to the student.

With respect to the superintendency, Mr. Speaker, one of the things that our direction will allow us to do is phase out regional offices of Alberta Education with significant savings in the whole education funding package of the province. It will also lead to a salary grid for superintendents across the province, and again we will be looking at saving and controlling administrative costs.

MR. SMITH: How can the minister assure this House and the residents of Calgary-Varsity that public education will not be subject to political influence such as censorship?

MR. JONSON: Mr. Speaker, I can assure the hon. member that the materials and the books, et cetera, that are recommended for the schools of this province will be selected on their educational merit. They will be suitable to the grade level, to the maturity of the students, and they will be of the finest quality possible.

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

Hospital Boards

MR. MITCHELL: Thank you. Mr. Speaker, the Edmonton health planning council has decided not to recommend any changes to hospitals in Edmonton, and believe it or not, the Calgary council has also failed to provide its long-promised recommendations. You know why? Because they realize how ridiculous it would be to make recommended changes for hospitals just three or four months before the real regional boards are going to be established. How can the minister continue to say that

hospitals planning in Edmonton and Calgary is in an advanced state when these regional councils have literally thrown up their hands and said: wait at least three or four months until the real regional boards are in place?

MRS. McCLELLAN: Mr. Speaker, I have absolutely no indication from either Calgary or Edmonton that they have thrown up their hands. I think that's a totally irresponsible statement.

Mr. Speaker, let me make a couple of things very clear. We have boards elected or appointed in Edmonton and Calgary that represent our institutions. Those boards have the full mandate and the full responsibility for carrying out and delivering the services charged to them. To suggest that we would stop any work until there was a regional authority I do not think is in any way responsible.

What I would like to make clear, Mr. Speaker, is that the acute care planning group in Calgary has been working for eight months on rationalization of how they deliver services in the acute care program in Calgary, and that work is ongoing. They have not thrown up their hands. They are involved in a process.

In Edmonton – and I think this is very important. [interjections] The member asked the question; the member should listen to the answer. In Edmonton the group is working under the regional planning council. It is true that they have not recommended the closure of any hospital in this city. The minister has not recommended that, nor has this government recommended that. I find the rumours to that effect very disturbing for the . . .

MR. MITCHELL: Mr. Speaker, these councils are hamstrung, and if the minister doesn't know it, then her planning process is in much worse shape than even we believed.

Will the minister please tell us why she won't simply put a moratorium on her \$100 million hospital cuts in Edmonton and Calgary for the three or four months that it's going to take to get the real regional boards set up?

MRS. McCLELLAN: Mr. Speaker, the hon. member does not seem to understand that we have real boards in place today with real responsibilities. They are carrying out those responsibilities, and what they are looking at is how to deliver acute care and other services in this city. We have had the Edmonton regional planning council in effect in this city for a number of years, and they have been working in those areas. What is the fact is that they have not made any recommendations on closures, as is rumoured in this city and, as I say, is very unfair to the workers in those institutions and to the people who access those services. I am very pleased that there are people in the gallery today that can hear the facts that there are no decisions made on closures and there have been no recommendations made in that way.

MR. MITCHELL: They haven't made any recommendations. It's three weeks to go. That's planning, Mr. Speaker.

Why would the minister stand by and allow Caritas to move geriatrics to the Grey Nuns when her new regional board in three or four months might well decide that the Glenrose would be a much more appropriate place to put those services?

MRS. McCLELLAN: Mr. Speaker, again I must comment on the preamble. There is no date of April 1 for announcing closures of hospitals or openings. What is in place is a reduction of \$100 million out of the funding for the acute care system in Edmonton and Calgary in the 1994-1995 year. The hospitals in these areas have been very responsible in looking at how they deliver services. As I indicated earlier, we have boards in place today.

They are taking their responsibilities seriously. They are active, and they are the real boards.

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

Senior Citizens' Programs

(continued)

MRS. LAING: Thank you, Mr. Speaker. My question is for the Minister of Community Development, the minister responsible for seniors. Mr. Minister, I've had several meetings with seniors in my constituency of Calgary-Bow.

MR. SPEAKER: Through the Chair, please.

MRS. LAING: Some have concerns with the idea of income testing for the Alberta seniors' benefit program. Is this the first time that seniors have had to qualify through an income test for programs in Alberta?

MR. MAR: Mr. Speaker, consistent with the principle of wanting to protect those seniors at the lower income levels, it is in fact the case that we are income testing for the Alberta seniors' benefit program.

MR. DECORE: Your nose is growing. [interjections]

MR. MAR: Mr. Speaker, I have a difficult time hearing anybody asking a question, because every time I stand up, all I can hear is the rattling that comes from the Leader of the Opposition every time he shakes his head. If the Leader of the Opposition is interested in hearing this answer, then I'm pleased to share it with him.

Mr. Speaker, the Alberta assured income plan was an income tested benefit which reduced as the guaranteed income supplement was reduced, and including old age security, when you received more than \$15,646, you received no AAIP. Very clearly in the Alberta seniors' benefit program we're looking at conferring the largest benefit upon those individuals at the lowest income level, and most people would agree that people at \$10,400 are in greater need of assistance than people at \$18,200. Those are the people that will benefit under this program. Individuals who are under \$18,200 will receive some benefit under the Alberta seniors' benefit, and those at lower levels will receive a greater benefit.

MRS. LAING: Mr. Speaker, I would like to ask the minister: will there be special consideration given to the threshold for a single-senior couple with special needs? For example, I have a constituent who has a disability, a younger wife, has never worked, and has two school-age children.

2:20

MR. MAR: Well, the actual effect, Mr. Speaker, upon an individual couple would depend upon their financial circumstances. If their income is above a certain threshold, then they would have to pay health care premiums.

The question has been raised in a number of forums with seniors about benefits for dependants, and that is certainly an issue we're going to be looking at. If the hon. member would like to provide the specific circumstances of her constituent to me, I would be happy to have one of my staff members call that person back and identify for them what this program will mean to them.

MR. SPEAKER: Final supplemental.

MRS. LAING: Yes. Thank you, Mr. Speaker. I would like to know for my constituents whether seniors who own a mobile home which is on rented land receive the renters' assistance benefit or the property tax reduction benefit.

MR. MAR: Mr. Speaker, a mobile-home owner is treated like a renter and has a specific schedule of benefits. Currently such a person would receive a thousand dollar allowance under the senior citizens' renter assistance program. Under the proposed Alberta seniors' benefit program the same amount is included in the maximum benefit which is shown in the charts as \$2,266 for single and \$3,532 for a two-senior couple.

Hospital Boards

(continued)

MS CARLSON: Mr. Speaker, physicians in cities all over Alberta are worried because they know that patient care is about to be compromised forever. In the city of Edmonton the Misericordia hospital is being pitted against the Grey Nuns. This hurry-up-and-cut mentality of the Minister of Health makes it impossible for them to do their work. To the Premier: tell us what criteria are used to determine which hospitals will close in Edmonton or anywhere else in this province.

MR. KLEIN: I think the minister answered that question during her last answer. It related to this. The criteria, Mr. Speaker, are basically the criteria established by the local boards, the chairmen of those boards, the administrators, the people who work in the hospitals and the communities. Basically that's what the planning process is all about. The whole exercise of course is to break down overlapping and duplication and to rationalize health care in the city of Edmonton and indeed throughout the province. I'd be very happy to have the minister supplement.

MRS. McCLELLAN: Mr. Speaker, there is no intent by this government nor has there been any reason for anyone to believe that we are causing one hospital to be pitted against another. Indeed the minister very clearly outlined in the news release that accompanied the action plan the value and the continuing role of our voluntary hospitals in this province, of which they are two.

There has been a process occurring in this city and indeed in other areas in Alberta of identifying how best to deliver health services. That is the exercise that these hospitals are embarking on and, I would say, carrying out quite successfully despite interference by some maybe well-intentioned people across the way.

MS CARLSON: The best way to deliver health care is not to cut beds in this province.

Mr. Premier, will the new regional boards be bound by the decisions being made today, or is this whole crisis going to start over?

MRS. McCLELLAN: First of all, Mr. Speaker, in the preamble the member mentioned that the best way is not to cut beds. We have far too many active treatment beds in this province. That is a fact. We are much higher than the national average, much higher than provinces. The reason for cutting beds is that we no longer need them. We do day surgeries. We have ambulatory care. People do not need to stay in hospitals.

On the subject of the responsibility of the boards and their roles, Mr. Speaker, I've made it very clear that we have boards in place today that have a responsibility and they are carrying that

out. When a new regional authority is in place, that regional authority will have a mandate which will be described after the time of announcement of those. The continuation of the work will occur. I do not see the boards that are in place today immediately passing out. There will be a transition period. Their role is very important today, and it will continue to be.

MS CARLSON: Tell the people on waiting lists that their beds aren't needed.

Mr. Premier, will you tell the minister today to direct the Caritas board to just say no to the dismantling of hospitals in Edmonton?

MR. KLEIN: Well, Mr. Speaker, I find this to be very, very strange indeed coming from the Liberal opposition. Now listen to this, Laurence. May 21, 1993:

City and rural hospitals will have to be closed in order to wipe out the \$2.47-billion deficit, Liberal Leader Laurence Decore told a Nisku business luncheon Thursday.

"City and rural hospitals will have to be closed." Mr. Speaker, if they're talking about pitting one hospital against the other, you know who's doing the pitting. They are doing the pitting. They're out there stirring it up. No one else. [interjections]

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

Now for some peace and tranquillity from the hon. Member for Grande Prairie-Wapiti.

Corrections Facilities

MR. JACQUES: Thank you, Mr. Speaker. Recent comments inside this House and outside this House by the Minister of Justice with regard to the subject of privatization of jails and correctional institutions quite frankly have caused a lot of confusion and questions amongst my constituents. Will the Minister of Justice please advise this House of the specifics of his plan, be it called privatization or outsourcing?

MR. ROSTAD: Mr. Speaker, I thought I made it fairly clear the other day, but we'll have another attempt. We do plan to do a pilot project to privatize or outsource a prison facility in Alberta. It will not be this budget year, and it will not take place before there is a framework built as to the type of model that would be best serviced for the security of the public and for the training and reclaiming of the inmates.

MR. SPEAKER: Supplemental question.

MR. JACQUES: Thank you, Mr. Speaker. Well, in terms of that model or that pilot project, how will you guarantee the protection of the citizens of this province?

MR. ROSTAD: Well, Mr. Speaker, that's precisely in the design of the model or the framework that we would take forward for privatization. We would seek input from prison experts, from staff, from the union, from anybody that has information on the best way to design – obviously the physical structure is designed; we're not building a new prison – how we operate it and what should happen inside and the outcomes, the measurements. I welcome any input on that.

MR. SPEAKER: Final supplemental.

MR. JACQUES: Thank you, Mr. Speaker. Along the same note, then, how will the minister ensure that there is a continuation of rehabilitation for those that are incarcerated?

MR. ROSTAD: Well, Mr. Speaker, that again is part of the framework and model that we would want addressed. We'd ask for input from anybody and seek input from experts as to different ways that might be done within the present model. Perhaps there isn't a better way that it can be done from the present model. But until we have done that and built the framework, we will not strike out.

I might take this opportunity as well to answer a question the hon. Member for Calgary-Buffalo asked that I didn't get to answer the last time, as to whether I have received any proposals. The answer is no, and we would not even anticipate those until such time that this framework or model is built.

MR. SPEAKER: The hon. Member for Bonnyville.

2:30

Ambulance Services

MR. VASSEUR: Thank you, Mr. Speaker. The Department of Health has recently taken over ambulance inspections. We now know that these inspections should be quite thorough. Every ambulance operator in Alberta recently received temporary licences, valid for one year, with no inspection conducted by the department. My question is to the Minister of Health. How can Albertans have any confidence in a system where certification is done sight unseen?

MRS. McCLELLAN: Well I guess, Mr. Speaker, for one thing we have some confidence in the people who operate our ambulance system, whether they are the private operators, whether they are the municipalities. I might point out to the hon. member in case he isn't aware that a number of municipalities operate ambulance systems, and I think they're very responsible people.

We do have an inspection mechanism in this province. Inspections are carried out routinely, and they will continue to be carried out routinely. As the hon. member rightly alluded to, they will be carried out by the Department of Health.

MR. VASSEUR: Mr. Speaker, this is the very reason why the department took the responsibility of passing an Act three years ago. Some of those inspections weren't carried out properly. That's why they took it over. My question is: why weren't those inspections done before certification? Why weren't you ready?

MRS. McCLELLAN: Mr. Speaker, in most cases those ambulances, I would expect, were in use and had been inspected. The inspections will be carried out. Again, I have to go back. I have a lot of confidence in the operators of our ambulance system, whether they be the municipalities, whether they be private operators, or whether they be hospital-based operations. We will continue to inspect ambulances on a regular basis in this province, and we will continue to have confidence in the people that operate those systems.

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

Provincial Parks Privatization

MR. RENNER: Thank you, Mr. Speaker. My question is for the Minister of Environmental Protection. Privatization of provincial parks seems to mean different things to different people. Some of my constituents are under the impression that private operators of provincial parks will be responsible for such things as wildlife and forest management. Could the minister

advise this House what areas of park management are the responsibility of contract holders and which are the responsibility of department officials?

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

MR. EVANS: Thank you very much, Mr. Speaker. I want to begin by just confirming again that when we talk about privatization of operations in our provincial parks and recreation areas, we're talking about just that: operations. Accordingly, the private sector has been involved in contract work, whether that's maintenance, whether that is capital construction – and we're certainly down in the amount of capital construction that we're doing, but we don't have carpenters on staff now to be doing those kinds of jobs, so capital construction has been out there in the private sector – certainly concessions wherever possible, and the campgrounds that we are able to privatize as time goes on. We have 17 of them in the province at this point in time, and we're trying to encourage other private entrepreneurs to come forward to us with a proposal for other campgrounds and recreation areas in this province.

The other function that the hon. member is talking about is a very important function. That's a function we will maintain in the Department of Environmental Protection; that is, responsibility for resource management, for environmental protection.

SOME HON. MEMBERS: Speech, speech.

MR. EVANS: It sounds like the hon. members aren't willing to . . .

MR. SPEAKER: Perhaps the hon. minister could leave some room for a supplemental question.

MR. RENNER: Thank you, Mr. Speaker.

One of the areas the minister didn't mention was the collection of camping fees. It's my understanding that the operators collect the camping fees. I want to know who sets the levels for those camping fees.

MR. EVANS: That's part of the policing and enforcement function that we will continue as well to have in government dealing with our provincial parks and recreation areas, Mr. Speaker. Those rates are set by the parks Act, by the regulations that are passed pursuant to that Act.

MR. SPEAKER: Final supplemental.

MR. RENNER: Thank you. If the minister sets the levels, does he contemplate a day-use fee for parks in addition to the current practice of charging only for overnight stays?

MR. EVANS: Certainly, Mr. Speaker, in these days of fiscal restraint we are looking at every part of the operation of our department, just as other departments of government are as well. When you talk about day-use fees, I've certainly asked my staff to look at a cost/benefit analysis of what we would get from a fee. I'm not interested at all in setting up a fee schedule if all the money that we would bring in would be utilized in administration for having that collection in place. That just does not make sense. We want to be efficient in this. If as an opportunity to get some money back from the users of those parts of our provincial parks and recreation areas that are intensively managed we have an opportunity to set a fee, then I'm certainly going to consider it.

My staff will continue to work with people, both the users and those who are operating our facilities.

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

Hospital Services

MR. DICKSON: Thank you, Mr. Speaker. When this government bulldozed ahead to privatize liquor stores, what we found was that police and local planning authorities were left to scramble after the fact to deal with the problems. Now dealing with hospitals, since the Calgary acute care study does not address specifically the many low-income seniors living in downtown Calgary and their health needs, I want to put this question to the Minister of Health: before any hospital is closed in Calgary, will the minister undertake to determine first how many low-income seniors will be hurt?

MRS. McCLELLAN: Mr. Speaker, health care services in the city of Calgary are there for all of the citizens. I know that the people who provide those health care services are very aware of the clientele they serve, whether it is at the community level of the citizens of Calgary, whether they be low-income seniors or any other age group. Secondly, there are secondary services that they provide both to the citizens of Calgary and to southern Alberta. There are high tertiary care services which they serve not only to the citizens of Calgary, the citizens of southern Alberta; citizens of Alberta as a whole and indeed of other provinces come here for our highly specialized work. I have every confidence in the people who are doing the acute care planning study that they are looking at all of the needs of the citizens of that city and beyond.

MR. DICKSON: Mr. Speaker, I take it the answer is no.

My supplementary question, then, to the minister would be: before any hospital is closed in the city of Calgary, will this Minister of Health ensure that there's an adequate plan in place, prepared in conjunction with local authorities, to make sure that those low-income seniors are going to get adequate health care?

MRS. McCLELLAN: Well, Mr. Speaker, I might help the gentleman from Calgary, explain to him how the hospitals in Calgary operate. There is a hospital in Calgary that indeed has city aldermen who sit on that board. The city of Calgary is well represented in the discussion on hospital services. The hon. member could reread Hansard Blues from today. I will not repeat it again, but indeed the answer was not no; it was yes. The consideration of all citizens' needs, not just one interest group or any other interest group, will be looked at in the provision of services. The city of Calgary will be a partner in that through its membership on a city board. I invite the hon. member to get acquainted with what really does occur in the city of Calgary.

2:40

MR. DICKSON: I expect that the Calgary city council and planning authorities are going to be astonished to hear that last response.

My final supplementary question, Mr. Speaker, is: has the Minister of Health consulted with the minister responsible for seniors to determine what kinds of special problems seniors are going to have with transportation to hospitals in outlying areas?

MRS. McCLELLAN: Well, Mr. Speaker, there is an assumption there that seniors are going to be transferred to outlying centres. One of the things that we have been very clear on in long-term care: it is very important that seniors have that care close to their

own communities, and that is being endeavoured. The second thing in that area is that seniors indeed do not have to go to institutions if we can support them to stay in their homes. Thirdly, I have already made it very clear that the hospitals in Calgary understand their mandate very well: to serve all citizens in that city. I invite the hon. member to check with the Calgary planning area if he thinks that they will be surprised at any of those statements.

MR. SPEAKER: The time for question period has expired. Could the Assembly agree to revert to Introduction of Guests?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed?

The hon. Member for Edmonton-Ellerslie.

head: **Introduction of Guests**
(*reversion*)

MS CARLSON: Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to the members of the Assembly today 44 outstanding grade 10 students from J. Percy Page composite high school in Mill Woods. They are accompanied today by their teachers Mr. Rick Long, Mr. Randy Montgomery, and Mrs. Pauline Grabia. They are here today in part in support of keeping the Grey Nuns hospital open as an active care hospital in the city of Edmonton. I ask that they rise and receive the warm welcome of this Assembly.

Speaker's Ruling
Addressing Questions through the Chair

MR. SPEAKER: Before calling Orders of the Day, the Chair would like to remind all hon. members that questions should be put through the Chair and not directly to the minister or the Premier.

head: **Orders of the Day**

head: **Written Questions**

MRS. BLACK: Mr. Speaker, I move that the written questions appearing on today's Order Paper stand and retain their places with the exception of Written Question 146.

[Motion carried]

Maintenance Enforcement Garnishees

Q146. Mrs. Soetaert asked the government the following question:

In maintenance enforcement how many files have had garnishees issued and what was the average duration of the garnishee demands for the periods April 1, 1990, to March 31, 1991; April 1, 1991, to March 31, 1992; April 1, 1992, to March 31, 1993; and April 1, 1993, to February 10, 1994?

MR. ROSTAD: Mr. Speaker, we've been in consultation with the Member for Spruce Grove-Sturgeon-St. Albert, and we have agreed because of some incapacity of our computer system to answer the question as specified that we would amend it and I would accept the amended question.

Moved by Mr. Rostad that Written Question 146 on today's Order Paper be amended as follows:

by replacing all words after "in maintenance enforcement" with: what were the total number of files being enforced by the maintenance enforcement program and the total number of continuing attachments placed on these files as at March 31, 1991, March 31, 1992, March 31, 1993, and January 31, 1994?

MR. SPEAKER: The hon. Minister of Justice has moved an amendment to Written Question 146, which the Chair understands is being circulated.

[Motion on amendment carried]

head: **Motions for Returns**

MRS. BLACK: Mr. Speaker, I move that the motions for returns appearing on the Order Paper stand and retain their places with the exception of motions for returns 152, 153, and 155.

MR. SPEAKER: We'll deal with this motion before the Assembly, and then the Chair would like to revert to Written Questions.

[Motion carried]

head: **Written Questions**
(*reversion*)

MR. SPEAKER: The Chair regrets to ask the Assembly to revert to Written Questions, but under our new rules there has to be an expression of the Assembly on the deemed motion to accept the written question.

[Question as amended accepted]

head: **Motions for Returns**
(*continued*)

School Act

M152. Mr. Henry moved that an order of the Assembly do issue for a return showing copies of any legal briefs obtained by the Department of Education relating to section 11 of the School Amendment Act, 1993, Bill 8.

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

MR. HENRY: Thank you, Mr. Speaker. Motion for a Return 152 standing on the Order Paper in my name basically asks for any legal briefs that were obtained by the department relative to a change that was passed in this Legislature in the School Amendment Act, that was also known as Bill 8, specifically referring to health care services for special needs students.

Thank you.

MR. JONSON: Mr. Speaker, I'm sure the hon. member knows that any legal briefs, legal opinions are provided in government on a client/solicitor basis and therefore are privileged information, and I am not able to provide those to the Assembly.

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

MR. HENRY: Thank you, Mr. Speaker. I just wanted to point out to the minister – the minister has rejected this request for information – that I believe that this is not in the spirit of freedom

of information that the government keeps telling us we're going to see legislation on.

Number two, I want to remind all members of the Assembly that the ultimate client when legal services are provided to us, when they're paid for by taxpayers' dollars, are the taxpayers. I believe they should have the right to that information if they're paying for it, and I would ask all members to support the motion for a return.

[Motion lost]

School Jurisdictions' Audits

M153. Mr. Henry moved that an order of the Assembly do issue for a return showing copies of all comprehensive audits of school jurisdictions prepared by the Department of Education between October 31, 1991, and October 31, 1993.

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

MR. HENRY: Thank you, Mr. Speaker. Motion for a Return 153 standing on the Order Paper in my name is asking for copies of all the comprehensive audits of school jurisdictions prepared over a two-year period for the Department of Education. We are aware that the department does receive this information on a division-by-division basis. The reason for asking for this information is that the Auditor General did identify that the Department of Education had not yet developed all the systems required to pull the information that might be useful in planning and in making decisions, the information that is contained in those audited financial statements. Certainly I do acknowledge that the department is working towards a better system of extracting information from the reports it receives from the school divisions. Until then I would suggest that it might be valuable to have copies of all of those 140-odd audits in the Legislature Library so that any member of the public or member of this Legislature who wished to go and obtain information or look at some trends or look at some figures, such as questions that were asked today by one of the hon. members to the minister, would have the opportunity to do so.

MR. JONSON: With respect to Motion for a Return 153, first of all I would like to point out that the member across the way is asking for important information when he talks about comprehensive audits. The fact of the matter is, Mr. Speaker, that in the way that the term "comprehensive audit" is being used today in government and in business, we do not have comprehensive audits of school jurisdictions across this province. In other words, as the Auditor General has pointed out, we have not put in place that detailed a procedure for obtaining information from school jurisdictions and following up on it by way of a comprehensive audit. So that information with respect to that part of the motion is not available.

2:50

Secondly, with respect to the evaluations that Alberta Education does conduct, some of those are with respect to individual schools and also with respect to program evaluations. The procedure that we have followed with respect to such evaluations is to make them the property of, and indicate ahead of time that they are the property of, the jurisdiction in which that evaluation is taking place, and it is up to the school board in charge to develop a process to disseminate that information to the appropriate people in that jurisdiction's service area.

Mr. Speaker, because the information is not available and/or because the information is the property of school boards, I must

reject this motion, but I would like to acknowledge that in the overall directions that we've set out in our business plan, we certainly intend to move to gathering more information, which will be available with respect to the school system of the province and allow us to make decisions better pertaining to it.

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

MR. HENRY: Thank you, Mr. Speaker. I'm disappointed that the minister has chosen not to accept this particular motion for a return. I would have been open to if the minister had perhaps made an amendment to the motion, as was done with a previous written question today, defining perhaps exactly what sort of audit material he had available. I also want to express regret that the minister has not chosen to release what information he does have, because very clearly statements made by the minister, reports produced by the department, statements made by the deputy minister, and in fact statements made in the government's own financial planning committee draw from the information that the department does have from the various audits. If the government is going to make statements based on information they've collected from school boards and then give the raw information back and suggest that it's now no longer the property of the school boards, then it seems to me that there's a double standard here.

I would ask all members to support this motion for a return. Again, if a member would care to make an amendment or if the minister would like to provide what information he does have, I'd be open to that.

MR. SPEAKER: The hon. Member for Edmonton-Centre has moved Motion for a Return 153. All those in favour, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: The motion fails.

[Several members rose calling for a division. The division bell was rung at 2:55 p.m.]

[Ten minutes having elapsed, the Assembly divided]

For the motion:

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

Against the motion:

Ady	Havelock	Paszkowski
Black	Herard	Pham
Brassard	Hierath	Renner
Burgener	Hlady	Rostad
Cardinal	Jacques	Smith

Coutts	Jonson	Sohal
Day	Laing	Stelmach
Dunford	Lund	Tannas
Evans	Magnus	Taylor, L.
Fischer	Mar	Thurber
Forsyth	McClellan	Trynchy
Friedel	McFarland	West
Fritz	Mirosh	Woloshyn
Haley	Oberg	
Totals:	For - 28	Against - 41

[Motion lost]

Education System Rating

M155. Mr. Henry moved that an order of the Assembly do issue for a return showing copies of any studies used by the Department of Education when calculating the B minus rating of the Alberta Education system discussed in Education in Alberta: Early Childhood Services to Grade 12.

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

MR. HENRY: Thank you very much, Mr. Speaker. Just so the members understand what I'm asking for here. On page 16 of the department's own report that was produced on September 14, 1993, which was titled, Education in Alberta: Early Childhood Services to Grade 12, 1993/94 Budget and An Overview of Challenges in the '90s - I'll quote very briefly.

The quality of education has never been better, but the prevailing public perception of education is that costs are increasing and student achievement is declining. Our own report card on the performance of Alberta's education system gives education only a B- rating.

Certainly, Mr. Speaker, when the government decides to give its own education system a B minus rating, they must have conducted some sort of study. They must have conducted some sort of review. Now, certainly the government has produced its own report card, and that's been released. The summary is reproduced on page 15 of that document.

When one makes a judgment about any system, education or otherwise, certainly one would assume that the evaluator would go in and have some sort of test or have some sort of measurement tool or have some sort of study or have some sort of definition of outcome or some sort of parameters by which they would make that kind of assessment. All I'm asking for here, Mr. Speaker, are copies of the studies that the department used to come up with that particular assessment that their own education system only rated a B minus.

Thank you.

MR. JONSON: With respect to Motion for a Return 155, which asks for an issuing of copies of any studies used by the Department of Education in arriving at this rating, I'd just like to make the comment that throughout the process of arriving at this rating and being quite precise and direct about looking at what we're doing in education in this province and reporting to the public of the province, we do involve the stakeholders in education. We involve representatives from across the public spectrum in that exercise in terms of reporting the results to them, and we gather a considerable amount of data, yes, Mr. Speaker. So it's a very important exercise. It is I think important to the government but ultimately very important to the students and the public of this province. We plan to continue as part of the overall effort at

accountability to report to the public and the students and the parents of this province.

We are prepared to provide information in accordance with Motion 155, and therefore I accept it.

3:10

MR. SPEAKER: The hon. Member for Edmonton-Centre to close debate.

MR. HENRY: Thank you very much, Mr. Speaker, and through you my thanks to the minister for accepting that question. I want to be clear that in this B minus report the government indicated that its performance in terms of students staying in school, otherwise known as the dropout rate, was only fair and barely good. Success for native children and immigrant children was less than good as well as equality of opportunities for students. I would hope that the kinds of reports and studies that would be provided would address those as well as other issues.

Thank you.

[Motion carried]

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

Bill 204

Retirement Savings Plan Act

[Debate adjourned March 8: Mr. Yankowsky speaking]

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

MR. SMITH: Well, thank you, Mr. Speaker. It's with pleasure that I finally rise in the Assembly to speak to Bill 204, the Retirement Savings Plan Act, sponsored by a most esteemed colleague and strong business representation from Calgary-Mountain View.

The issue of the unfunded liability that exists in public service pension plans is one which has received very little attention outside of those parties directly involved. The average Albertan is, for the most part, largely unaware of the enormous liability that exists because of these public-sector pension plans. I'm encouraged that this issue has found its way to the floor of this Assembly, provides for a thorough public discussion of the various issues that make the unfunded pension liability a contentious matter to this litigious lot.

Mr. Speaker, I want to direct my comments towards several key issues which I feel need to be addressed. Firstly, we need to fully understand the implications that unfunded pension liabilities will have on future government spending. Secondly, we need to address the issue of entitlements as it relates to those individuals who are participating in the various public-sector pension plans and whether or not they have contributed an adequate amount of dollars to cover their pension benefit. In fact, in a country just south of us the question of entitlements has become virtually an overwhelming burden and an impediment to administering good government for the administrations at both the state level and also at the federal level.

The government's portion of the unfunded pension liability in the fiscal year 1992-93 was valued at \$4.79 billion. The estimate for the fiscal year 1993-94 increases the value of the government's share of the unfunded pension liability to \$5.12 billion. In each successive year the value of that liability will increase to \$5.4 billion, \$5.76 billion in 1995-96, and \$6.08 billion in 1996-97.

In fact, this is the year, Mr. Speaker, of course that the Deficit Elimination Act has spelled out that the government of Alberta will deliver a balanced budget. Of course this is also very clearly spelled out in the three-year business plan, which was published on the day of the budget, which will show to all Albertans the path of the progress this government makes towards meeting those objectives. In fact, it should be recognized that it is a unique style of fiscal management brought to a governmental administration, and I for one am extremely proud to be a part of that process.

On the unfunded pension liability, this liability will continue to grow well into the next century. By the year 2045, when many of the members that are here today will probably not be here to see, we will finally be at a point where the liability is decreasing. We need to ask ourselves if we're really prepared to pass on this huge liability to the next generation of Albertans. In the budget documents recently released by the Provincial Treasurer, this government spent \$14 million in 1992-93 on pension liability funding. It's forecast that another \$59 million will have been spent in this current year on pension liability funding. The estimate for 1994-95 is \$96 million, and the targets for 1995-96 and '96-97 are \$127 million and \$158 million respectively.

As a small businessman, Mr. Speaker, who's looked after his own personal pension plan and that of his fine spouse for the last 15 years, I find these big numbers, and I find them startling in the responsibility that is placed on this House to achieve. The government will have spent an estimated \$454 million on paying down its share of the unfunded pension liability that exists in this province today. Over the next five years alone the government will be contributing almost one-half billion dollars to pay for their share of their liability. I tell you: half a billion dollars is a lot of money, especially if you're in the Pentagon where they were fond of saying that a billion doesn't go as far as it used to. Fortunately, this government's put the clamp on inflation in Alberta, and we don't have to worry about dollars becoming worth less as we spend more. Almost \$500 million was removed from program spending. We're taking precious dollars away from program spending and directing them towards this liability. We're taking away from the future to help pay for our past.

While I cannot guarantee what the impact of Bill 204 would be on the various public-sector pension plans, I welcome the opportunity that Bill 204 provides this Assembly to revisit the issue of the unfunded liability that exists in this province. We cannot pass up this opportunity to re-evaluate the various public-sector pension plans and make a decision on whether they should continue to operate under the status quo or whether changes should be made to the way these plans operate. Whichever this Assembly chooses - and of course I certainly have always respected this Assembly and the wise choices that in many cases it has made - we must ensure that it is in the best interests of the taxpayer of Alberta. Again, one of my favourites is a quote that I've often heard, and I would like to hear who in fact said it, but it's a great line on this topic: after all, Mr. Speaker, there is only one taxpayer, you and me.

Mr. Speaker, we also need to address the issue of entitlements, whether or not participants in the various public pension plans are entitled to receive a benefit from their plan. In the last year this Assembly chose to eliminate the Members of the Legislative Assembly pension plan. Personally, I supported this move. Individuals who were elected during the 1989 election lost the benefit as well, to which they felt they were entitled. No longer members of this Assembly lost a benefit to which they felt they were entitled. As the MLA pension plan was a product of this Assembly, so, too, are the other public-sector pension plans, and subsequently they can also be amended by this Assembly.

3:20

The issue at hand has to deal with receiving a benefit to which an individual has not fully contributed. In 1981 the government of the day placed \$1.1 billion, an amount equal to past employer and employee contributions plus interest. If I remember correctly, I had a mortgage in that period, Mr. Speaker, and the mortgage was 12 and a quarter percent. I locked it in for five years and missed that time of tremendous inflation when mortgage rates went to 22 percent. Interest was being paid at 18 and 19 percent and in fact was a real skew on the long-term graph of inflation.

It is apparent from the very beginning, Mr. Speaker, that participants in these plans were not contributing enough to meet the future cost. In 1992 agreements were made with the various plans to retire the unfunded liability of the various pension plans. These agreements were based on levying a surcharge on present and future members of these plans as well as employers and government to pay down the unfunded liability but raise a question as to the justification behind having new and future participants in these plans paying for a benefit that has been paid to somebody else. Prior to 1992 these funds were not properly funded, and the benefits being paid out of that fund should reflect it. At the very least, new employees should not be required to participate in a fund and pay for someone else's benefit while at the same time paying for their own.

If the public pension plans were such a good deal, why wouldn't present and future employees voluntarily agree to participate in these plans? Instead, we are forcing individuals, perhaps limiting consumer choice, into a plan that does not serve their best interests, only those who are receiving a benefit which has not been adequately funded.

While not all plans are affected by mandatory participation provisions, the ones that do so should most definitely be changed to allow the individual to decide whether or not to participate in the plan. Members of the Legislative Assembly have canceled their pension plan. Bill 204 would not cancel any pension plan, only make its participation voluntary. Again, if these plans are of reasonable benefit to employees, they will elect to participate. The key here is that they will make the decision themselves; it will not be made for them. In fact, Mr. Speaker, I think that in the whole spirit of deregulation and certainly on the side of professional legislation a review with respect to recognizing that in 1994 there are some tremendously well-informed consumers out in the marketplace and that if government is a mirror of society, then its legislation and regulations should reflect that informed consumer and the ability for that individual to act in his or her own best interests.

Bill 204 is merely a suggested means of bringing fairness and equality to participants in the various public-sector pension plans. It will result in a more stable pension plan while at the same time improve the government's ability to honour its obligations. I would encourage my colleagues to pass this Bill through to Committee of the Whole so that we can in fact debate the mechanisms of the Bill in greater detail.

Thank you.

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

MRS. HEWES: Thank you, Mr. Speaker. Just a few comments about this Bill 204, which I oppose. It seems to me that there's some whistling past the graveyard over there, and I'm concerned about what this does to Albertans' confidence in the government pension plans and whether or not they are in distress or in difficulty.

Mr. Speaker, I was here, sir, when the pension discussions began in this House. I was here when the leader of the Liberal Party began a series of questions . . .

DR. L. TAYLOR: Are you really that old?

MRS. HEWES: . . . of the Premier of the day and of the Treasurer. Yes, I am that old. I was here in 1986.

In 1986 and in 1989 the leader of the Liberal Party, Mr. Speaker, to the members, began to ask the Premier and the Treasurer of the day about the pension liability. His questions went on for months, and every question was answered with denial. Every single question brought back the response: "There is no problem. What's your worry? Why are you fear-mongering? Why are you exciting members? There is no problem with our pensions." There may be other members in this House that remember those questions and those answers of denial: "There is nothing wrong. Why is the member continuing to harass the Treasurer about pensions?" [interjection] Well, I was here, and the Member for Edmonton-McClung was here.

One session adjourned, and when the session adjourned with that question yet denied and unanswered, a matter of a day or two went by, and the Treasurer very quietly one Friday afternoon when very little media were around announced that, yes, there was a pension liability and, yes, it needed some attention. So finally there was acknowledgement that we had an immense problem, that it was a problem that the government had to deal with.

Mr. Speaker, going back a little in history, I think it was in 1981, Mr. Lou Hyndman, the treasurer of the day, had drawn attention to the deficiencies in the fund. He had put more money into the pension fund, but he at that point drew to the attention of this House and the members of the pension plans that in fact it was insufficient and that the government needed to do something about the increasing pension liability. Nothing happened. The revenue was placed into the general revenue fund, did not go into the pension fund. Various members of the plans complained, expressed concerns, but it wasn't until '89 when the leader of the Liberal opposition demanded action that anything really began to happen.

Subsequent to the admission by the Treasurer and the Premier there were many, many meetings held over months with the membership of the plans to begin to deal with the deficiencies. Then we were told, Mr. Speaker, that these problems were being resolved, that it was going to take 45 to 52 years to eliminate the huge \$5.1 billion liability in the funding of the plans. Members in some of the plans were expected to increase their premium with a surcharge in order to deal with the shortfall that had been caused by the negligence of the government. They reluctantly agreed in order to keep the pension going. Management of these plans in some cases was transferred, as well. There was, I think, some modest restored confidence that at least the government acknowledged that they had been negligent, that they had not put the revenue into the pension fund, and that that had to be dealt with.

Now, in fact, we see with this motion that this whole issue of the government's responsible action in dealing with the shortfall is being challenged. Mr. Speaker, I think this should be of grave concern to all members and to all taxpayers. The Treasurer, back at the time the agreements were made, said, and I quote: "This legislation confirms those agreements" between the government and the representatives of the local authorities plan, public service plan, universities academic plan, special forces, public service management plan, and

secures the long-term . . . security of the current participants in those various plans, ensures the security not only of those who are now

members and future beneficiaries but also existing beneficiaries of the plan. It also assists Alberta taxpayers in ensuring that the taxpayer dollars associated with and directed to these funds are known and are predicted and are secure for the future.

That's a quote from *Hansard*, May 11, 1993, page 2700.

I submit, Mr. Speaker, that if this legislation were passed, it would be a breach of those agreements which were concluded after that long series of negotiations after the demands from the Liberal leader, the negotiations that occurred between the government and representatives of the various pension boards over a two-year period. These agreements set up the formula of contributions by employer and employees to deal with past and present service.

3:30

Mr. Speaker, 204 would be a regressive step in light of those negotiations and those decisions. Now here we have this proposal before us that would undermine those pension plans, those having been acknowledged with a huge liability and put back on track. This Bill, in my view, puts these plans at risk. I believe the Bill is in breach of the collective agreements that have been reached. I believe it is in breach of the requirement that the changes can only be made through a board's initiation.

I don't know whether other members have addressed the cost that would be incurred if this Bill went through. I understand from the proposed legislation that there's a \$200 million limit. Mr. Speaker, if this went into effect, if by some mischance members of this House voted for it and then perhaps significant withdrawals occurred, it could lead to a serious erosion of the future viability of public-sector pension plans. It could jeopardize the future pensions of Albertans between 30 and 45 years and put into question the pension liability funding formulas over the next 45 to 52 years and place a huge liability on Alberta taxpayers. I don't believe that in fact has been legitimately addressed.

Under this legislation the government as an employer in some cases could be required to place 50 percent of its contribution within the locked-up retirement fund. It would still be required, however, to come up with the payments needed to eliminate the \$5.1 billion unfunded liability - we can't get out of that one - over the next 52 years, as well as to fund the yearly increase in the unfunded liability. According to the Treasurer, Mr. Speaker, the annual change in the unfunded liability will continue to increase until 2029, well into the period when the baby boom generation can draw benefits.

Mr. Speaker, I see this as being a regressive Bill. It flies in the face of all of those negotiations and discussions and the final acknowledgement by the Treasurer and the Premier of the day that we had an immense problem, a huge unfunded pension liability, and their attempts made in good faith with the members of those various plans to deal with it.

I hope that all members of this House will understand the history behind this and will not support this Bill and will keep faith with those members of the plans.

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

MR. SOHAL: Thank you, Mr. Speaker. It is a pleasure to speak in support of Bill 204, the Retirement Savings Plan Act, sponsored by my colleague from Calgary-Mountain View. I offer my support to this Bill because of certain identified injustices that exist in a few of the plans. Someone has already raised the issue of the judges and masters in chambers pension plan and the fact that participants in that plan don't contribute towards their pension. In the teachers' retirement fund they have mandatory participation provisions. Aside from the huge unfunded pension

liability which exists, these are valid reasons for revisiting the issue of public-sector pensions in the province of Alberta.

Bill 204 has the potential to solve some of the problems that exist in the various public-sector pension plans. First and foremost, Bill 204 places great emphasis on individual choice and responsibility for planning for one's retirement. Bill 204 has the potential to save this government and the taxpayers of Alberta a lot of money. Bill 204 would allow this government to reduce spending without compromising the quality of services offered to the public. Allowing individuals to opt out of their respective plans and receive 50 percent of government contributions made on their behalf is an equitable trade-off. The government would no longer be making employer contributions on that individual's behalf and would apply the remaining 50 percent of employer benefits to the unfunded liability of the particular plan. The employee would no longer be paying the surcharge being levied to reduce the unfunded liability.

In simple terms, Bill 204 has the potential to save this government money in three ways. One, the employer will no longer make contributions to the plan for an individual who opts out. Two, the fund will keep the 50 percent of employer contributions and can apply that money towards the remaining liability. Three, the actuarial liability of the plan is reduced because the plan will no longer be responsible to pay pension benefits to those individuals who eventually opt out.

The greatest advantage of Bill 204 is to acknowledge the value and importance of individual choice. Individuals should be given the opportunity to make their own decisions on whether or not they wish to participate in a public-sector pension plan. Perhaps once they have made that choice, then they should not be allowed to opt out voluntarily. The fact remains, however, that the individual should be given the choice to decide whether or not to participate. They weigh the positives against the negatives. If they choose to participate, then they have made that choice. This government should not be making that decision for them.

The other point that I wish to raise is the perception by members of the various public pension plans and some members of the public that this government still controls the various pension plans. It has already been mentioned here today that these pension plans should be pushed out from under the government umbrella. For years this government absorbed the cost of administering the various public-sector pensions instead of having the plans pay the costs themselves, as it is done in the private sector. This government has managed these pension plans achieving a rate of return comparable to other institutional funds. The time has come, however, for these plans to open up their wings and go their own way. The government will still provide its share of the unfunded liability, but these plans should start to run their plans on their own. The agreements signed in 1992 allow for this to happen. Since January 1 of this year the various plans are now being charged by the Provincial Treasurer for the cost of managing their plans. There were provisions in that agreement whereby either party, the government or the plan board, could give notice to each other and switch from a statutory to a nonstatutory plan set up in accordance with the Employment Pension Plans Act. These are options which I feel this government should exercise immediately.

Perhaps, Mr. Speaker, Bill 204 is not the right mechanism to deal with this issue adequately at this time. It does, however, represent certain principles which I feel this Legislature should concentrate on. It promotes individual choice and responsibility. It creates a way of reducing the unfunded liability so this government can direct more dollars towards program delivery. If the various public pension boards don't agree with this proposal, they

have a very simple way out. They can switch their plans over to nonstatutory private plans.

I would encourage the members of this Assembly to pass Bill 204 through to committee. This issue is far too complex to be debated fully in second reading. Thank you, Mr. Speaker.

3:40

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

MS HALEY: Thank you, Mr. Speaker. I don't want to take a lot of the House's time, but I did want to have an opportunity to speak against this Bill. I was involved at a different level than some of the hon. members across who were here and saw it from this side. I was on the board for the Alberta Healthcare Association, and we were part of the local authorities pension, and there was a great deal of concern at the Alberta Healthcare Association board table about that unfunded liability. We put some of our brightest and best vice-presidents and administrators throughout the health care system in place to negotiate with the Provincial Treasurer and with the unions on how to best work our way out of that unfunded liability problem. It didn't happen easily, and it didn't happen quickly. During and throughout those negotiations there were times when we couldn't meet with the Provincial Treasurer. For whatever reason he didn't want to negotiate with us at that time. It took an awful lot of perseverance as we went through that system before we finally came up with an agreement that the Healthcare Association could live with, that the unions could live with, and that the government could live with. We felt very confident when we came out the other end that we had in fact a viable plan in place to carry us through with a minimal amount of hardship on everybody in order to have this unfunded liability dealt with over a period of time.

I feel that if people had the option to just simply pull out of this no matter how much money they would leave in place in the plan when they left, they would still decimate the plan and its intent, which is to ensure that the people who are working in those sectors have in fact a viable pension when they're ready to retire. I don't want to go through all of that fear again. I don't want people in the public sector to lose confidence in this government. I think that in fact this Bill leaves a lot of room for people to question where we're at on this issue, and I don't want anybody to have any doubt. We have a Bill in place. We have an agreement in place, and I feel very confident that if we keep people in place in that agreement, we won't run into any difficulties and we'll in fact solve this problem as we work our way through it.

Having said that, Mr. Speaker, I thank you for the time.

MR. SPEAKER: The hon. Member for Highwood.

MR. TANNAS: Thank you, Mr. Speaker. I'd like to rise this afternoon to support this Bill. Unfortunately, I'm unable to do so. I like the concept, but I feel the implementation and the realization of the details of it will decimate, as others have suggested, some of the pension plans we have in place. I like the idea and have long held to the idea that we should look after our own. We now have that ability as MLAs to have our own RRSPs, registered retirement savings plans, and that's kind of what this Bill gets at. However, we have many people who don't choose to do that, and many of them are covered by these very public-sector pension plans that are being addressed in Bill 204.

I think we need to take into account that one of the problems with these private members' public Bills is that there aren't the resources available to MLAs who may wish to propose worthy

Bills to do the kind of research that's necessary for a proper public Bill. Secondly, they don't have the resources to go and properly consult with all of the stakeholders that might be affected by this. In order to carry this thing out – as I say, I kind of support it in concept – we would have to consult with and have actuarial accountants work out all of the ins and outs of the various plans, whether it be the court judges Act or the special forces pension Act and so on. This unfortunately is not possible under the present setup. The hon. Member for Edmonton-Gold Bar talked about some of the pension plans and gave the credit to someone. We might have some quibbling on revising history. Nevertheless, there were people who did indicate that there was a great need for change in our pension plans, and this last Legislature did work on that very problem, and I think we've made some good progress there. We've now set on a new course, and we'll see these pension plans fully funded. This would unfortunately, as it presently stands, decimate them, and I can't support that, although I support the concept.

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

HON. MEMBERS: Question.

MR. SPEAKER: The hon. Member for Calgary-Mountain View has moved second reading of Bill 204, Retirement Savings Plan Act. All those in favour of this motion, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: The motion fails. Call in the members.

[Several members rose calling for a division. The division bell was rung at 3:47 p.m.]

[Ten minutes having elapsed, the Assembly divided]

For the motion:

Havelock	Pham	Sohal
Hlady	Smith	Taylor, L.

Against the motion:

Ady	Fritz	Oberg
Beniuk	Germain	Paszkowski
Black	Haley	Percy
Bracko	Henry	Renner
Brassard	Herard	Rostad
Bruseker	Hewes	Sapers
Burgener	Hierath	Sekulic
Cardinal	Jacques	Soetaert
Carlson	Jonson	Stelmach
Chadi	Kirkland	Tannas
Collingwood	Laing	Thurber
Coutts	Langevin	Trynchy
Day	Leibovici	Van Binsbergen
Decore	Lund	Vasseur
Dickson	Magnus	White
Dunford	Mar	Woloshyn
Evans	McClellan	Yankowsky

Fischer	McFarland	Zariwny
Forsyth	Mitchell	Zwozdesky
Friedel	Nicol	

Totals: For – 6 Against – 59

[Motion lost]

4:00

Bill 205 Information on Privatization Act

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

DR. PERCY: Thank you, Mr. Speaker. I bring forward Bill 205. It's the Information on Privatization Act. This Bill is brought forward in a positive manner. It's nonpartisan in nature.

Let me tell you what this Bill does not do. This Bill does not require a minister undertaking privatization or outsourcing to get the approval of the Legislature. What it requires is that documents be tabled at the time of that privatization or published in *Alberta Gazette*. It's a requirement really to try and set a more structured approach to the approach of privatization, because it's important as we embark down this road that we do it right.

At this stage I think there are three underlying factors that are impelling a range of governments – provincial, federal, state governments, across Europe – to consider privatization. Part of it is simply fiscal. Governments are short of money, and they're looking at ways of shedding responsibilities. In some instances it makes sense to shed those responsibilities, and in others it doesn't. In terms of a potential short-term gain in terms of expenditure reduction but long-term pain down the road that might arise from a privatization initiative that doesn't pay, governments will still undertake that type of activity because it's at least an election or two down the road and the immediate concern would be the fiscal balance sheet now or just prior to an election.

Other reasons undertaken for privatization globally are just simply ideological in nature. The market is the best producer of goods and services; therefore government should opt out of everything. Again, in some instances that approach may allow you to privatize activities that ought to be privatized. In other instances it may lead you to privatize things that ought not to be, on a basis of any reasonable analysis of the benefits and costs associated with that privatization.

Another reason that we're moving towards privatization again globally and certainly within North America is simply because of the pace of technological change. If we look at the private sector and look at what has happened to large corporations, many large corporations have in a sense engaged in a process of vertical disintegration. They have now contracted out many of the types of activities that they had performed within the company, and they're doing that, Mr. Speaker, because it makes good economic sense to do that because of the computer revolution, because of the existence of the information highway. They can now undertake these activities not necessarily in a single location, but they can just ship it off and put the burden on others. It makes sense in some instances because of the structure of legislation with regards to payments to part-time workers as opposed to full-time workers and requirements related to meeting labour code requirements.

So when you look at the underlying causes of this shift to privatization, there's a real mixed bag, Mr. Speaker. Certainly I think members of this Legislature on both sides want to see the efficient delivery of government services or the delivery of services deemed necessary by government – perhaps government by regulation but produced by the private sector. So what we

have to get a handle on is the mix. Just because government views a good as being necessary, it doesn't necessarily mean it has to produce it. It can achieve the same result by regulation. What this Bill attempts to do, then, is set out an orderly process by which we could assess which types of activities ought to be privatized, which ought not to be.

[Mr. Deputy Speaker in the Chair]

Another rationale for this Bill, Mr. Speaker, is that within this government and in many other governments there are a variety of initiatives in each department being undertaken with regards to privatization, and in many cases individual departments are rediscovering the wheel. They're redoing what has been done in other departments. To the extent, then, that you can set up sort of an umbrella, sort of a checklist of what to look for and how to approach it, it saves both time and effort on the part of government policymakers as they assess what ought to be privatized, what ought not to be, and it also allows the public to become much more familiar with the criteria that they ought to look for as government activities are privatized.

So this Bill proposes, then, that we move to a framework that allows us to have this umbrella, that allows us to assess privatization initiatives within a standardized framework, so that rather than each department doing it in isolation, there is a particular framework that's approached. As I say, it has benefits both for government and benefits for the ultimate people who have to be pleased, Albertans, in terms of whether or not they feel they're getting the quality of service, the cost-effectiveness of that service, and the type of service that they view a government as having to offer.

Now, what the Bill does is the following. The first point that I've already made, Mr. Speaker, is that the Bill requires the government to table in the Legislature or, if the House is not in session, have printed in the *Alberta Gazette* documents related to privatization of a particular entity and that that privatization could not go forward until those documents were tabled. Again, I emphasize that this requires tabling, not voting, so the ability, then, of governments to respond isn't hampered. What this Bill does is require them basically to have a better framework as they approach these privatization issues.

There are three basic elements required in the documentation. The documentation, Mr. Speaker, is set out in the Bill under section 2(1), and then paragraphs (a) through (f) set out the requirements. The legislation would require the government to prepare a privatization profile in order to analyze and assess whether a specific activity lends itself to privatization. The Bill would require that once this privatization profile has been undertaken, a cost/benefit analysis would be undertaken to determine what it costs the government to perform the activity, what it would cost to monitor the activity, what future costs the government can avoid by transferring this activity to the private sector, and some estimate of the potential benefits to Albertans of privatization. So the first is sort of a privatization profile. The second is an undertaking of a cost/benefit analysis, trying to set out the whole array of costs associated with the privatization as well as the potential benefits. The third element is a requirement that there be an implementation process that consists of a preparation for a request for proposals, an RFP, with performance standards clearly stated, a process for the notification of affected employees, and an open and competitive bidding process as this activity is transferred to the private sector.

What this does, then, is it front-ends the types of requirements so there's not the uncertainty out there in the marketplace. Again,

a number of commentators have remarked that there was a lot of uncertainty associated with the ALCB process. The chartered accountants, for example, in their submission to the Provincial Treasurer noted that many of their members were advising small businesses who were wanting to enter this market that the rules change and change very frequently. It was very difficult for small businesses to get a game plan in place, to try and derive a business plan that they could sell to a bank to raise the necessary capital.

The type of process outlined here, Mr. Speaker, would eradicate that. It would in fact clearly set out the rules of the game. What you have to do in these type of processes – if you're privatizing something, there's already enough instability associated with the act of privatization. Those participants who want to enter this market don't need additional uncertainty as to what the prices are going to be, what the rules of the game are, what requirements are expected of them. This Bill, then, attempts to provide some stability to the private sector.

It also will allow us to avoid those types of privatizations that may in fact be more costly. I bring up an example that has come up in conversations with the Canadian Manufacturers' Association. They note – and certainly I did not know this – that Alberta is known as the pressure vessel capital of the world. They say it has that reputation because we had in place arm's-length inspection of boilers and high-pressure vessels, and firms purchasing these types of goods viewed, then, this arm's-length licensing and inspection as being very desirable and very beneficial. When it was self-policing or done through insurance companies, there was more of a perception that there could be potentially more quality defects. So here is a case where by regulation, by having an inspection branch, the provincial government provides a working environment for this particular industry, and a very valuable export industry it is, Mr. Speaker.

Now we're moving towards a regime where it's going to be in a sense privatized, and now this advantage that we had may be gone. If we sit down and ask ourselves: is it worth having potentially lost export sales to the rest of the world for our boilers and our high-pressure vessels for a very small monetary gain by opting out of the inspection process? I think a cost/benefit analysis would say that is not the case, Mr. Speaker. So it would avoid us walking into those types of traps where there is the appearance of short-term gain, but there are real long-term costs to the economy in terms of foreclosing, in this instance, export opportunities.

4:10

As I say, in the context of the privatization of corporate registries, a process like this would have outlined some of the pitfalls that are associated with privatization there in terms of the necessity for arm's-length relationships between those who in fact are offering driving courses and those in fact who are offering driving tests. One would hope that they would be entirely different companies and individuals. We know that there are cases out there where that's not the case. So there are some instances where you really do need a very, very clear distinction between various groups in a particular market. You may privatize one component of it but not privatize the other.

This Bill would also allow us to assess in which case regulation would be the appropriate way of working. I think members on both sides of the House accept the fact that although something may be deemed desirable by government, it doesn't mean government has to produce it. The consequences that you wish to achieve can be achieved through regulation. So this type of Bill, then, allows you to assess: do you have to produce it, or can you achieve the result through privatization with regulations?

Now, this Bill draws on a number of initiatives that exist in other jurisdictions, and I'd like to table some documents, Mr. Speaker. The first one that I'm going to table – and I'll table three copies of it – is called *Designing a Comprehensive State-Level Privatization Program*. It's by William Eggers from the Reason Foundation in California. It sort of sets out the criteria that you might want to employ and assess in looking at privatization.

I'm also going to table a case study, and this case study has been undertaken in Maryland. This document has a four-page methodology to evaluate privatization opportunities, and it cites, in fact, David Osborne, one of the authors of a book that has had some prominence in the Assembly. It runs through sort of a series of checklists, and then associated with it is a case study. This is a case study, a privatization report, by the Maryland Department of Juvenile Services. It looks at the Meadow Mountain substance abuse treatment program and asks whether or not this could be privatized or ought this be done by government. It runs through in some detail what the benefits and the costs of having it done by government are as opposed to having it privatized in the context of this checklist. As they work through the various elements, they find that on net it makes more sense, Mr. Speaker, to keep this as a government-run operation as opposed to privatizing it. It sets out very clearly the examination of the various costs and benefits. It's just not pulled out of a hat, nor is it just based on value judgments. There is an effort, then, to quantify what the potential costs and benefits are. So I'm tabling three copies of this, the *Methodology to Evaluate Privatization Opportunities*, and then this case study.

There are other models that are available, for example, from Texas. There are a variety of states that have looked at privatization. As I say, in virtually every instance, Mr. Speaker, what they attempt to do is set up an umbrella mechanism for assessing privatization, so it's not done department by department. It allows you, then, to acquire the expertise to know what questions you ought to ask, but perhaps more importantly, to set out a very clear and structured approach to the process of privatization.

Now, I'd like to go into a little more detail as to what's involved in the three steps suggested in the Bill. Again, there are three steps that are set out in section 2 of the Bill: the first is the privatization profile, the second is the cost/benefit analysis, and the third is the implementation process.

In terms of the privatization profile, what this would require is to look at, for example, market strength. Is there a sufficient market providing the service in the private sector? Are the skills there? Or is this a case where it would be a market where there's no strength and you'd have to in a sense almost create it from day one, with very significant transition costs? It looks at the competitive structure in that market. Are there enough potential providers of this service so it's going to be competitive, so that you won't end up in a monopolistic or oligopolistic market structure, where consumers might not get the benefits that one would anticipate? What are the financial commitments? Are the costs to firms entering this so large that we would not get firms wishing to offer this privatized service?

The privatization profile looks at cost efficiencies. You know, what's the expected cost of that service, assuming no change in the quality of the service? Will the revenues presently available continue to be available to government if the private sector performs the activity? Again, these are the issues that came up in the ALCB privatization. How could we still get the same amount or more of revenue and at the same time privatize the service? Can the private sector implement and deliver the activity faster?

Quality of service. Will a privatization have an effect on the quality of service, and if so, how can it be monitored? Legal barriers. What are the other requirements that you need in terms of changing regulations and ensuring that the whole structure of your Acts and regulations are consistent as you move towards privatization? So there are a series of elements in the privatization profile.

Step two, which is the cost/benefit study, really provides the means to evaluate whether a particular activity is a good prospect for privatization. Again, there are some things, Mr. Speaker, that you won't and can't privatize. It's very difficult to privatize a lighthouse, because nobody's going to pay the money for it, or you at least can't capture them if they receive the service and then they're long gone. So there are some things that you just can't privatize; there are some things that you can. [interjections] They tax it. So you can work your way through it, and you can get a handle on what you can privatize and what you can't.

In terms of assessing the costs and benefits, it really then is looking at: what are the resources freed up for government, what are the potential revenue gains to government, what are the costs to the private sector, what are the potential benefits to consumers of privatizing this? Again, you can go through a pretty clear and straightforward checklist of what's required for this type of initiative.

Then finally, step three is the implementation phase. That's basically the design of a coherent and systematic implementation process, because process is important. It may not be interesting, but process is very important if you want to achieve a particular objective. You can assess a number of key elements in the process of implementing privatization: competitive bidding, for example, which was undertaken in the case of allocating the former ALCB sites; performance standards, so that firms know what is expected of them through time; the structure of the market. In the case now of firms in the privatized liquor market, they know the other shoe is going to drop, if not six months from now, if not a year from now, two years from now as the large retailers enter the market. This type of process here of setting out the implementation phase would move you away then, Mr. Speaker, from the uncertainty facing firms in this regard.

In conclusion, I would hope that this Bill would be considered, then, as a way of effectively assessing privatization initiatives.

Thank you, Mr. Speaker.

MR. DEPUTY SPEAKER: The hon. Member for Taber-Warner.

MR. HIERATH: Thank you, Mr. Speaker. I rise today to speak for privatization, for access to information, and against Bill 205. If people outside of this House read only the Bill's name, the Information on Privatization Act, they may get the feeling that this is a good Bill. Like all government members, I believe in access to information and opening up government. However, we have to be sure that we are talking about giving people relevant information and not creating information just for the sake of it. We cannot afford to be wasting valuable resources in the pursuit of inefficient processes.

Once people read this proposal carefully and reflect on it within the context of what this government has already been doing, it quickly becomes apparent that this Bill would not help the government at all. Instead, it would add to the red tape and inefficiency in government. This Bill goes against the heart of this government's attempt to streamline government and reduce inefficiencies. We are elected on a platform of cutting inefficiencies and waste. If this Bill becomes law, it will make privatizing inefficient agencies and services a bureaucratic nightmare. I

cannot support a move to increase government's inefficiency. Privatization offers governments a chance to get out of business that the private sector can deliver more efficiently. Only people who support big government and who are opposed to privatization would think that adding bureaucratic hoops to the process is a good thing.

4:20

In the few moments that I have today I would like to highlight just a few of these crucial flaws. First, Bill 205 requires a volume of paperwork to be tabled in the Legislature before the government even solicits opinions from the private sector about the private sector's ability to deliver the same service more efficiently. This is like putting the cart before the horse. At present one of the stimulants that results in a department considering privatizing a specific government service or entity is unsolicited submissions from the private sector. These submissions are as a result of the private sector showing the initiative to outline how their company could increase government efficiency. This is an excellent example of the private sector helping government to streamline its operations. If we required the initiative for privatization to always come from the top, from government departments or from this House, we would be shutting off an important source of ideas. We would be preventing the experts, the private sector, from giving us their expertise for free.

Under the current system the government does not initiate an expensive review of a Crown corporation's privatization potential unless we have good reason to believe that the private sector may be more efficient in this area. If we followed Bill 205, we would have to undergo this whole process each and every time an entity was under any level of consideration for privatization. This just simply does not make economic sense.

Another reason why Bill 205 does not make any sense is because the government already has a mechanism in place to accomplish the goal outlined in this Act but in a much simpler, more efficient way. This government has announced its intention to streamline government and decrease waste. The people of Alberta responded by giving us a four-year mandate. They did not give a mandate to the opposition, whose stance on issues changes daily and who do not have any plan for the future of this province.

Bill 205 requires the government of Alberta to table in the Legislature documents related to privatization. The hon. member who introduced this Bill seems to have forgotten that the government already releases the important documents with regards to all major transactions, including privatization efforts. Since December 1992 information and key documents pertaining to major transactions have been tabled in this Legislature or will be tabled at the appropriate time.

My next point is with regards to the most outrageously inefficient part of this red tape Bill. The most glaring flaw in this Bill, one that makes it completely unworkable, is the fact that financial transactions are also subject to this laborious process. Many of the information requirements mandated in this Bill make absolutely no sense when applied to financial transactions. The Liberals appear to have confused privatization of the financial assets with the privatization of delivery of services.

To illustrate how inappropriate it is to include financial transactions under this Act, let me just take you through a few of the steps in this proposed process. Say the government wants to sell some of its common shares in the heritage savings trust fund. First the government is supposed to table in the House a detailed privatization profile for the common shares to be sold. This includes a comprehensive examination of whether or not the private sector will be able and interested in providing the service.

You can imagine someone somewhere being paid to tell if the private sector is able and interested in providing the service of owning a common share. As well, the degree of financial risk to the Alberta government would have to be spelled out. What possible risk would there be for the government of Alberta from the sale of common shares?

I know that many of you would like to think that this could not be what is being proposed. However, if you care to look on page 2 of the Act, section 1(d)(ii), you would see common shares included along with other liquid assets under the general term "government investment." This is a fatal flaw in this Bill, which would prevent government from performing normal financial transactions. I won't go into all the details of the other steps that we'd have to go through to sell common shares, such as a full description of the tendering process or, my favourite, a description of any fee-for-service costs that will be charged to consumers after the sale of common shares. I am sure that you've all got the point, which is that this Bill not only makes privatization a mess but it just doesn't make sense. The only way that we could make any sense at all of having financial assets in the Alberta heritage trust fund included in this Act would be if there was no other forum to discuss whether or not the fund's assets should be liquidated.

I would like to emphasize that even if there wasn't a public review pending on this proposal, it would still be the wrong way to go about debating the issue. However, there is a review pending, a fact that the member across the House has once again chosen to ignore. On January 13 of this year the Premier indicated that this government is planning a public review in 1994 of the Alberta heritage savings trust fund.

There is no possible way to defend the introduction of such an inefficient process. By trying to make privatizing almost impossible, the opposition is ignoring the fact that there is a huge ongoing cost to the people of Alberta from inefficient government agencies. Without privatization of inefficient Crown corporations or government services, Albertans will find expenditure out of control in the near future. Taxes would have to increase dramatically to support this inefficient government. People don't want higher taxes; they want better government, and I respect and agree with them. To coin a phrase from the Provincial Treasurer: we don't have a revenue problem; we have a spending problem. If the Liberals would rather raise taxes to make up the government inefficiency, that is their shortsightedness. This government remains committed to reducing waste and to open privatization as a means to do so.

I find it very hard to pin down the opposition's stance on this issue. Many of the members sitting across from me have taken pains to state in the Legislature and in the media that they support privatization, yet the Member for Edmonton-Whitemud proposes to put a series of hurdles in place to make the process of privatization extremely difficult and inefficient. To me, when someone says that they are for something, that means that they are also for doing what is the thing that is most efficient and effective.

The Progressive Conservative caucus is committed to reducing red tape in government. We are also committed to giving the average Albertan as much say and as much information about the government as possible. Bill 205 acts against both of these principles. As well, it would make privatization an uphill paperwork battle. Albertans don't want to see government get bigger and more wasteful.

I hope the rest of the House will join with me in voicing their support for privatization and streamlining government by voting against Bill 205.

Thank you.

4:30

MR. DEPUTY SPEAKER: Edmonton-Roper.

MR. CHADI: Thank you very much, Mr. Speaker. I'm pleased today to rise before this Assembly and speak in favour of Bill 205. I'd like to congratulate my colleague from Edmonton-Whitemud for bringing forth this Bill because I believe that this Bill is a timely one, inasmuch as we are now looking at all sorts of privatization within this government. Right out of the 1993-94 budget plan it's quite clear. It says that the top priority in this year's budget is "streamlining government to eliminate waste and duplication." It goes on to say that departments are streamlining their operations, reducing management levels, and improving organizational efficiencies. Privatization fits into this. Make no mistake about it; this side of the House supported privatization, privatization in an orderly fashion. We will continue to do so, and I know that the Member for Edmonton-Whitemud has that intention in mind when bringing this Bill forward.

Mr. Speaker, this Bill would require that the government prepare a privatization profile in order to analyze and assess whether a specific activity lends itself to privatization. Now, let's look at that and say to ourselves: what does it actually mean, and how could we relate it to some of the things that we've already privatized and perhaps what we're looking at privatizing? Well, you know, in terms of registries, for example, there was an agency arrangement, and it's not really a privatization. If there was a privatization, it was in the sense of the delivery of the goods. There's nothing wrong with that. I think what we had to have done is that if we had it in terms of a privatization profile where we would know where we would go with this activity, Albertans would have been far better off. We would have understood where we were going as a Legislature.

Liquor stores. ALCB was privatized. We agreed that it doesn't take a government employee to sell a bottle of whiskey, and we still maintain that, Mr. Speaker. But in the context of a privatization profile it would fit in the assessment of whether or not it lends itself to privatization. Yes, we agreed.

Another one that's coming up is property management. Does it lend itself to privatization? Well, when we put it into the plan, the model, and say, "Does it fit?" I think it fits, and I look forward to the minister of public works coming out with comments about the privatization of property management. Social housing and seniors' and old folks' houses: we're told that these are about to be privatized. There's talk now of the WCB going to be privatized. There's talk that jails will be privatized, schools, hospitals, policing, and today we heard about parks. Everything is really on the block here. We have to have a model to see: does it lend itself to privatization, or does it not? And what's wrong with having that? So the Member for Edmonton-Whitemud is absolutely correct in suggesting that this ought to be done before we go much further. That's why I say it's timely, Mr. Speaker.

When we go and look further into the Bill and see what the objectives of this Bill are, it would ensure that a decision to privatize a particular entity or activity is based on the principle of improving effectiveness of service delivery to the people of Alberta. What's wrong with that, Mr. Speaker, I ask? I think it's in everybody's best interest when we talk about improving the effectiveness of service delivery to the people of this province, so let's relate it to things like registries.

AN HON. MEMBER: The WCB?

MR. CHADI: Well, let's relate it to things like registries to start off with and say to ourselves: has it improved effectiveness of service delivery to the people of Alberta? Well, yeah, I think it

has. Instead of having two or three or so offices around Edmonton, for example, we are now in a situation where we've got 30. Did we improve? I think we improved the effectiveness of delivering that service. So when we look at liquor stores, I think we did that. In a sense we did. In property management, we could be able to put this property management and the WCB, perhaps, right in this model and say to ourselves: will it improve the effectiveness of service delivery to the people of Alberta?

So there is a tremendous amount of sense in this Bill. We go on to say that if it is determined through this profile that privatization of a particular activity meets the objective of improving effectiveness of service delivery to Albertans, a cost/benefit analysis is undertaken, and there's nothing wrong with that. I ask you, Mr. Speaker: what's wrong with having a cost/benefit analysis undertaken? We look right at the 1993-94 budget plan, and it says:

The new Alberta Registries agency is a concrete example of the new approach to government. It will provide a one-window approach to the delivery of registry services, including motor vehicle, vital statistics, land titles and corporate registries. The agency will save \$9 million this year [alone] in operating costs.

I'm sure they took that into consideration and said, "We have to see if there was a cost/benefit analysis undertaken." Probably there was, because we determined that it would save us \$9 million.

Now, I think we have to look a step further than all of that and say: in this privatization – and this Bill allows for it – what does it do for the people of the province of Alberta? Is it good for them? Now, when you look at Alberta registries and you say to yourself that this agency is a concrete example of the new approach and it saved us \$9 million, take a look on the other side though. Was it good for the people of the province of Alberta? In fact, Mr. Speaker, the very title search that used to cost us \$2 at the land titles office now costs you at a private vendor \$6.75, so it more than tripled. I'm sure that different vendors throughout the province charge their own rates, whatever they may be. So was it good for the province of Alberta? Was it good for the people of the province of Alberta? These are some of the questions that have to be asked and answered, and I think this Bill provides for that.

In terms of property management, are we going to say now, "Well, let's just privatize this because it'll get it off our books, and like the registries, we're going to save \$9 million or whatever the number is going to be"? I think before we make a move like that, what we have to do is apply it to this model, apply it to this privatization profile, as it's called in the Bill, and see if it fits in there and see what it means for the people of the province and indeed for the government, because there could be a backfiring to all of this privatizing. The backfire is that it could end up costing us more, Mr. Speaker; it could cost the province of Alberta and the people of this province more. That is what I don't think we want to get involved in.

The Bill itself talks about

a privatization profile plan setting out an evaluation of the potential for privatization of a government entity . . . which shall include a comprehensive examination of whether the private sector is able and interested in providing the service.

Again, related to all of this: registries, were they able? I think they were. Liquor stores, perhaps. Property management, perhaps. Social housing, perhaps. Seniors, perhaps. WCB, perhaps; we're going to really have to look at that one and see if there is anybody out there that . . . Jails, hospitals, schools, parks, and the story goes on.

4:40

We have to see if it fits that plan, Mr. Speaker, and see if "they're interested in [actually] providing the service, the cost-

efficiencies that would be achieved [through] privatization." It's right here in the Bill. Now, I'd like to hear who wants to argue against stuff like that.

"The quality of service that will be achieved through privatization." The service provided in the privatization of registries I think is good; I think the costs are terribly high. I think we made a mistake in not looking at it a little bit more stringently and applying more rules, perhaps, to those private vendors. Nonetheless, we're there now, and we could impose those as time goes on, as we see the flaws as they come up.

"The impact of privatization on affected government employees."

Now, that's a big one, because I can recall being in this Legislature, Mr. Speaker, and no one thought of the implications on the government employees, the employees of the ALCB. That must have been one horrible shame when they had to hear it on the radio that they were going to be dismissed, that they were going to have to be let go I mean, and they would have to now start looking for other work. Now, the impact of privatization on affected government employees I believe no one can argue with. That has to be taken into consideration.

"Legal barriers to privatization of the government entity or government investment." Well, we have to find out, and no one can argue about that.

The degree of financial risk to the Government as a result of proceeding with privatization and the resources required to ensure a cost-effectiveness and cost-efficient delivery of services.

That's my very point, Mr. Speaker, when I spoke about registries. We have to see if the delivery of services is cost-efficient.

When I look at cost-effectiveness for the government in what we would do, I only look at what has been privatized, and I say to myself that we haven't lost any revenues, but indeed we've increased our revenues. The privatization, for example, of the ALCB: when we look at the 1992-93 actual, the revenues were \$401 million. Taken today, in the 1994-95 estimate, we expect to receive \$415 million. Actually, we've had a steady growth here, and I think it probably relates to just a little additional taxes added on or perhaps the extra fee. Nonetheless, it's there.

When we look at the motor vehicles and the land titles, in particular, the registries, I see that in the 1992-93 fiscal year we were in the range of about \$155 million. Well, lo and behold, by this year we're going to be at \$159 million. So not only did we put it out to the private vendors, but we're actually going to make more money off it. The same holds true for the land titles. Where we were in the range of about \$42 million, we are now going to knock back \$47 million, so we've had an increase there as well. So the cost-effectiveness and the cost-efficient delivery of services certainly I don't believe anybody can argue with.

The Bill goes on, and it says that it would require a description of any fee-for-service costs that will be charged to consumers under privatization, in comparison to the costs charged to consumers prior to privatization.

Well, I believe that's very important, I believe it's vitally important, because I don't think that even our own minister responsible for the privatization of the ALCB knew what the private vendors were going to charge or what the outcome would be. I don't think they knew that when it came time for registries, the price would triple and in some cases quadruple for some of those services. I think there had to have been, there ought to have been some sort of a mechanism so that we could compare the costs charged to consumers before and after privatization.

Finally, Mr. Speaker – and I think it's most important – once privatization has taken place, once agreements have been signed, once deals have been concluded and the new vendors or the new

owners have taken over, those agreements ought to be tabled in the House. That is public information, and I believe, as the Bill states, in the event that we are not in session, that it be published in the *Alberta Gazette*. Now, how can anyone argue with that? How can anyone say that it is not public information? We are here on behalf of the people of this province. We are elected to administer the affairs of the people. We're here as their stewards, and I think once a deal is done and completed, there's nothing wrong with tabling that deal in the Legislature for everyone to know.

Mr. Speaker, in my company if I had managers, people whom I put to manage certain affairs or certain companies of mine, and they were to do deals and after the deals were concluded did not inform me of my deals, I can assure you that those people would not be there. I think it's prudent and it's incumbent on us to table those deals whenever we conclude them so that everyone can see them.

Mr. Speaker, I would ask each and every member to go through this Bill and see the good points in it. If you see something bad in it, attempt to change it, but do what's right for the people of this province. I ask every member of this Assembly to do exactly that. With that, I conclude my comments.

Thank you.

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

DR. L. TAYLOR: Thank you, Mr. Speaker. I'm here to stand and say we will be doing what's right for this province. We will be doing what's right, and we will be defeating this Bill. It frustrates me to have to waste the valuable time of this Legislature on a Bill which is as inefficient as this Bill is. However, I was elected by my constituents to speak out against moves in this government and any government that would attempt to increase the bureaucracy, and that's why I've risen today.

There are no shortages of reasons why this Bill cannot be supported. Several have already been mentioned which make the Bill a bureaucratic nightmare. I, too, am compelled, Mr. Speaker, to point out the significant defects of this Bill, as much as it goes against my nature.

DR. PERCY: Imagine if he'd just invented a cost analysis of the ARC.

MR. DEPUTY SPEAKER: Order.

You may continue.

DR. L. TAYLOR: Thank you, Mr. Speaker. It's hard sometimes to speak with these distractions.

After the enlightened speech from the Member for Taber-Warner, it should be abundantly clear to every member of this House, including those opposite, why we don't need an Information on Privatization Act. The government already produces information on privatization.

MR. MITCHELL: Wheelbarrows full.

DR. L. TAYLOR: Wheelbarrows full, as suggested by the opposite member.

Unfortunately, Bill 205 does not stop at mandating a redundant release – a redundant release – of information. The many hoops that Bill 205 demands extend to areas where the effect would be drastic.

The first point I would like to raise regarding one of the most unworkable aspects of the Bill is that it would make selling

financial assets of this province almost impossible. And if it didn't make them impossible, it would make them full of unnecessary paperwork and extremely costly. We don't need this kind of cost and this kind of bureaucracy in this government. That's what we're here to get rid of. The Liberals are proposing to take a system that is very simple, used in the public and private sector, and make it almost completely unworkable.

Now, where I was raised, we have a saying that if it ain't broke, don't fix it. There's a lot of wisdom in this system, and I would encourage the Liberals to learn this wisdom.

4:50

MRS. HEWES: I didn't know you were that old.

DR. L. TAYLOR: I am that old. Older than you really think, probably. A lot wiser too.

DR. OBERG: Youth is not a time of life but a state of mind.

DR. L. TAYLOR: Yes. Youth is not a time of life but a state of mind.

Bill 205 includes the Alberta heritage savings trust fund in the list of government agencies that would have to prepare a detailed privatization profile plan. What they neglect to mention is that the province already complies with the Securities Act during privatization. An agency already exists, by the power of this House, to regulate the sale of assets in the fund. The system isn't broke, so why fix it? To pass this Bill in order to gain broad powers just for the purpose of exempting itself from the applications of the Securities Act just doesn't make sense. I believe in responsible government. I cannot support a Bill that tries to circumvent the Legislature by granting additional power to the government. If the Liberals have a problem with the Securities Act, they should amend that Act. However, I cannot support a Bill that is proposing to try and evade an Act of the province of Alberta.

I find it remarkable that even in opposition the Liberals clearly indicate how incompetent they would be if they ever managed to get to government. It astounds me that they would try to gain broad powers through one Act in order to exempt themselves from another Act. However, I continue to learn amazing things from the members across the House. What I am learning confirms that I am with the team that will make this province the best and most efficiently run province in Canada, the province that will have jobs for young Albertans.

Bill 205 could preclude dealing in marketable securities. Potential purchasers of the government . . . [interjections] Excuse me, Mr. Speaker.

Speaker's Ruling Decorum

MR. DEPUTY SPEAKER: Hon. members, levity in the House of deliberation is always a wonderful occasion, but repeated torture is just that. I hesitate to quote the exact section in *Beauchesne* at the moment, but I would suggest that all hon. members co-operate and let us hear this hon. Member for Cypress-Medicine Hat complete his talk.

DR. L. TAYLOR: Actually, rather than talk, you should have called it words of wisdom.

Debate Continued

DR. L. TAYLOR: Back to my point. What we would have with this Bill would be significant ongoing cost to the government if it is forced to continue operating agencies and services, if you wish,

that the private sector could run more efficiently. Again the Liberals are flip-flopping on an issue. The Member for Edmonton-Whitemud expressed his support for reviewing the Alberta heritage savings trust fund in this House on November 1. I quote:

I for one would hope that the review of the Alberta heritage savings trust fund would look at . . . whether in this time of fiscal restraint the heritage savings trust fund has served its use and might be more appropriately applied against the debt.

What would be the use of reviewing the fund if this Legislature supported the member's attempt to make it impossible to sell the financial assets of the fund? It makes no sense at all. If the member wants status quo to prevail with regards to Alberta and the Alberta heritage savings trust fund, he should say so. He should say so and try not to pretend that he is open to change.

This is the problem. We are a party of change, a party of the new way of doing things. That is the party of the status quo. That is the party that wishes to remain locked in old thinking and old ideas. A public review of the Alberta heritage savings trust fund is planned for this year. After the review is over . . .

MR. MITCHELL: We keep hearing that, Lorne. When is it?

DR. L. TAYLOR: Soon.

The government will take the necessary steps to either sell parts of the fund, if that's what the public wants, or to ensure that the fund continues, but we will be listening to the public.

If the Member for Edmonton-Whitemud has changed his mind about his support for a review of the fund, he should say so. If the member hasn't changed his mind, then he should take a long look at what Bill 205 would do to the flexibility Alberta has in dealing with the fund's future.

The fundamental flaws in this Bill make me wonder if the Liberals are using this House as a research tool, Mr. Speaker. In fact . . . [interjections]

MR. DEPUTY SPEAKER: Order please.

DR. L. TAYLOR: Thank you, Mr. Speaker.

Speaker's Ruling Provoking Debate

MR. DEPUTY SPEAKER: Hon. member, there are two sides to the issue. If one is using provocative language or language in debate that's likely to invite people to carry certain calls, that's one part of it. The other part of it is uninvited comment and so on. We would hope that the hon. member could continue without distractions from either side of the House.

DR. L. TAYLOR: Thank you, Mr. Speaker. The truth seems to hurt on the other side, I'm afraid.

Debate Continued

DR. L. TAYLOR: The fundamental flaws in this Bill make me wonder if the Liberals are using this House as a research tool. In fact, the Deep Six has consistently offered to take over their research budget to help them out, and once again I extend this generous offer to the members opposite.

Point of Order Reference to a Nonexistent Constituency

MR. DEPUTY SPEAKER: The Opposition House Leader, rising on a point of order.

MR. MITCHELL: I wonder exactly which constituency name Deep Six is? Shouldn't they be referring to members properly?

I'm not sure that the Deep Six have an official status in this Legislature.

MR. DEPUTY SPEAKER: I don't know, hon. member, if Deep Six has any official meaning. Presumably it's from part of his constituency.

MR. MITCHELL: The constituency of Medicine Hat-Deep Six?

Debate Continued

DR. L. TAYLOR: Thank you.

With ill-conceived Bills such as this, it is time that the Liberals begin to focus on efficiency and waste in their own caucus. Some advice from our Premier could help them a lot. Outline a comprehensive plan for their caucus, consult with the public, and then implement the plan. This involves making tough decisions and having the strength to stick to their plan, but at least the opposition has the government example to follow, a government that can make tough decisions, a government that does have a plan, and a government that will stick to it.

I have another suggestion that would help the Liberals, and since they won't give me part of their research budget, they can consider this as gratis. This suggestion will help them to come up with legislation that is more in touch with the constituents. Try listening to your members and to the public. Last January I was shocked and surprised to read that not one policy issue was brought up at the Liberal convention. That was the first convention held in two years, yet the party brass didn't think it was relevant to discuss any policy issues.

Point of Order Relevance

MRS. HEWES: A point of order, Mr. Speaker.

MR. DEPUTY SPEAKER: Edmonton-Gold Bar is rising on a point of order.

MRS. HEWES: Mr. Speaker, *Beauchesne* 459. This has no relevance whatsoever to the Bill that's before us.

MR. DEPUTY SPEAKER: The question of relevance does arise, hon. member. The Chair has a problem with the Liberal convention being brought up as somehow being relevant to the Bill under debate, Bill 205. If there is some, then I guess the House would benefit from that being tied in. If not, then we could continue on with the merits or the lack thereof of the provisions in Bill 205.

5:00

Debate Continued

DR. L. TAYLOR: Thank you. Certainly it's relevant, Mr. Speaker. If we had a policy convention such as this, we would not have to have Bills such as this brought in front of us. It's just a waste of our time. The Liberals will not discuss policy issues till their next convention, and we unfortunately will have to have more Bills that don't make any sense brought before us as well. Now, this might be what happens in the Liberal Party, but I'm glad and happy to belong to a party that believes in member input through annual policy discussions at our convention, that believes in public consultation, and believes in the right of average Albertans to have input into government decisions. If you had even discussed one issue at your convention, the issue of privatization, I'm sure that you would have found out that most Albertans strongly support the government getting out of sectors that private business performs more efficiently.

Point of Order Relevance

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

MR. DEPUTY SPEAKER: Edmonton-Centre is rising on a point of order.

MR. HENRY: I just wanted to suggest to the member that he check his facts. In fact, the issue of privatization was . . .

SOME HON. MEMBERS: Citation.

MR. HENRY: When you're in the Chair, you can call this one.

MR. DEPUTY SPEAKER: Hon. members, we've just had the citation given to us: *Beauchesne* 459. If you wish Edmonton-Centre to repeat the number, so be it.

SOME HON. MEMBERS: Yes, we do.

MR. HENRY: *Beauchesne* 459, Mr. Speaker. Relevance of the comments given the fact that there was extensive debate on policies, particularly on privatization, with such people as Dr. Walker from the Fraser Institute at this convention the member is referring to.

MR. DEPUTY SPEAKER: This is an age-old problem in all parliaments. We have not a point of order; in one sense, we have a difference of opinion. However, the earlier comments on *Beauchesne* 459 I think are in fact relevant. I'm not sure that we can continue to go on with the Liberal convention. It's unconventional, to say the least. Would the hon. member stick to the relevant material that's right there in Bill 205.

Debate Continued

DR. L. TAYLOR: Thank you, Mr. Speaker. One might ask: is there any relevance to the Bill? I would say: certainly not. In fact, Bill 205 is unnecessary. It's impractical. It's a waste of this House's time. It is irresponsible, moreover, to introduce a Bill so out of touch with the fiscal reality and social realities of the '90s. Once again, we cannot afford to be a status quo government. We cannot afford to be a status quo province. Defeating Bill 205 is yet another step in the government's plan to streamline government, and I must say that I am more than pleased to cast my vote and all people who think will cast their vote against this Bill.

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

MR. BRACKO: Thank you, Mr. Speaker. First of all, I would like to congratulate the Member for Edmonton-Whitemud for his leadership and brilliance. This is what Alberta is looking for. You know, we look at the past and we see the different privatizations or the other processes that this government has gone through: \$35 billion in debt. We've had Gainers, MagCan, NovAtel, and it goes on. So Albertans are saying to us, "Make sure you watch every move they make and give leadership so these performances, these losses will not be repeated."

You know, Mr. Speaker, we're in a new technological age. What used to take four months and four people to do in doing a traffic survey now takes 20 minutes for a computer to do. We can do a tremendous amount of information in a short time. So what the member has proposed in this Bill is not a bureaucratic

nightmare. If the members opposite realize with the new technology we have, it is done in a very short time.

Proposals all through this province, proposals in municipal and provincial governments, some of them 200 pages or 300 pages, the ones that are provided by private enterprise are done in a very short time, because they use the latest technology. They use computers that can do things in a millionth or a billionth of a second compared to hours and days that it used to take. So it's time, and I again congratulate the member for his wisdom and leadership which Albertans are looking forward to in this.

We also look at what has happened in the past. The Minister of Municipal Affairs has gone on and said that when his government does something, it costs 20 to 40 percent more. I mean, that's a shame. That's an admittance of incompetence, Mr. Speaker. And do you know what? That is a low figure. When I look at the new North Ridge Lodge in St. Albert, it was 400 to 500 percent above what it should have been because they took out a 35-year mortgage. Some of the others were 40 years, 50 years. So they pay \$8.8 million for a \$2.2 million project. The waste is unbelievable. In many of the homes I visited in St. Albert, the residents said to me, "If the government ran the province like we ran our homes, we'd have \$30 billion or \$40 billion in reserve now." This Bill addresses the incompetence of the government.

I would like to draw the attention of the members opposite to a plan that was privatized: the Alberta Liquor Control Board. We looked at this, Mr. Speaker. We asked for the plan. We were not asking for a large plan. All we got were regulations. It was done overnight. It left everyone shaking their head. You know, the people who are on my back or case the most are Tories in St. Albert. They do not trust this government. They say, "Scrutinize everything they do, or we'll kick your butt out of office." It's the Tories; it's not the Liberals. The Liberals know what we're going to do and know how we would do things efficiently.

Point of Order Parliamentary Language

DR. L. TAYLOR: Point of order.

MR. DEPUTY SPEAKER: Hon. member, Cypress-Medicine Hat has called a point of order.

DR. L. TAYLOR: *Beauchesne* 490. You don't need to look it up. It's correct.

MR. DEPUTY SPEAKER: I think I will, thank you. Okay; we now have *Beauchesne* 490 at hand. You're going to tell us how it's relevant to your point of order.

DR. L. TAYLOR: Unparliamentary terms. "Kick your butt out" is unparliamentary language.

MR. DEPUTY SPEAKER: Hon. member, I appreciate – I think I do – the spirit in which you rose to bring a higher level of debate to the House. Certainly I think one could imagine the Chair frowning one's brow when we heard the phrase mentioned, although I don't think in the context of how it was said that it was really in breach. It was getting close, but it was not really in breach. As the Chair has had occasion to comment before, unparliamentary language is not in the word or in the phrase; it is more in the context in which it is used that is important. I think we'll have to listen further to the hon. member without other interruptions.

MR. BRACKO: Thank you, Mr. Speaker, for those words of wisdom. They were not my words. They were words of my constituents, and I just want to clarify that. I will be very cautious in the future of the terminology I use, because I know this is a very sensitive issue, and I know Albertans want to be able to respect the goings-on in this House.

Debate Continued

MR. BRACKO: Mr. Speaker, as I looked at the ALCB plan, I followed it, scrutinized it very carefully since last August or so when it was introduced. As it was introduced, it was done overnight. Now, any plan done overnight has to be questioned. I mean, it's a billion-dollar industry, and it was privatized overnight. That to me speaks of how it was done and the cost, the problems that arose because of it.

5:10

First of all, we have business in conflict with business because the rules, the regulations were not in place. They were not clear. One group was told one thing; another group was told another. So, again, this type of plan, Bill 205, would eliminate this type of confusion and conflict. We want our business community working together. We want our business community to create jobs. We don't want our business community having to go to the law courts and wasting a great deal of money fighting each other. That is not productive. This is what this government has done, caused different groups to fight each other. It's time we elevate this House, this government to a new level and look at it.

Secondly, the price. The price was supposed to go up a maximum of 6 to 8 percent. It's gone up 20 to 30 percent. If the government had raised the prices that much, they'd have taken in close to another \$100 million. Instead of \$425 million they would have taken in \$525 million if it wasn't privatized. So, again, you need a Bill like 205 to do a cost analysis. Any business that goes to the bank would definitely have to have a cost analysis done to show the banker what the profits would be and how they would work towards meeting the profit so they can proceed and be a business that grows and continues.

The flat tax was not mentioned. Is that the best way to go? Time will only tell, but it should have been thought through.

Again, as the privatization was done overnight, a Bill like 205 would prevent municipalities from having to react overnight and not protecting the residents. They needed more leeway, more time, and they should have had knowledge of what was happening so they could have come up with the necessary changes in bylaws.

We look at the sale of buildings. They're claiming a profit. They are going to make \$54 million. Well, when the buildings may be worth \$200 million or \$300 million and you sell them for \$54 million and claim you've done a great job, Albertans won't buy that. It's like having a \$25,000 car, selling it for \$8,000, and saying, "Man, did we ever get a good price for our car, \$8,000." Again, with a privatization Bill like this, you would have to have market appraisals so people would know what the true costs are. That's important. Albertans demand this, that we have efficiency and that we use our tax dollars wisely. They want to know where their money goes. They have seen what has happened in the past, and they want this leadership.

We also look at the leases. The leases were worth \$35 million. We haven't been able to get any information from the government. We hear that they have received \$5 million or \$6 million. Who took the loss on these leases? What were the losses? How many of them were subsidized? How long were they subsidized for? Some of the leases went to the year 2030, and we can't get information on it. This is why we need a Bill like this that gives

us this access, freedom of information so all Albertans know, both sides of this House, and so we do not lose big dollars like we have in the ALCB warehouse.

Then the flip-flops. One day they say one thing. The next day the Premier says another. The next day the minister says another. Confusion. Again, this takes away the business confidence in this province. When it should be elevated, it's drawn down. Business is saying, "Does that government even know what it's doing?"

AN HON. MEMBER: Yeah.

MR. BRACKO: You can see that they don't have any trust. So what do we have here?

MR. HENRY: That's the first time we've got an answer today. It's the first answer I've heard.

MR. BRACKO: Yes, and I congratulate them, and it comes from the new members, not from the ones who have a pension on the other side.

I'll make some comments on what this Bill does, Mr. Speaker. This allows a systematic and well-documented process to take place, one that can be done quickly, one that meets all the requirements needed. A privatization profile to analyze and assess whether a specific activity will lend itself to privatization. Many things do. Maybe most things will, but some things do not. When that isn't taken into account, again it costs Albertans, it costs taxpayers big dollars. Again, we need the release of all the information so companies, everyone is on the same level playing field.

There must be assurances that the transfer of an activity to the private sector promotes competition and does not lead to the creation of a private-sector monopoly. Now, you didn't see that in the ALCB lack of plan. Is there going to be competition, or will this lead to a monopoly? There are people out there who feel that it can and will eventually, and this will take away jobs and economic progress in our province.

Next, we'll also look at the objectives and a comprehensive analysis to achieve the objectives of cost efficiency, cost effectiveness, and competition. It should be shown that this is going to take place. We don't know. In the United States apparently they do have anticombine laws that prevent monopolies. Alberta is apparently, from what the business community says, weak in that area. Again, Albertans should be consulted. With ALCB this did not happen. It was overnight. Even the board of directors for the ALCB learned of this on the radio the next day. So consultation with people. In some parts of the province it's what's needed; in others it may not meet the needs. Again, there are places in the States that do have this type of analysis, and there's no argument saying that it is a waste of time, that it is too bureaucratic, that it takes too long. In fact, in some of these places it's done very quickly, done in a matter of weeks. Michigan is one, the states of Maryland, Colorado, Utah, Texas. You know, instead of getting the information from these places, they criticize plans that they know nothing about, in ignorance.

Step one of a privatization profile: what is the market strength? Does the private sector provide the service? Can the private sector provide the service? Are there multiple providers which will ensure competition and a reasonable cost structure for providing the service? Is the financial commitment so large that providers will not want to deliver the service?

Again, cost efficiency. Assuming the quality and level of service remains the same, will the cost of delivery increase or decrease if the activity is privatized? We've seen this in regis-

tries: from \$2 up to \$7, \$8, or \$9. We've seen this in the licensing bureau: the computer goes down and it's two or three days before it's back up. That's more efficient? Definitely not. Why isn't there a backup system on the computer so if it goes down, it's fixed right away? The wait is longer, from what residents in St. Albert say, the wait for this computer to get their licence renewed.

Will any savings be used to reduce the cost to the customer or client? At the ALCB the price went up and the service went down. People are looking for where to buy certain types of alcohol, liquor, in St. Albert. Where do we go? It's not in the liquor store anymore like it used to be. The convenience isn't there. They have to go to different parts of the city to get it.

5:20

Will revenues continue to be there if the private sector performs the activity? Another question: can the private sector implement and deliver the service faster? The effect of privatization on the quality of service: does it meet the needs of the client? We're a busy society: two parents working. Is it going to meet the need? Does this take us a step backwards? That has to be addressed. Will privatization compromise public trust, confidence, or safety? Again, with drivers' licences we don't know yet. New people who are trained in a week or with a few hours' experience will be examining new drivers. Will that cause more accidents because they do not have the skills? It should take six months to a year to be able to properly know what's needed in giving a licence.

Again, the impact on employees. Have they been fairly treated? We know the ALCB has not, hearing it on the radio. Legal battles: at the ALCB it could end up in costly legal battles. And so on.

Mr. Speaker, I would just like to conclude with some statements here on the ALCB. The ALCB privatization is a perfect example of privatization which was thought up as the government went along. It points out the dangers when privatization is based on ideology instead of a sound analytical plan. When the government announced the privatization of ALCB on September 2, 1993, there was no public evidence that the government had examined the potential efficiencies to be gained by having the services formerly provided by the ALCB performed by private-sector outlets. There was no indication that the government had considered whether the program effectiveness would be enhanced by the activities being performed by the private sector, no consultation with the public sector prior to the decision, and so on.

We look at the cost, and we see that the ALCB could cost Albertans, the taxpayer, well over \$100 million to \$150 million. If you take this into account with the loss of \$121 million in social housing, Alberta mortgage, that loss hit we took last budget, that's over \$250 million. It seems the Minister of Municipal Affairs wants to become the half billion dollar man in losses. And he said he came here to change Alberta.

In conclusion, I would just like to congratulate the Member for Edmonton-Whitemud for such leadership, such insight. I know it goes over the heads of many of the other members. I thank him for it, and I strongly support this Bill. It will give Albertans a new, positive way of looking at business. It will bring business confidence back to this province that was lost because of the disasters of the past. Mr. Speaker, I'd like to carry on, but I know that my time is up, and I thank you.

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

MR. FRIEDEL: Thank you, Mr. Speaker. I've prepared this brilliant masterpiece of eloquence. I'm sure everyone is really

looking forward to it, but in view of the hour, I would like to move that we adjourn debate.

MR. DEPUTY SPEAKER: The hon. Member for Peace River has moved that we adjourn debate. All those in favour, please say aye.

HON. MEMBERS: Aye.

MR. DEPUTY SPEAKER: Those opposed, please say no. Carried.

MR. DAY: Mr. Speaker, given the hour, I move that the Assembly now adjourn to reconvene at 8 o'clock tonight in Committee of Supply.

MR. DEPUTY SPEAKER: The hon. Government House Leader has moved that the Assembly do now adjourn and that when we reassemble, it will be following the rising and reporting of the committee this evening. All those in favour of that motion, please say aye.

HON. MEMBERS: Aye.

MR. DEPUTY SPEAKER: Those opposed, please say no.

[The Assembly adjourned at 5:27 p.m.]