

## Legislative Assembly of Alberta

Title: **Wednesday, May 25, 1994**

1:30 p.m.

Date: 94/05/25

[Mr. Speaker in the Chair]

head: **Prayers**

MR. SPEAKER: Let us pray.

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

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

Amen.

head: **Introduction of Visitors**

MR. MAR: Mr. Speaker and members of the Assembly, today I have the privilege to introduce to you His Excellency Jorgen Behnke, ambassador of Denmark to Canada, and Dr. Donn Larsen, honorary consul for northern Alberta here in the city of Edmonton. His Excellency has had a distinguished career which has included, prior to coming to Canada, a position as the chief of protocol for the government of Denmark and postings with the Danish embassies in Brazil, Finland, and Chile. Denmark is Alberta's 15th largest trading partner in western Europe and in the past has been a source of foreign investment in the development of Alberta's economy. I would like to ask His Excellency and Dr. Larsen to please rise in the Speaker's gallery and receive the warm welcome of this Assembly.

head: **Presenting Petitions**

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

MR. BRACKO: Thank you, Mr. Speaker. Yet more petitions from residents of St. Albert and the surrounding area who urge the government

to reconsider the inclusion of the Sturgeon General Hospital within the Edmonton Region and to allow the Sturgeon General Hospital to serve its customers from the City of St. Albert, the MD of Sturgeon, the Town of Morinville, the Village of Legal, the Alexander Reserve, the Counties of Athabasca, Barrhead, Lac Ste. Anne, Parkland and Westlock.

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

MRS. SOETAERT: Thank you, Mr. Speaker. Yet more petitions. This is a petition signed by several of my constituents who are concerned that the Sturgeon general hospital is not in the same health region as the MD of Sturgeon.

Thank you.

MR. SPEAKER: The hon. Member for Redwater.

MR. N. TAYLOR: Thank you, Mr. Speaker. I, too, have the pleasure of presenting a petition, some people might say a certificate for my re-election, asking that the hospital be moved from St. Albert to where it belongs: to the north.

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

MR. YANKOWSKY: Thank you, Mr. Speaker. I rise to present a petition containing 71 signatures from Albertans regarding education, health, and seniors' housing concerns.

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

DR. PERCY: Well, thank you, Mr. Speaker. I would like to table a petition that requests that the Legislative Assembly continue funding kindergarten at the current level without placing undue financial stress on Alberta families by the imposition of user fees.

head: **Reading and Receiving Petitions**

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

MRS. SOETAERT: Thank you, Mr. Speaker. I'd ask that the petition I presented concerning the Sturgeon general hospital and its placement within the Edmonton region be read and received.

CLERK:

We, the undersigned, petition the Legislative Assembly of Alberta to urge the Government to reconsider the inclusion of the Sturgeon General Hospital within the Edmonton Region and to allow the Sturgeon General Hospital to serve its customers from the City of St. Albert, the MD of Sturgeon, the Town of Morinville, the Village of Legal, the Alexander Reserve, the Counties of Athabasca, Barrhead, Lac Ste. Anne, Parkland and Westlock.

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

MR. DICKSON: Thanks, Mr. Speaker. I ask that the petition I introduced on May 11 urging that sexual orientation be included in our Individual's Rights Protection Act now be read and received.

CLERK:

We, the undersigned residents of Alberta, petition the Legislative Assembly of Alberta to urge the government to provide equal protection for gay and lesbian people by including sexual orientation within the Individual's Rights Protection Act.

MR. SPEAKER: The hon. Member for Redwater.

MR. N. TAYLOR: Thank you, Mr. Speaker. I'd ask that the petition I presented to the House on May 11 on restoring the St. Albert hospital to its proper place be now read and received.

CLERK:

We, the undersigned, petition the Legislative Assembly of Alberta to urge the Government to reconsider the inclusion of the Sturgeon General Hospital within the Edmonton Region and to allow the Sturgeon General Hospital to serve its customers from the City of St. Albert, the MD of Sturgeon, the Town of Morinville, the Village of Legal, the Alexander Reserve, the Counties of Athabasca, Barrhead, Lac Ste. Anne, Parkland and Westlock.

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

MR. ZWOZDESKY: Thank you, Mr. Speaker. I would request that the petition I presented to the Legislature on May 12 urging this government to retain the Grey Nuns hospital as a full-service, acute care treatment centre 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.

MRS. HEWES: Mr. Speaker, may I request that the petition I presented on the 16th of May regarding budget cuts now be read and received.

CLERK:

We, the undersigned residents of Alberta, petition the Legislative Assembly to urge the Government not to implement its planned budget cuts to, and restructuring of: the education, health care and social services systems in Alberta and to immediately halt all plans to privatize any government asset or service, including jails, hospitals, social housing and seniors residences.

head: **Introduction of Bills**

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

### Bill 39

#### Alberta Health Care Insurance Amendment Act, 1994

DR. L. TAYLOR: Thank you, Mr. Speaker. I request leave to introduce a Bill being the Alberta Health Care Insurance Amendment Act, 1994.

Basically, Mr. Speaker, this Bill will place a cap on the number of new billing numbers given out every year. Of course, doctors presently enrolled in the billing system will be automatically enrolled. A number of criteria will be utilized, among those being need; two, practitioners engaged in medical education programs in Alberta; number three, Alberta medical graduates currently engaged in training programs elsewhere; and other physicians who meet exception criteria as determined by the minister.

[Leave granted; Bill 39 read a first time]

MR. DAY: Mr. Speaker, I once again move that Bill 39 as just introduced be moved onto the Order Paper under Government Bills and Orders.

[Motion carried]

head: **Tabling Returns and Reports**

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

DR. PERCY: Thank you, Mr. Speaker. I'd like to table a variety of documents. The first is Western Canada in the International Economy, a study from the Western Centre for Economic Research. The second is Alberta and the Economics of Constitutional Change, and parenthetically I'd like to thank the government of Alberta and Treasury in particular for financing this. The Economics of Constitutional Change Series, agriculture in a restructured Canada; and From East and West, regional views on reconfederation, a study by the C.D. Howe Institute.

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

MR. BRACKO: Thank you, Mr. Speaker. I'd like to table four copies of a letter from Registrations Are Us. It deals with Bill 22, the Maintenance Enforcement Amendment Act, concerning

safety of the employees, implications of Bill 22 on their companies, and recommendations from the Registries Agents Association of Alberta.

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

MR. SAPERS: Thank you, Mr. Speaker. It's my pleasure today to table a document on behalf of the Glenora Parent Teacher Association. It's a book that they've asked me to make available to the members of cabinet entitled *All I Really Need to Know I Learned in Kindergarten*. They ask that I in particular draw to the attention of the Assembly a quote in the forward which reads . . .

MR. SPEAKER: Order please. That is the purpose of tabling, to make the document . . .

MR. SAPERS: Thank you, Mr. Speaker. I'll table the document for their perusal.

1:40

### Introduction of Guests

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

MR. BRUSEKER: Thank you, Mr. Speaker. It is my pleasure today to introduce to you, sir, and through you to other Members of the Legislative Assembly on behalf of the Member for Calgary-West a group of junior high school students from A.E. Cross junior high school. This school has been attending the Legislature here on an annual basis for a number of years, and coincidentally it's a school where I had the opportunity to teach for three years of my teaching career. Today there are five teachers, Denis Gardiner, Helen Clark, Ross Hodgson, Art Hanson, and Erika Smith, and two parents, Potula Berkis and Tim Dietzler. They're in both galleries. There are 73 students, seven adults, a total of 80. I'd ask them to rise in the galleries, please, and be welcomed by the members of the Assembly.

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

MRS. FRITZ: Thank you, Mr. Speaker. Today I have the privilege of introducing to you and through you Annette Martin. I first met Annette in the early '80s when she was working in the health and fitness area of the Calgary YWCA, and she now contributes her time as a national director of the Canadian Liver Foundation. Annette moved to Edmonton with her husband, Don Martin, who's seated in the media gallery, and is accompanied by her in-laws, George Martin of Greenwood, Ontario, and Paul Martin of Stouffville, Ontario. I'd ask that they rise and receive the warm welcome of the Assembly.

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

MR. SAPERS: Thank you, Mr. Speaker. It's a pleasure today to rise to introduce to you and through you to all members of the Assembly a constituent of mine who's visiting in the public gallery. Peggy Gouin is a member of the bar in the city of Edmonton, and she's here to enjoy the proceedings. I would ask Peggy to rise and receive the welcome of this Assembly.

head: **Oral Question Period**

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

### Party Leadership Campaign

MR. DECORE: Thank you, Mr. Speaker. I'd like to start by tabling four copies of an affidavit that had been signed by Michael Edwards. The affidavit is dated yesterday, and the affidavit states that Mr. Edwards was a volunteer working on the Klein leadership campaign. Mr. Edwards under oath states that he phoned prospective voters for the Klein campaign out of Minister Kowalski's legislative office. He also states under oath that a list of lottery fund applicants was used to call and solicit Klein support; that is, applicants who had received lottery funds and those who had applied for lottery funds. My questions are all going to be to the Deputy Premier. Mr. Minister, will you confirm that volunteers were using your legislative office to call prospective supporters for Mr. Klein during his leadership bid?

MR. KOWALSKI: Mr. Speaker, I would really like to see this affidavit. As I stand here, I have no recollection or knowledge of a person by the name of Michael Edwards. I don't know such a person that I can remember. I would love to see the affidavit.

MR. DECORE: I thought the question was pretty clear, Mr. Deputy Premier. Let's try the next one.

Mr. Deputy Premier, what role did you or your offices play in providing lottery lists to Klein telephone callers?

MR. KOWALSKI: Well, Mr. Speaker, as I have mentioned in this Assembly, I've tabled in this House on numerous occasions annual reports of all lottery-funded beneficiary groups in the province of Alberta. I have from time to time tabled in this Assembly the reports of all beneficiaries under the community facility enhancement program. I have tabled documents such as the annual report of the Wild Rose Foundation, the annual report of the Foundation for the Performing Arts and entered in all of those reports is a listing of all groups in the province of Alberta that have received lottery funds. That's all public information.

I would sincerely hope that people associated with me in the fall of 1992, knowing full well that I was supporting the candidacy of one Ralph Klein, would have had the initiative to basically take some of that information and call on behalf of the leadership candidate that I was supporting. Mr. Speaker, that's a very, very open, democratic opportunity for everyone in the province of Alberta using public information.

MR. DECORE: Mr. Speaker, I don't ever recall seeing applications tabled in this Assembly for lottery funds.

Mr. Deputy Premier, as the minister responsible for lotteries at that time, as the minister who made decisions on lottery grant applications, and as the minister dealing with hundreds, perhaps thousands of people, did you not think that this process, this method of giving out lottery lists to Klein supporters was extraordinary to say the least?

MR. KOWALSKI: I now have a copy of this so-called affidavit. Again, the name Michael Edwards of the city of Edmonton is unknown to me. I don't ever recall meeting such a person, knowing such a person. Mr. Speaker, he says, "I was given . . . instructions on what to say to callers, as follows," and I quote:

Hi, my name is Michael Edwards and I am calling on behalf of Mr. Kowalski. As you are probably aware, the present P.C. leadership campaign is ongoing because of the undecided vote and we are soliciting support for Mr. Klein on Ken Kowalski's behalf.

Well, Mr. Speaker, I want to thank Mr. Edwards for working on his own volition in support of my candidate, Mr. Klein.

I want to repeat again that if the hon. member would like me to stand in this Assembly tomorrow and table one more time all of the documents that I have tabled since 1992 on behalf of all of those groups in the province of Alberta which have received lottery funds, I would be very happy to do that, Mr. Speaker. I'm prepared to do that. On the other hand, if the hon. gentleman would like to go to the library and look and see, he'll find that all of those documents are there. They're all public, all of them. Every group in the province of Alberta that received lottery funds is listed, specifically the name of the group and I think in most reports in fact even the amount of money they've received.

So, Michael Edwards, thank you for helping me get Ralph Klein elected.

MR. DECORE: I don't frankly see the humour in this.

My second questions also are questions to the Deputy Premier. The affidavit suggests that when telephone calls were made, the caller, Michael Edwards – this is under oath – was told not to acknowledge that he was using a list of lottery applicants. In fact, he was told that if asked how the applicants' names came to his attention, he was to say that it "had come from a list of community league members or supporters" or had been passed on by some other member. Those are statements made under oath in the affidavit. My first question to the minister: are you aware that someone in your office was telling this Klein caller to fabricate a story with respect to names on the lottery list?

MR. KOWALSKI: Mr. Speaker, no, I most certainly am not. If there was such a person in my office who was suggested to someone after the fact, I would like to know of such an individual, who that person was, and how they were doing it. All the affidavit says is:

6. I was also told that if anyone on the list of lottery fund grant applicants asked how I got their name or telephone number, I was told not to divulge the fact that I was using the list of applicants.

Okay; fair game.

I was to tell them that their name and number had come from a list of community league members or supporters, or that their names had been passed on to us by some other member.

I have no idea who this other member was. I have no knowledge of this whatsoever. Once again, lists are all public information, all publicly available, and anyone who was involved then . . . I can't comment on this. I'm unaware of what this is.

MR. DECORE: Mr. Minister, as the minister who made decisions to give out public moneys, would you confirm that telephone calls were being made out of your office throughout all of Alberta in support of Mr. Klein by these volunteers?

1:50

MR. KOWALSKI: Mr. Speaker, I can't confirm that calls were made, quote, out of my office. I can confirm the people working in my office, though, certainly did make phone calls after office hours from their own homes and other offices in the province of Alberta. They were committed, as I was, to the election of the new leader of the Progressive Conservative Party, one Ralph Klein. Anyone associated with me is encouraged to be an active participant in the democratic process in the province of Alberta. Anyone associated with me and my offices who are employees are encouraged after hours to be very much involved, on weekends to

be very much involved. Some of them in fact even come with me to meetings, political meetings and public meetings. I'm just really delighted that in fact the people associated with me would want to work on behalf of the democratic process in the province of Alberta. Once again, thank you for helping me get my Premier elected.

MR. DECORE: Mr. Speaker, I'd like the Deputy Premier to tell Albertans the total cost of all these calls that went throughout Alberta and who paid for them.

MR. KOWALSKI: Well, Mr. Speaker, perhaps the hon. member would want to contact one Michael Edwards and determine from him how many calls he made, if he made any, and what the cost might be. I have no idea how much money was spent by someone working on a telephone out of their own home in the evening or on a Saturday. I would suspect that there were a fair number of calls. Perhaps there's a way of finding this out. I do know that when there was a by-election in east central Alberta a number of years ago, the Member for Redwater certainly made phone calls out of his legislative office in Edmonton on behalf of the Liberal candidate in that by-election, and that's been talked about before. As I recall, it's even been talked about in Members' Services, and that was done because the hon. gentleman wanted to convey support for someone on behalf of someone else in a public environment.

I can't give that answer, because I don't know how many people made how many phone calls. If there was a way of quantifying this, I would try and do it.

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

#### Western Heritage Centre

MR. BRUSEKER: Thank you, Mr. Speaker. The western heritage centre near Cochrane is a beautiful concrete basement with a stairway to heaven. There's nothing else there. The project supposed to be completed in 1992 has stalled because fund-raisers can't raise the matching dollars. Instead of allowing their commitment to lapse, the government recommitted lottery funds, \$5 million, for another two years. My question is to the minister responsible for the lottery fund. Since construction is slated to begin in one week, a week from today, can the minister tell us how much of the required \$3.3 million has been raised by the fund-raisers for this centre?

MR. KOWALSKI: Mr. Speaker, it's my understanding in listening to the Member for Banff-Cochrane yesterday when he was asked such a question that something like a million dollars had been raised in recent months.

MR. BRUSEKER: My supplementary question then is: why would the government allow construction to recommence when the Premier's buddy Norm Haines – and the minister just confirms it – admits the society hasn't got their required half of the money? That's how we ended up with the concrete bunker we've got right now.

MR. KOWALSKI: Mr. Speaker, it's not at all uncommon when there are fund-raising activities and projects for construction in the province of Alberta that in the marketplace we have, there are large numbers of groups out soliciting funds, and sometimes not

all groups can work as quickly and as rapidly as others. Here in the city of Edmonton is an example. There's a concert hall proposal. There is a large number of volunteers who are actively pursuing the project. It was only last week that in fact confirmation was given by the council to the city of Edmonton that there would be a certain piece of land designated for it in the city of Edmonton. That did not preclude them from doing other types of works, and the same thing applies to the western heritage centre in Cochrane, Alberta.

Mr. Speaker, this has not been an easy project for fund-raisers to work forward on. One of the reasons has been some of the negatives that have come forward by the hon. member himself with respect to that. On the other hand, we believe and those who are in support of it believe that if you want to develop an infrastructure for tourism in this province, then in essence you have to commit yourself to something and you have to work hard towards it. We believe that the western heritage centre in Cochrane can be as important to the heritage sites that we have in this province as the carriage museum is in Cardston, as the Tyrrell museum is in Drumheller, as the Reynolds museum is in Wetaskiwin. We're pretty confident that given some time, in fact they will be able to go forward with it.

MR. BRUSEKER: Well, Mr. Speaker, the final supplementary. The project is supposed to be completely self-financing when it starts operating. What proof can the minister provide to the members of this House that indeed this facility will not require ongoing government operational subsidies?

MR. KOWALSKI: Mr. Speaker, it's been made very, very clear that there will not be any government operating funds for this facility. There is a document that basically indicates that the particular group has to raise the money and has to put in place a position for the capital dollars required for the construction of such a facility. There's also, I think, a provision within the contract that basically says that they have to raise X amount of dollars to meet the ongoing total amount of the capital operation, and as I recall, that's 50 percent. Now, the purpose of such a facility is that they will charge people who come to it. So if they have half the amount of dollars in the bank before they begin, then revenues that will come in on a fee-for-service basis will provide them with the other remaining amounts of money. At the end of a particular year they should have either a positive balance sheet or a break-even one.

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

#### Adolescent Recovery Centre

MR. HERARD: Thank you, Mr. Speaker. My questions are to the chair of AADAC, the hon. Member for Calgary-Bow. In my last town hall meeting parents with children in the Alberta Adolescent Recovery Centre expressed concern and disbelief that this program that successfully returns young addicts and their families to a meaningful life is still not part of AADAC's mainstream adolescent treatment program. Now the centre is again facing closure and still does not receive ongoing support from AADAC. Would the chair of AADAC indicate why this successful program does not receive funding?

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

MRS. LAING: Thank you, Mr. Speaker. The AADAC centre, it is true, does not receive ongoing funding at this time. Orig-

nally this centre was set up with the understanding that the funding would come from clients and private corporate fundraising. Operational costs were not sought from the government. However, they have requested and have received onetime start-up funding of \$600,000 in November of '89 and in November of '93, onetime interim emergency funding of \$100,000.

MR. HERARD: Well, without any disrespect, what does AARC have to do to qualify for funding from AADAC?

MRS. LAING: Mr. Speaker, if AADAC is to respond to any further funding requests, it would require a formal report and proposal. They would also have to complete an evaluation and review of their program, their clients' needs, and the affordability of the program.

MR. HERARD: Is the chair of AADAC prepared to look into this funding crisis and see what can be done to save this meaningful adolescent recovery program?

MR. SPEAKER: The hon. member.

MRS. LAING: Thank you, Mr. Speaker. Actually, I have not been contacted directly by this group for funding in the current status. However, I will ask AADAC officials to review the situation.

Thank you.

### Senior Citizens' Programs

MRS. HEWES: Mr. Speaker, this government is developing an habitual use of closure. Now that there's an effective opposition, this measure . . . [interjections] Thank you. Now that there's an effective opposition, this measure is increasingly used to silence debate on actions. Closure on Bill 35 reveals that the real motive of this government is not to support low-income seniors but instead is to meet its budget deadline. The government fails to acknowledge not only the resistance but also the fear and the despair that its plans have produced in seniors, their families, and seniors' organizations. My questions are to the minister responsible for seniors. Mr. Minister, would you just explain to Albertans for the record why you're invoking closure on Bill 35, that thousands have objected to?

MR. DAY: Mr. Speaker, the invoking of closure falls upon the Government House Leader in terms of the one introducing that motion; therefore, it is appropriate that I address it. I like the moniker there: "habitual use of closure." It's now been used for the second time on a Bill. The only two times it's been used is when the Opposition House Leader in frankness to me has said: before it ever reaches the second reading stage or the committee stage, we will be forcing you to use closure; we will be using every trick, every strategy we can to drag this out." This is normal parliamentary strategy, and I appreciate it. As House leader I was informed by the Opposition House Leader that his caucus would be forcing us on Bill 35 to use closure. That means we would be here all summer, all winter if we didn't do it. So that we can get to the committee stage of this Bill and get a very intense look at it, I have had to accept him at his word, and because we are being forced to, as they indicated, we are indeed invoking closure.

2:00

MRS. HEWES: Mr. Speaker, that's patent nonsense, and the member knows it. Nonsense, patent nonsense.

I'd have liked an answer from the minister about closure, but I do have some other important questions for him. Mr. Minister, since you're responsible for seniors, how or are you going to measure the consequences of the cumulative effects of changes to health, home care, housing, municipal/federal taxes on the economic well-being of seniors? How are you going to measure it?

MR. MAR: Mr. Speaker, we will be monitoring those cumulative impacts in all those other areas. That is, of course, the whole point of having a minister responsible for seniors: to ensure that government is able to respond to changes as they take place.

MRS. HEWES: Mr. Speaker, will the minister, then, undertake to put in place a public process of monitoring using seniors' organizations to do the measurements and to report publicly and to this House?

MR. MAR: Mr. Speaker, we have a good process in place now, and it doesn't require changing.

MR. SPEAKER: The hon. Member for Calgary-Currie wishes to supplement.

MRS. BURGNER: Yes, Mr. Speaker. As chairman of the Seniors Advisory Council I would like to supplement and bring to the attention of the hon. member a comment that was delivered in this House on a similar question a few weeks ago in that the Seniors Advisory Council in response to its legislated mandate will be taking the issues raised by the consultation process that are separate from the Alberta seniors' benefit program back to seniors' communities, not only seniors' organizations but stakeholders who are involved – e.g., the municipalities, insurance groups – a whole bunch of issues that have been raised and will be delivering a report to the minister following that discussion. I ask the member to refer to *Hansard* for that information I gave about two and a half weeks ago.

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

### Municipal Infrastructure Program

MRS. GORDON: Thank you, Mr. Speaker. My questions today are to the Minister of Economic Development and Tourism. The infrastructure works program is a two-year \$6 billion co-operative effort between all levels of government in Canada to invest in infrastructure renewal, upgrading, and development. Welcomed by the 350 participating municipalities in Alberta, this program is designed and intended to stimulate productivity, improve competitiveness, facilitate future economic growth, and enhance job creation initiatives. It is estimated that administration costs will be \$1.089 million for each of the provinces and the federal government. My question to the minister: why does such a basic program require such administration?

MR. KOWALSKI: Mr. Speaker, when we announced this joint program, which is three levels – Canada, Alberta, and municipalities – there was a system put in place whereby there would be participation from one-third, one-third, one-third. That's not the same as it is in other provinces in the country. So we received,

negotiated, and got confirmation from not only our municipalities in the province of Alberta but the federal government as well that there would be a management committee and in essence the applications would be funneled to the minister responsible, in this case myself, who would have the applications then go to the management committee. Then those that would have to go to Ottawa would have to go to Ottawa, and arrangements were also set up to have federal dollars come entrusted to us for forwarding to municipalities. It becomes very complicated when you get involved in construction, because you have such mechanisms as holdbacks, partial payments, progress payments, and the like. So there's a very modest administrative entity set in place, and approximately half of 1 percent of the total budget will go to the administration of this program.

MR. SPEAKER: Supplemental question.

MRS. GORDON: Thank you, Mr. Speaker. Mr. Minister, what is included in the administration of the program?

MR. KOWALSKI: Mr. Speaker, first of all, there has to be a check to make sure that, number one, the applications coming to the province have been duly authorized by the local municipality from whence they come. One of the conditions we have in Alberta is that every municipality must pass a bylaw or a motion of their council basically saying that this is the democratic, unanimous position of that council. Secondly, what we do then in consort with our municipal partner – and Alberta is the only province in Canada that has a municipal representative on the management group – is make sure that in fact the type of project fits within the guidelines. Thirdly, we have to make sure they also fit within the guidelines that we've had as a province, which are pretty generous and flexible, but, as importantly, the guidelines of the federal government, who've entrusted to us or delegated us that clearing house mechanism.

MR. SPEAKER: Final supplemental.

MRS. GORDON: Thank you, Mr. Speaker. Many municipalities have asked: why aren't the funds simply disbursed directly to them, as the grants are based on a per capita entitlement?

MR. KOWALSKI: Mr. Speaker, only based on per capita entitlement in Alberta. In no other province in the country has such a mechanism been set up. In every other province in Canada the provincial government has interceded and basically taken the bulk of the dollars and then made provincewide decisions for the reallocation of those dollars. Only in Alberta have we agreed and found the mechanism that will be one-third, one-third, one-third, and that makes it very unique. As importantly, the federal government then has to have different mechanisms for the delivery of dollars within the country of Canada, and they've been consistent in making sure that the dollars went to the provincial authority that assumes certain responsibilities under the program for them: the dissemination, being the clearing house. In the case of Alberta it's very simple, and for the most part the money will just flow right through the conduit to the spot. In other provinces, of course, the provincial government takes a chunk and redirects it to provincewide projects. We're not doing that in Alberta; it makes us rather unique.

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

### Quebec Separatism

DR. PERCY: Thank you, Mr. Speaker. Yesterday in Vancouver the Premier mused aloud regarding Quebec separatism and a united western Canadian response. Two issues here: the first is that rhetoric without fact causes tremendous uncertainty in capital markets and with investors. The result is higher interest rates, less investment, and fewer jobs. The second is that we must have some factual knowledge of what different constitutional scenarios pose for Canada, the west, and the rest of Canada before we speculate. My first question is to the Deputy Premier. Can the Deputy Premier tell us why the Premier decided to muse about the possibility of different constitutional arrangements in Vancouver when the Deputy Premier and Premier had the opportunity to discuss these rationally at the Western Premiers' Conference last week?

MR. KOWALSKI: Mr. Speaker, the Western Premiers' Conference in Gimli, Manitoba, last week was a very rational meeting of four western Premiers and two territorial leaders. Yesterday in this Assembly on behalf of the Premier I tabled some 11 communiqués that came out of the Western Premiers' Conference. If there's any theme that comes out of the Western Premiers' Conference, these are the themes.

First of all, there's co-operation in western Canada among the four provinces and the two territories. Number two, if there's any one region of Canada that is providing leadership in this country in terms of fiscal management, it is the four western provinces and the two territories. As an example, the only part of Canada, the only region of Canada, Mr. Speaker, as a grouping of six entities that will all have a balanced budget in 1996-97 will be western Canada. In fact, collectively, in this particular fiscal year the four western provinces and the two territories will have a combined cumulative deficit of \$2.9 billion. Ontario alone has a deficit of some \$7 billion more than that.

The message that came out of Gimli, Manitoba, the message that was echoed by the Premier of Alberta yesterday in Vancouver and was further echoed today by the Premier of Alberta in Vancouver is that western Canadians will lead the economic recovery of this country. Secondly, we're doing it together in harmony with one another, and we can show the rest of the nation that we can form alliances, that we can have harmonious arrangements, and we will not be divided by an entity out of Ottawa that would like to play the seven hills of Rome: a divide and conquer routine.

2:10

DR. PERCY: Mr. Speaker, he evaded the question. It was a united west against Quebec. That was the issue he did not address.

My second question is to the Deputy Premier. Has the Department of Economic Development and Tourism prepared any strategy to deal with the economic consequences to Alberta that would result from the Premiers' western union proposal, or is this sort of another example of policy-making on the fly or in a boat?

MR. KOWALSKI: Mr. Speaker, that's kind of disappointing language from a supposed learned man.

Yesterday, Mr. Speaker, 11 communiqués were tabled in the House. Perhaps the hon. member missed it yesterday. Communiqué 1 says: The Economy, Jobs and Infrastructure. Well, if that doesn't fit in with what in essence the hon. member has asked for, I'm not sure. The second communiqué: Western Finance Ministers' Report. We can go through all of the communiqués. Well, here's communiqué 7: subject matter, Transportation.

Communiqué 11, Western Economic Cooperation. Communiqué 10, Western Regional Cooperation. To be very specific about the question raised by the member – have we all studied things? – yes.

Any individual in Alberta who would like to get the package of the 11 communiqués, kindly contact my office. Let me make it very clear. My staff work beyond 4:30 or 5:30, and they can even phone them at their homes to get this information. I sincerely hope that that would be in keeping with what good employees should be doing.

MR. SPEAKER: Final supplemental.

DR. PERCY: Thank you, Mr. Speaker. My question is to the Provincial Treasurer. Has the department of the Treasury assessed the impact on Alberta of alternate arrangements as proposed by the Premier, or is this again another example of policy-making on the fly? Do you have studies that stand behind what the Premier has said?

MR. DINNING: Well, Mr. Speaker, first of all, we have some very learned work done by the Western Centre for Economic Research, that the professor from Edmonton-Whitemud has tabled in the Assembly today, and I'm sure that that tabling will also go into his curriculum vitae to know that it's also been tabled in the Assembly.

You know, Mr. Speaker, imagine the Member for Edmonton-Whitemud on the eve of 1492 standing there beside Christopher Columbus as he's about to launch into the new world. The member would probably say: "Have you done a study, Chris? Have you done an efficiency audit? You'd better be careful; it might be a flat earth out there." [interjections]

MR. SPEAKER: Order. [interjections] Order.  
The hon. Member for Lethbridge-West.

MR. DUNFORD: Mr. Speaker, why does it always happen just before my question?

### International Trade

MR. DUNFORD: Mr. Speaker, my question is to the Deputy Premier. In the new trade realities of north-south, Lethbridge of course is now a gateway to the south. That is why the export highway remains high on our agenda. Now, Lethbridge citizens are interested in what actually takes place at western Premiers' meetings. To that end the Prime Minister of Canada has often talked about the need for a team Canada approach in international trade. Are the western Premiers, none of whom are Liberals, prepared to be a part of this approach?

MR. KOWALSKI: Yes, Mr. Speaker. Most determinedly the four western Premiers and the two territorial leaders basically talked about the team Canada approach, in fact have been advocating it for some period of time, and would welcome an invitation by the Prime Minister of Canada to in fact go to the Orient – and some of them have already been talking about that – in the fall of 1994.

In addition to that, Mr. Speaker, I've also said this on many occasions in this particular Assembly: it is a welcome reality to us here in Alberta to meet a positive Liberal from time to time. In the case of John Manley, who is the federal minister of trade in Canada, the relationship that we personally have is a very, very good one: first name, high respect, and great determination. Mr.

Manley just called my office yesterday and was quite insistent that I attend the next meeting of internal trade ministers in this country because he really wanted to have Alberta's position there and believed that we are the best allies in dealing with this in a way. That same kind of attitude has been expressed now here in western Canada. We're a small country, a small nation. Unless we co-operate, we will not get the best efficiency and effectiveness that we should.

MR. SPEAKER: Supplemental question.

MR. DUNFORD: Thank you. Again to the Deputy Premier: how did the western Premiers plan to deal with the current harassment by U.S. trade officials on Canadian agricultural products?

MR. KOWALSKI: Well, Mr. Speaker, the Hon. Roy MacLaren, who is a federal minister, has been very vocal in recent days pointing out Canadian concerns with respect to this matter. Our minister of agriculture and rural development in the province of Alberta has made the views of Alberta very well known to the federal government. The Premier of the province of Alberta will be meeting with United States' ambassador to Canada, James Blanchard, as well as the governor of Montana in a matter of days and weeks from now to pursue that. As recently as a couple of hours ago several ministers of the Crown, the Provincial Treasurer and the Minister of Energy, bid farewell to the American consul general in the province of Alberta, Mr. Witting, who's now returning to Washington, D.C., to liaise, as I understand, between the White House and the American Senate about the importance of these concerns to the people of Alberta and to the government of Alberta.

MR. SPEAKER: Final supplemental.

MR. DUNFORD: Yes. Thank you, Mr. Speaker. Again to the Deputy Premier: is there any perceptible move toward decreasing the internal barriers to trade?

MR. KOWALSKI: There's a very significant move, Mr. Speaker. At the last meeting that was held of ministers responsible for internal trade in Canada, there was a significant move in a positive way to reduce trade barriers in this country by the province of Ontario, as an example. In Gimli, Manitoba, last week both the Premier of Saskatchewan and the Premier of British Columbia basically stressed their support for the arrival at a barrier-free Canada. The instruction was given to all of their various ministers who are involved in trade negotiations to in fact accelerate the negotiations. They'll be meeting in New Brunswick within the next several weeks, and the target time is July 1, 1994, for the signature of such a document.

MR. SPEAKER: The hon. Member for Leduc.

### Municipal Plebiscites

MR. KIRKLAND: Thank you, Mr. Speaker. A plebiscite initiative by the citizens of a municipality is the purest of grassroots consultation. The broadened taxation and decision-making powers of the municipal government in the proposed Municipal Government Act make it imperative that the citizens of a municipality have a fair and reasonable plebiscite mechanism in place. The proposed Municipal Government Act states that a successful plebiscite must collect signatures from 10 percent of a municipality's population within 60 days. My question is to the Minister of

Municipal Affairs this afternoon. Why has the minister made it twice as difficult for the citizens of municipalities such as Edmonton and Calgary to launch a successful citizen-initiated plebiscite?

DR. WEST: Mr. Speaker, this issue has been around for years as to the percentage that should be allowed for reasonable public participation to generate a plebiscite on certain issues, whether it be fluoridation or whether it be airports or what have you. History has been very interesting on this. At one time everybody had agreed that it would be 10 percent for the cities and 5 percent for the rest of the smaller municipalities in rural Alberta. Well, that didn't seem fair on the day, so previous administrations came back and they changed it and made it 5 percent across the board for all 398 municipalities. Well, then we come back to this Act again. It's the next change of the Act, and it said: well, I think maybe it'd be better to go back to 10 percent. Obviously in a town of 300 people 5 percent is 15 people; 10 percent is 30. It doesn't seem reasonable. And then it got into the argument: well, what about the city? Would it be any easier to collect 10 percent or 5 percent? What type of issue could you get those type of signatures on anyway: 5 percent is 40,000; 10 percent is 70,000? So there has been quite a history here.

2:20

What we did do, though – in February I went to the AUMA and said to them: "We have had requests from the city of Edmonton to move to 10 percent. It's one of your major populated areas within your association. You represent 295 members. Could you come back and tell me what the AUMA decision on this is by looking at the membership?" They wrote a letter in February from Mr. Bill Purdy saying: yes, we agree as representatives of the 295 municipalities that you move to 10 percent in the new MG Act. I'm surprised that this organization representing 295 municipalities including Edmonton and Calgary – these cities or aldermen that I hear talking are concerned over and above their represented group.

MR. SPEAKER: Supplemental question.

MR. KIRKLAND: Thank you, Mr. Speaker. Thanks for the history lesson.

My supplemental again to the minister: how can the minister justify the requirements for Calgarians and Edmontonians to collect between 60,000 and 70,000 signatures for a successful plebiscite when 46 members of this House can cause a province-wide plebiscite on capital punishment, a federal issue?

DR. WEST: Mr. Speaker, I think that this would be a good topic for a broad debate in this Legislature.

### **Speaker's Ruling Anticipation**

MR. SPEAKER: The Chair would point out that it would be a good topic for a broad debate, and the forum is readily available in Committee of the Whole. This Bill is in committee.

Is there a final supplemental that may not offend against the rules of our Assembly?

### **Municipal Plebiscites (continued)**

MR. KIRKLAND: Thank you, Mr. Speaker. Well, in view of the growing opposition from Edmonton and Calgary, is the

minister willing to accept a Liberal amendment to set the required signatures of municipalities of 100,000 and above at 5 percent?

### **Speaker's Ruling Anticipation**

MR. SPEAKER: Order. That question should really be asked in committee. [interjections] Order please.

The hon. Member for Cypress-Medicine Hat.

MR. WICKMAN: Mr. Speaker, a point of order. A point of order.

### **Gasoline Station Closure**

DR. L. TAYLOR: Please, Mr. Speaker, could we have some sanity here? [interjections] Stop the insanity. Stop the insanity.

MR. SPEAKER: A proper prologue, please.

DR. L. TAYLOR: In a meeting this morning with constituents from the county of Forty Mile a number of important issues were raised. One of the concerns relates to the MUST program. This program is forcing small rural gas stations out of business as they cannot afford to meet the requirements of the program. If we were to travel a highway across southern Alberta, once the two stations in Foremost are closed – and they're in the process of doing just that – there will be a stretch of highway 320 kilometres long, which is part of the Red Coat Trail, with no gas station: 320 kilometres. The Red Coat Trail is a major tourist destination with increasing traffic every year, yet the government is forcing a reduction of services. My questions are to the Minister of Labour. Why is it necessary to force rules which are appropriate to large urban areas onto rural Alberta where they are not appropriate?

MR. DAY: Strictly on the issue of appropriateness of rules, Mr. Speaker, the issue of aging tanks underground having the possibility of leaking is something that is very serious. Actually about 38 percent of all municipal drinking water comes from underground wells, and about 87 percent of all of the water that's used to water livestock comes from underground wells. If you have a tank that's leaking, one litre of gasoline can actually contaminate an underground aquifer, up to a million litres of water, and render that aquifer contaminated for decades. So in terms of appropriateness of rural/urban, there's significant concern in the rural areas about this possibility, and that's why there's a joint effort between the departments of Labour and environment to try and address the issue.

MR. SPEAKER: Supplemental question.

DR. L. TAYLOR: Thank you. Is the minister aware that as the two gas stations in Foremost are closing, my constituents in the southern end of the constituency may have to travel up to 50 miles to get a tank of gas?

MR. DAY: Mr. Speaker, I don't know the details on why those gas stations would be closing. I would invite the owners of those gas stations – if it's problems related to safety standards in the removal of those tanks or environmental standards in terms of decontamination, we would want to work together with those operators to see what we might be able to do. I would also comment that Alberta is known for its entrepreneurial spirit. If there's a stretch of highway 320 kilometres long with no gas



station, I can guarantee you that there will be people willing to move in there and set one up.

DR. L. TAYLOR: As it costs a minimum of \$20,000 and more likely closer to \$100,000 to install new above-ground tanks, will the minister provide some sort of relief for communities such as Foremost that are facing this very serious situation brought on by his department's regulations? [interjections]

MR. DAY: The Liberals think this is a funny issue. It's not, and I'm glad that the member has raised it and is concerned enough about his constituents that he has raised it. I can assure him that this issue is being looked at in the hands of an industry and consumer association. The Petroleum Tank Management Association is looking at this, and again it's a combination of industry, wholesalers, retailers, and consumers looking at it. Indeed they have looked at how a fund could be set up so that if there's a possibility that stations cannot afford to do the removal or the remediation, there could be dollars made available to assist them with that. We would want to hear from those particular operators to see what we might be able to do to help their situation.

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

### Job Creation

MS CARLSON: Thank you, Mr. Speaker. In the provincial budget the government admitted that it was prepared to sacrifice jobs when dismantling education and health care. Now the Conference Board of Canada's spring 1994 outlook reveals that unemployment growth for Alberta has been revised downwards by 10,000 jobs in 1994 and 13,000 in 1995 as a result of this government's poorly planned budget. To the minister without portfolio: how can this government say that they are committed to promoting the conditions which will lead to job creation when the Conference Board is projecting a reduction in job growth of 23,000 jobs over the next two years?

MRS. MIROSH: Mr. Speaker, I welcome the question. The government does not create the jobs or the wealth; it's private sector. Government creates avenues for jobs. Alberta Research Council, for instance, tomorrow will be announcing in Calgary an additional 200 jobs, a partnership between Alberta Research Council and the private sector. Also, the Alberta Opportunity Company has projected a significant increase in jobs as a result of some loans that we've given them, and the list goes on. Again, we have created 40,000 new jobs in Alberta.

MS CARLSON: Promised but not created.

What are you going to do about the fact that this Conference Board has found only 2,500 full-time jobs created for women and, in actual fact, a .5 percent decrease in job creation and an increase in unemployment for women over the past year?

MR. MITCHELL: Dianne has a job.

MRS. MIROSH: Mr. Speaker, so does the hon. member across the way, for a very short time.

Mr. Speaker, we have been able to create a number of jobs in co-operation with the private sector. Governments are not in the business of creating jobs. The private sector is, and we've been very successful. I repeat again, through Stats Canada, that we have created 40,000 new jobs in the province of Alberta, and you can read the stats yourself.

MS CARLSON: Just no jobs for women.

If you're so interested in promoting job creation, why has this government failed to present Albertans with an implementation plan for Seizing Opportunity for over one year and ignored the recommendations of the Alberta Tax Reform Commission for the past four months?

MRS. MIROSH: Well, Mr. Speaker, we are consulting with a number of groups of people about Seizing Opportunity. As a matter of fact, it's a document that's well endorsed. The Alberta advantage is well endorsed through a number of organizations and groups, and we have received a lot of help from the private sector in endorsing the Alberta advantage. We're working together to continue to create jobs, and we'll do that. It's ongoing. It doesn't just happen overnight. It is a successful program, and MLAs throughout the Legislative Assembly are assisting in their own constituencies in workshops in job creation. People in the communities are helping, and the Alberta advantage is working.

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

2:30

### Housing Programs

MS CALAHASEN: Thank you very much, Mr. Speaker. I've received many calls from constituents concerned with the possible elimination of all programs under housing. One of the main concerns is the possible elimination of the rural and native housing program and the rural housing assistance program. Residents of northern communities do not enjoy the options other Albertans do, such as easily accessible rental accommodation, and due to the level of poverty in some areas of the north many people cannot easily obtain a mortgage. My question is to the Minister of Municipal Affairs. What are your intentions with respect to these two programs?

DR. WEST: Mr. Speaker, the policy behind these two programs was generated by the federal government, and the moneys were shared on a 75-25 cost sharing with the federal government. We administered the program for them. Over the years the rural native housing and the repair program have been very expensive programs. The federal government has backed off on many of the dollars they have available for this and stopped the cost-shared program as of January 31. We no longer build rural native housing, and we are working on selling off those that are no longer needed.

There is a thing that shocked me the other day. When I looked at this program in its entirety and its history, I found that only 18 percent of it was built in native communities. The rest was built in other communities and probably in areas where the housing was not a need. In fact, it was one of those things that if you provide the money, we'll find the construction, build them. So we're going to look at this whole issue: sell off the houses or transfer them to the owners of the houses where that can be done and, as I say, work with the federal government to see where they're going in the future.

MR. SPEAKER: Supplemental question.

MS CALAHASEN: Thank you, Mr. Speaker. I'm very pleased to hear that we are starting to look at different ways of dealing with housing. But if we are phasing these programs out, what does the Minister of Municipal Affairs propose to do to address

the housing needs in northern communities, which do not have many alternatives for housing?

DR. WEST: First of all, we're going to pass Bill 34, which gives a tremendous amount of flexibility in the new housing Act. It'll also give a new direction to the Alberta social housing program, which used to be Alberta Mortgage and Housing Corporation. In talking with the minister of social services, in areas such as yours we will be looking at the job corps program plus a new policy in remote housing and get more initiative by the individuals in the building and in the development of the houses both by themselves, the individuals, and the communities. I look forward to developing a policy along with various members in the House from the north that will address specific needs in specific areas rather than making blanket policies that end up like rural native housing did: inadequately addressing social needs.

MR. SPEAKER: Final supplemental.

MS CALAHASEN: Yes. Thank you, Mr. Speaker. When we're talking about housing and a need for it, there's got to be a management scheme in place. Could you then please elaborate on what kind of a management scheme we would be looking at relative to the housing needs of the north?

DR. WEST: Well, that poses quite a challenge, and I'd ask the hon. member to bring forth some suggestions. We're certainly going to put a team together in what's left of Alberta Mortgage and Housing Corporation, the new Alberta social housing program, but we will have to work with those communities and work with other departments to disentangle this overlap that we've had and put together a team that will be able to source need rather than source just individuals. I don't want to ever end up with the program we had before: if we provide the money, we'll find the clients. First, I want to establish what need is. We'll put a team together, and when we can assess that properly, then we'll direct these remote housing programs to the people who require them.

MR. SPEAKER: Order. The time for question period has expired, but before moving on, could we have unanimous consent to revert to Introduction of Guests?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried.

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

MR. DAY: Mr. Speaker, on behalf of my colleague the Member for Red Deer-South I am delighted to introduce to you today students, parents, and teachers from the Mountview elementary school. There are approximately 70 from that group visiting us today. The teachers are Greg Atkinson, Bruce Strand, Andrée Caron, and David Cozens; assisting are parents and helpers Nellie Perlick, Mike Koselek, Cindy Oxman, Maryann Brown, Mrs. Riopel, and Philip Mah. I would ask them to all stand and receive the warm welcome of the Assembly.

MR. SPEAKER: The hon. Member for Edmonton-Rutherford had a point of order.

**Point of Order**  
**Brevity**

MR. WICKMAN: Mr. Speaker, *Beauchesne* 417 clearly states, "Answers to questions should be as brief as possible." As this session goes on, it becomes almost like a contest on that side as to who can speak the longest in terms of answering a question, and I think it's done for a reason. I think it's done because they want to minimize the number of stingers that come over from this side, so they talk and talk and talk. I'm simply asking that some enforcement be put down. Like with our questions that are nice and brief, the responses should be the same way.

MR. DAY: Mr. Speaker, there is in fact no point of order, and an analysis will reveal some very interesting statistical information, that in fact the vast majority of time taken on preambles is by the members of the opposition, not by members on this side. [interjections]

MR. SPEAKER: Order. [interjections] Order. Well, the Chair believes that all members know the rules regarding questions, but if the hon. Member for Edmonton-Rutherford feels that there's been some slippage in the crisp and rippling replies normally associated with most government ministers, the Chair will try to analyze the situation. If it in fact is borne out, the Chair will try to be more diligent in encouraging what's required.

head:

**Royal Assent**

MR. DAY: Mr. Speaker, His Honour the Honourable the Lieutenant Governor will now attend upon the Assembly.

[The Deputy Premier and the Sergeant-at-Arms left the Chamber to attend the Lieutenant Governor]

[The Mace was draped]

[The Sergeant-at-Arms knocked on the main doors of the Chamber three times. The Associate Sergeant-at-Arms opened the door, and the Sergeant-at-Arms entered]

**2:40**

SERGEANT-AT-ARMS: All rise, please. Mr. Speaker, His Honour the Lieutenant Governor awaits.

MR. SPEAKER: Sergeant-at-Arms, admit His Honour the Lieutenant Governor.

[Mr. Speaker left the Chair]

[Preceded by the Sergeant-at-Arms, His Honour the Lieutenant Governor of Alberta, Gordon Towers, and the Deputy Premier entered the Chamber. His Honour took his place upon the throne]

HIS HONOUR: Please be seated.

MR. SPEAKER: May it please Your Honour, the Legislative Assembly has, at its present sitting, passed certain Bills to which, and in the name of the Legislative Assembly, I respectfully request Your Honour's assent.

CLERK: Your Honour, the following are the titles of the Bills to which Your Honour's assent is prayed.

No.	Title
1	Labour Boards Amalgamation Act
2	Alberta Sport, Recreation, Parks and Wildlife Foundation Act
5	Oil and Gas Conservation Amendment Act, 1994
6	Mines and Minerals Amendment Act, 1994
11	Dairy Industry Amendment Act, 1994
12	Brand Amendment Act, 1994
13	Livestock Identification and Brand Inspection Amendment Act, 1994
14	Agriculture Statutes Repeal Act, 1994
15	Alberta Energy and Utilities Board Act
16	Government Land Purchases Act Repeal Act
17	Treasury Department Statutes Amendment Act, 1994
19	School Amendment Act, 1994
21	Alcohol and Drug Abuse Amendment Act, 1994
23	Provincial Offences Procedure Amendment Act, 1994
27	Rural Gas Act
29	Nova Corporation of Alberta Act Repeal Act
32	Fuel and Tobacco Tax Statutes Amendment Act, 1994
Pr. 1	Mandy Anderson Adoption Act
Pr. 4	Concordia College Amendment Act, 1994
Pr. 7	Scott Peter Lavery Adoption Act
Pr. 12	Travis Trevor Purdy Adoption Act
Pr. 14	Jody Anne van Overmeeren Adoption Act

CLERK: These are the Bills to which Your Honour's assent is prayed.

[The Lieutenant Governor indicated his assent]

CLERK: In Her Majesty's name His Honour the Honourable the Lieutenant Governor doth assent to these Bills.

SERGEANT-AT-ARMS: All rise, please.

[Preceded by the Sergeant-at-Arms, the Lieutenant Governor and the Deputy Premier left the Chamber]

[Mr. Speaker took his place in the Chair, and the Mace was uncovered]

MR. SPEAKER: Please be seated.

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.

[Motion carried]

head: **Motions for Returns**

MRS. BLACK: Mr. Speaker, I move that the motions for returns on today's Order Paper stand and retain their places.

[Motion carried]

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

**Bill 213**

**Loan Guarantees Statutes Amendment Act, 1994**

[Debate adjourned May 24]

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

MR. BRUSEKER: Thank you, Mr. Speaker. I am pleased to enter into the debate on Bill 213, a nice short Bill with very clear objectives and very clear intentions. The reason I'm so pleased to enter the debate today is I wanted to follow hard on the heels of the government members who were arguing in favour of loan guarantees.

The debate adjourned yesterday afternoon with the Member for Cypress-Medicine Hat just finishing off his comments here, saying he would "encourage all members to vote against Bill 213." Well, voting against Bill 213 can only be interpreted as support for loan guarantees.

**Point of Order  
Imputing Motives**

DR. L. TAYLOR: A point of order, Mr. Speaker. *Beauchesne* 459, imputing motives. Certainly I didn't intend that, and I want to be very clear that is not what my comments referred to.

MR. BRUSEKER: Mr. Speaker, I guess he just wants a direct cash payment. Since in his comments he's going to vote against the Bill, I can only conclude, therefore, that he's not in favour of what the Bill says, and the Bill says: let's get rid of loan guarantees from the Department of Economic Development and Tourism. So that's the conclusion that I came to following his interesting comments, I guess, for lack of a better term.

**Debate Continued**

MR. BRUSEKER: Mr. Speaker, the member says in his comments - and I found his comments really interesting, so interesting I went back to *Hansard* of yesterday to review his comments. He says, "This is a new and different government with new and different ways of doing things." Well, certainly Bill 19 bears that out. But one of the issues that is still a concern is in fact the issue of loan guarantees. In fact, it's so bad with respect to loan guarantees and the ongoing development of loan guarantees that now the government has institutionalized the delivery of loans and loan guarantees through in particular two programs that I particularly want to mention. One is the Alberta Opportunity Company, which falls under one of the ministers, the minister without portfolio's responsibility, that provides loan guarantees to banks, I think was the phrase that was used when we were debating the estimates in this Legislature some, oh, month or month and a half ago. Indeed, the government further passed a Bill, Bill 21 . . .

**Point of Order  
Questioning a Member**

DR. L. TAYLOR: A point of order. Will the member opposite accept a question?

**2:50**

MR. BRUSEKER: Absolutely.

DR. L. TAYLOR: I'm just wondering if . . .

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

AN HON. MEMBER: Let the Speaker get in.

DR. L. TAYLOR: Oh, sorry.

I'm just wondering if the member is opposed to the philosophy of Alberta Opportunity supporting and encouraging the growth of small business in Alberta.

MR. BRUSEKER: Oh, certainly I'm happy to answer that, Mr. Speaker. I certainly support the philosophy of promoting and developing small business in the province of Alberta. I do not believe that Alberta Opportunity Company is the vehicle to do that. [some applause] Thank you for that support. I'm really pleased with that support that I'm getting from members opposite. Part of the reason is very simply the track record of the Alberta Opportunity Company. They have so far, at last count, I think a \$34 million accumulated deficit. The previous minister of economic development and trade, the hon. Peter Elzinga, who was in the 22nd Legislature, tabled in this House a list of some 30 what he referred to as success stories with respect to the Alberta Opportunity Company. When I reviewed that list – and I don't have the list right in front of me at this moment – it talked about creating jobs, and when you calculated the dollars that were loaned or guaranteed versus the jobs that were created, I seem to recall it was about \$180,000 per job that we placed at risk under the Alberta Opportunity Company. So I have some severe concerns about the operation and indeed loan guarantees.

#### Debate Continued

MR. BRUSEKER: Now, with respect to loan guarantees in particular, again through this one I was just starting in with reference to Bill 21, that dealt with local opportunity bonds. Now, I forget the exact title of that Bill, but it allowed for unlimited loan guarantees that again are going to be administered or controlled or directed, however you want to call it, through the Alberta Opportunity Company. I have some concerns about the way it was proposed, because as I recall, the loan guarantee could be for up to 100 percent of the amount of the loan that was being undertaken for whatever small business project or perhaps large business project was being undertaken. So up to 100 percent, number one, was a concern. Number two concern that we had with that particular issue was the fact that there was no cap as to the size of the loan. In other words, you could have had a loan for a million dollars, \$5 million, potentially a hundred million dollars under that particular program. So no limit to the amount percentagewise and no limit to the amount dollarwise either. Those were certainly two concerns that we had on this side of the House with respect to Bill 21, which I seem to recall debating here in the wee hours of the morning on November 10 of last year.

Mr. Speaker, the concern with loan guarantees is also carried over to the Alberta finance corporation, which now replaces the Alberta Agricultural Development Corporation, at least in title, and we see again loan guarantees recently for Beatrice Foods for a cookie plant. So on one hand the government says, "Gee, we're getting out of the business of loan guarantees," yet there are two institutionalized companies that are involved directly with loan guarantees.

Now, Mr. Speaker, my argument would be that as far as the taxpayer is concerned, they don't care why the government loses

a dollar. They just don't want the government to lose the dollars anymore. When you have two institutions still giving loan guarantees, whether it comes directly from approval by cabinet and in part the Alberta Opportunity Company as part of the Department of Economic Development and Tourism or whether it comes out of a department, if the dollars are lost, if the dollars are placed at risk, Albertans don't benefit. For that reason, certainly the last election campaign in June of last year there were a number of individuals, I would suggest, from both parties that were going out saying, "Let's not have loan guarantees."

Now, one of the issues that I heard the Member for Calgary-Varsity expressing concern about is the idea that this particular Bill only deals with loans under the now amalgamated Department of Economic Development and Tourism. Just taking it back a little bit. The reason for three of the four sections that are there in the Bill is that the current Department of Economic Development and Tourism is really an amalgamation of the former departments of economic development and trade, technology, research and telecommunications, and the department of tourism, now amalgamated into one department that we're now calling in this Legislature the Department of Economic Development and Tourism. The proposal put forward by the Member for Edmonton-Ellerslie dealing with those three in particular is simply for the reason that the Member for Edmonton-Ellerslie is responsible as a member of the Liberal opposition for being the critic for the Department of Economic Development and Tourism. So the focus was: let's deal with those issues that are in particular related to the area for which she has responsibility.

Now, I must say that I was really pleased to hear the Member for Calgary-Varsity say, a quote from page 2134 of *Hansard*:

My concern over the issue of loan guarantees and indemnities does not stop at the Department of Economic Development and Tourism, as does the member opposite's.

Well, I don't think the member opposite necessarily stops with the Department of Economic Development and Tourism. But then the member continues and says:

My concern lies with loan guarantees and indemnities throughout the government, including the Students Loan Guarantee Act, the Motion Picture Development Act, the Department of Culture and Multiculturalism Act, and the list goes on.

That's also from page 2134 of *Hansard*.

Well, I appreciate that, and I would therefore anticipate that that member is going to be supporting our Bill 213, is going to be saying: "Yes, let's put a legislated stop to the issue of loan guarantees. Let's put this whole issue to rest so we don't have to worry about it anymore." In fact, I would anticipate that the Member for Calgary-Varsity will be proposing all kinds of additional amendments that will limit loan guarantees not only in this one department but in fact in other departments and will bring forward positive suggestions and amendments for this particular Bill when we get to Committee of the Whole. I would suggest, unlike what happens to some of our amendments when we propose them to the government, that if the hon. member opposite brings forward such amendments and proposes positive improvements and changes to the Bill, we would embrace those amendments on this side, because we are certainly much more open to that idea and we are more liberal in our thinking on those particular issues. So certainly that's something we want to support, and I look forward to the member's support at second reading, and I look forward to the member's support of the Bill at the Committee of the Whole stage.

Mr. Speaker, the Member for Cypress-Medicine Hat raised sort of a rhetorical question, I would gather, when he raised the issue

of: how is it different from the government interfering in the marketplace by giving loans and guarantees to business on one hand and by extending student loans on the other hand? Somehow the member doesn't seem to accept or see that there's a difference between business loans and student loans.

I thought I might take a moment – and this may be a futile attempt on my part. I accept that, but I'm going to try anyway to see if I can't make it clearer for that member, because I think there is a fundamental difference between those two issues. On one hand, loan guarantees – I'm talking loan guarantees to businesses here – apply to a very select number of businesses. Of the thousands of businesses across this province – large, small, and in between – a very small number of them will ever get a government loan or a government guarantee, which therefore makes it an unlevel playing field for all people in the business sector. That's a concern we've had on this side: inequity created by these kinds of programs.

Student loans on the other hand are equally accessible by all individuals who want to attend and can qualify for student loans. There's no: this guy has a Tory membership card in his back pocket or doesn't. We look at the student. We look at what his or her credentials are, and then the student is given the loan. There's nowhere near the involvement in student loans and interference with student loans as there is with respect to businesses. So from that standpoint there is a significant difference between students on one hand and businesses on the other hand.

Now, I hope that clarifies things for the hon. member. I'm not sure if it will or not. I don't know if he had any success or lack of success with respect to student loans. I must confess that I don't have a great deal of personal experience. I managed to get through university without ever having a student loan given to me, because I never needed one.

3:00

MR. N. TAYLOR: Capitalist.

MR. BRUSEKER: Yeah, I guess I'm a capitalist. I ended up working my way through school and had scholarships as well, so I didn't need student loans and managed to get by without them. But for those students that need them, there should be access to them on an equal, equitable, and fair basis. I guess what the member is saying is that we should have student loans that are somehow – I don't know how he would propose to do this even – given to some students and not others in the same way as what the Alberta Opportunity Company does for example with respect to other loans.

I guess my concern with the whole issue of government loans and loan guarantees however is a little broader with respect to: where are we going from here? Members opposite like to say: "Well, this is a new government. It's a forward-looking government. Things are going to be new and improved and exciting and wonderful." Often we hear comments along that line with respect to where the government is going. So on one hand we get a government that says that we're new and we're different. We start with some proposals with respect to *Toward 2000 Together*, and certainly that's an initiative of the government. Different groups and different places and different organizations across this province have made submissions to the government and said: "Gee, here's what's going on in other jurisdictions. Here are the kinds of things that are going on and happening. How can we develop that?"

Mr. Speaker, we in the Liberal caucus have said for example that one of the things we need to do is promote jobs. I introduced

a Bill recently in the House dealing with flexible networks that again talked about promoting jobs. In fact, this evening there's a dinner meeting of a group called the Calgary Council for Advanced Technology, and this particular group is talking about flexible networks. In fact, one of the speakers is going to be a representative from the Canadian Manufacturers' Association who's going to be talking about: how can we promote jobs and how can that help us diversify our economy?

What we talk about in Bill 213 is that the way to diversify the economy is not through loan guarantees. We need to look at something else. We need to look at increasing trade. We need to look at reducing not increasing trade barriers. On one hand, we have the government talking about, "Gee, let's reduce interprovincial trade barriers." Then we have ministers of the government saying: "Well, gee, if B.C. doesn't respond, then we're going to put up our trade barrier on this issue, or if they don't respond in Saskatchewan, we're going to put a trade barrier on that issue." The end result, of course, Mr. Speaker, is that it doesn't promote the development of our economy. That's really what Bill 213 talks about. That's what Bill 211 talked about, that we dealt with before: how can we get more people working, how can we make our economy more robust and growing and exciting and developing?

Mr. Speaker, Bill 213 that we have before us today simply deals with admittedly a small slice of what has gone wrong in the past, because there have been many things that have gone wrong in the past. It deals with one, and it builds on what the government has said: this is forward looking; we don't have to look back at the old policy. Bill 213 really says: let's get rid of that old policy. And what was that old policy? In the Department of Economic Development and Tourism part of that old policy was loan guarantees. What this Bill says is: let's put that behind us; let's get rid of it; we don't need it anymore. We hear members opposite saying that we don't need them anymore. Loan guarantees are a thing of the past, with the exception of a couple I've mentioned, the Alberta Opportunity Company and the Alberta finance corporation. But by and large we don't need loan guarantees.

They agree. We agree. Therefore, I expect all members will probably support vigorously Bill 213 when it comes to a vote shortly. Thank you, Mr. Speaker.

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

MR. STELMACH: Thank you, Mr. Speaker. I appreciate the opportunity this afternoon to speak to Bill 213. In speaking against Bill 213, I would like to make it very clear to all Members of the Legislative Assembly that I personally remain against the use of loans and loan guarantees as a means to encourage economic development in the province of Alberta.

The Financial Review Commission in its recommendations to the government of Alberta last spring put forward the recommendation that the government no longer use loans and loan guarantees as a means to carry out government policy. That recommendation, Mr. Speaker, was accepted by the government without hesitation. The Financial Review Commission further recommended that in the future where loans and loan guarantees are deemed necessary, they receive the approval of this Legislature or an all-party committee. Again, the government of the day acknowledged the recommendation and indicated that it would look into the possibility of some type of legislated limits on this type of activity. Evidence of the government's acceptance of the

Financial Review Commission's recommendations can be found in the fact that this government has not issued a loan or loan guarantee since the last provincial election held on June 15, 1993.

In light of this fact, the hon. Member for Edmonton-Ellerslie has brought this private member's Bill proposing the removal of section 10 from the Department of Technology, Research and Telecommunications Act and section 9 from both the Department of Tourism, Parks and Recreation Act and the Department of Economic Development and Trade Act. The purpose of this would be to eliminate the ability of the government of Alberta to enter into loans, loan guarantees, and indemnities for reasons specific to the above-mentioned sections.

In fact, Mr. Speaker, this would not be the case. It has already been mentioned that there are some 20-plus legislative provisions which would allow this government to enter into loans and loan guarantees, none of which is more general as to purpose than the provisions in the Financial Administration Act under part 7, sections 72 to 76. If Bill 213 were to be passed by this Legislature, there would be no restrictions placed on this government in respect of its ability to offer loans and loan guarantees to businesses in Alberta. In fact, the only real limit that could possibly be placed on this government in its ability to enter into loans and loan guarantees would be the wrath of the people of Alberta.

Being a newly elected member of this Legislature I ran on a platform of open, accountable, and honest government. I ran based on a government that would be fiscally responsible to the taxpayers of Alberta and would no longer offer loans and loan guarantees to encourage economic development in the province of Alberta. Mr. Speaker, I don't require a piece of legislation to ensure that I keep my promises, nor does the Premier of Alberta, nor does this government.

I might add with some concern, however, that the Liberal Party ran on a campaign of brutal cuts and about \$1.1 billion in spending in the first year. However, as far as I've been able to determine, they have in fact been asking this government to slow down its balanced budget program and not reduce its spending. Perhaps they should consider some kind of legislative provision which would require them to keep their election promises.

I am concerned that the debate today will focus too much on the failures of past governments in regards to loans and loan guarantees issued as much as 10 years ago. While I was not a member of the government during that period of time when the majority of loans and loan guarantees were issued and while I remain opposed to such guarantees at the present time, I acknowledge the fact that previous governments may have felt that there was a legitimate role for it to play in attracting business to Alberta and in diversifying the Alberta economy. In fact, Mr. Speaker, I might also add that Albertans believed there was a role for the government to play in ensuring economic prosperity in the province. While this province has certainly suffered from the failures of the past, it has most definitely benefited from the successes. The Alberta Treasury Branches, Nova Corporation, and Alberta Energy Company are a direct result of past provincial governments exercising their financial power to assist Albertans.

### 3:10

What about the Alberta heritage savings trust fund? That fund was created by collecting oil royalties and setting them aside to help Albertans in the future. The mind-set at the time was: why shouldn't the government create this fund and use it to make Alberta a better place? It was the product of a mind-set which believed that the government should be in a position to use its financial power to encourage growth and prosperity in the

province. We used these funds to help develop Syncrude, to help Alberta students attend postsecondary institutions, and to buy medical equipment for hospitals. The Alberta heritage savings trust fund has been used to create jobs in Alberta and to make this province a better place to live.

My concern is that we accept the decisions that were made in the past, both good and bad, and move on to the decisions that this government is making today and will make tomorrow. Bill 213 deals solely with loan and loan guarantee provisions and Acts under the control of the Department of Economic Development and Tourism. The issue is not simply about loans and loan guarantees to businesses but about loan guarantees offered to students in this province. It is about loans and loan guarantees to farmers through the Alberta Opportunity Company and the Agriculture Financial Services Corporation. Since its inception in 1972 the Alberta development corporation, now a part of the Agriculture Financial Services Corporation, has made more than 139,000 loans or guarantees to Alberta producers and agribusinesses, enabling thousands of farmers to get a healthy start in agriculture. Is the opposition opposed to the operation of this program? If so, why haven't they stood up and made their objections public?

DR. WEST: How much did they lose?

MR. STELMACH: None. No money. In fact, we're now operating with the revenue that's coming back from Alberta's financial services corporation and being loaned right back. In fact, the cost of the operation of ADC is only 2 percent, which is lower than any other bank in Alberta, the most efficient. Why am I arguing with you anyway?

DR. WEST: Well, the capital investment isn't included in that. Come on.

MR. STELMACH: The offices are there to begin with, so we're not losing anything on the capital. [interjections] Yeah, tell the minister here to . . .

You can't just hide behind the issue of loans and loan guarantees to businesses and the failures associated with them. You must also accept responsibility for a position on guarantees and loans to farmers or students.

In this current year alone the government will provide over \$100 million worth of assistance to students in the form of loans and loan guarantees. What is your position on this issue? If I am correct in my recollection, when the Minister of Advanced Education and Career Development announced that the government was getting out of the business of issuing loan guarantees to students, the opposition was enraged.

### Point of Order Relevance

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

MR. SPEAKER: The hon. Member for Edmonton-Roper rising on a point of order.

MR. CHADI: Yes, Mr. Speaker. *Beauchesne* 459, relevance. We're talking about Bill 213 here, which is quite clear about repealing the loan guarantee sections of the Economic Development and Trade Act, the Department of Technology, Research and Telecommunications Act, the Department of Tourism, Parks and

Recreation Act, and lastly, the Development and Trade Act. What does that have to do with education and farmers? So please let him come to the point here. It's got nothing to do with farmers and student loans. We're talking about loans to businesses. It's quite clear in the Act. Rule on it, please.

MR. SPEAKER: The hon. Member for Vegreville-Viking may wish to connect the complaint to his comments.

MR. STELMACH: Okay. What I'm saying this afternoon is very relevant to Bill 213. We're talking about not only the philosophy. If the opposition across the way is really serious about eliminating loans and loan guarantees, they could do it in a heck of a lot better fashion than they could under a Bill like 213, which really has no teeth to it whatsoever. A little bit of grand-standing.

### Debate Continued

MR. STELMACH: Before I was so rudely interrupted, Mr. Speaker – I've kind of lost my spot here in the speech.

It's time for some consistency in the way the opposition addresses the issue of loan guarantees. I am against Bill 213 because of the narrow-minded approach to the issue of loan guarantees. Perhaps this Bill would be better received if it dealt with the consolidation of all loan guarantees and indemnity provisions under one Act. I think that had this Bill been presented in such a fashion, it would have been a much better Bill. As it stands, however, I feel that to pass this Bill to committee would be a waste of this Assembly's time. The government does not require the provisions put forward in Bill 213 to keep its promise to Albertans. Therefore, Mr. Speaker, I would encourage all members of this Assembly to vote against Bill 213.

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

MR. CHADI: Thank you very much, Mr. Speaker. I can promise you that I'm going to stick to the Bill that's before us, 213, as presented by the Member for Edmonton-Ellerslie. I think it's a rather timely Bill. It's one that has been talked about for an awfully long time. The Premier of the province has been going around saying that we're going to get out of the business of being in business; we're going to get out of loan guarantees provided to businesses. The minister of economic development, tourism, and trade has been saying the same thing, and I know – I know full well – that the Provincial Treasurer would want to, deep down in his heart, back Bill 213. You know, I'm going to be quite curious to see how the Provincial Treasurer is going to vote on this one.

Mr. Speaker, I was quite surprised to listen to the debate from both sides of the House yesterday and today and to hear in particular the debate and comments that were coming forward from members on the opposite side. You can't have it both ways. You've got to either say that you're for something or you're against something. You can't say on the one hand that you're against it in the public but in a forum such as the Legislative Assembly sit back and sort of sneak around the issue. I think we have to, all of us, say it as it is.

Right now I'm looking at *Hansard*, page 2134, from yesterday's debate. The Member for Calgary-Varsity goes on to say that "We probably don't need to hear the opposition reinforcing this, because in effect they're supporting our existing policy." Oh, no kidding. We're supporting their existing policy, their policy of no loans and loan guarantees to business. Well, if that's the case, Mr. Speaker, if you're going to talk the talk, you've got to walk

the walk too. You just can't go halfway. You just can't say on the one hand that you're going to do something and then on the other hand that you're not going to support a Bill that reinforces what you're saying.

He goes on to say that he'd like to take this opportunity to thank us for supporting their policies. I'm paraphrasing as I go along. He says:

I'd like to just reaffirm that this government is against the use of loan guarantees and indemnities as a means to encourage economic development in the province of Alberta.

Whoop-de-do. Absolutely great. But you know what, Mr. Speaker? That's exactly what this Bill says. The very first section says quite clearly that we will amend the Department of Economic Development and Trade Act "by repealing section 9," which is quite specific with respect to loan guarantees, providing guarantees and indemnities to corporations. The second section of this Bill is "the Department of Technology, Research and Telecommunications Act is amended by repealing section 10" of that Act, again specifically geared towards providing loan guarantees to businesses. "The Department of Tourism, Parks and Recreation . . . by repealing [again] section 9," which is quite specific: providing loans and loan guarantees to businesses.

Nowhere in the Bill does it mention anything in that we want to repeal loans or loan guarantees to students. Why draw the students into this thing? I mean, I can't imagine why anybody would want to do that when we're not talking about that at all. We're just saying that you've lost \$2 billion so far. Two billion dollars is what the Financial Review Commission – this is a report put out and commissioned by the government themselves on January 21, 1993. It says quite clearly that

the high degree of risk is illustrated by the fact that the government has written off or provided for \$2,100 million in loans and [loan] guarantees since 1985.

Now, that's all we're after here, Mr. Speaker. Nothing to do with what the Member for Calgary-Varsity was saying.

### 3:20

He goes on on page 2136 of *Hansard*. He says:

Mr. Speaker, Bill 213 is an unnecessary piece of legislation that need not be passed. It accomplishes little, and as I mentioned earlier in my remarks, perhaps the Bill should have dealt with the consolidation of all loan guarantee and [indemnities] under one Act.

All of these departments have now been amalgamated under the department of economic development, tourism, and trade. We're trying to deal with it in that context alone. We're not trying to get the Education department or advanced education involved at this point in time. This is quite clear. The Member for Edmonton-Ellerslie has said that the loan guarantees have cost this province over \$2 billion. That is only to date, Mr. Speaker. We don't know how much more we're going to be faced with. I mean, the Financial Review Commission has identified in outstanding loans and guarantees and investments \$12.2 billion as of March 31, 1992. So when we're talking about the write-downs or the losses of \$2 billion, hey, it's not over yet. It could go a lot higher, and I think it very well may.

Something which would seem insignificant compared to the \$2 billion is the riverboat guarantee, the guarantee through the Treasury Branches for this riverboat of about \$700,000 or a million dollars. I don't know exactly how much it is. It looks like we're going to eat on that one too, Mr. Speaker. That's all we're saying: just put an end to it. Nobody on this side of the House can say, "Well, that was then and this is now," because we did the riverboat not long ago. We did the guarantee for PWA. I'm not saying that it was good or bad, but I'm saying that we did

it. We did the guarantee for the cookie factory. We may have been pushed into that situation.

MR. PASZKOWSKI: What's wrong with it? That created jobs, you know.

MR. CHADI: We may have been pushed into that situation; nonetheless we were there. We were there, and we did provide those loan guarantees. The minister of agriculture is going out now and just harping away defending it saying: we created jobs; we created jobs. Well, your own policy, Mr. Minister, says that you're not going to do that anymore, so now you're talking out of the other side of your mouth. You can't do that, you know. You've got to talk straightforward. You can't be talking out of both sides.

MR. PASZKOWSKI: You're a real asset.

MR. CHADI: Mr. Speaker, the Minister of Agriculture, Food and Rural Development I believe has something to say, and if he has something to say, please stand up and say it.

MR. SPEAKER: Is the hon. minister rising on a point of order?

MR. PASZKOWSKI: He asked me to speak on his behalf, Mr. Speaker, and I'm pleased and honoured to do so.

MR. SPEAKER: Well, I don't think the hon. member has that power.

MR. CHADI: Mr. Speaker, he made a very insulting comment, and he doesn't have the guts to stand up and say it again.

#### **Speaker's Ruling Parliamentary Language**

MR. SPEAKER: Order. [interjections] Order. Order. The hon. Member for Edmonton-Roper will have to find another description of this, because the word that he has used has long been held to be unparliamentary in this Assembly.

MR. CHADI: Well, he doesn't have the gumption to say it, Mr. Speaker. Thank you.

#### **Debate Continued**

MR. CHADI: Mr. Speaker, all we want is a level playing field created in the province. A level playing field: that's something that probably none of you would understand. Maybe there are a few of you in the bunch that would understand but certainly not all. A level playing field that would ensure that all companies are treated equally, that nobody gets an unfair advantage because of government funds going in to guarantee an operation: what's wrong with that? How can anybody argue against that? For members to stand up and support the status quo is unbelievable.

I'm going to certainly be watching to see how this vote comes about because, you know, in a related kind of a way we have put up \$200 million with Vencap. We put up that money in the year 1983. To date we have received very little on our investment. How are those government funds, those taxpayers' funds being utilized? Well, I'll tell you, Mr. Speaker. They're being utilized to compete against other taxpayers' ventures. A simple example would have been when Vencap got involved in the restaurant business. Gee, there were a couple of restaurants in the Edmon-

ton area. I tell you, on 116th Street – I would hate to have had a restaurant in that area, knowing full well that taxpayers' dollars were out there competing against me. Any of those restaurateurs, how would they have felt? That's all we're saying: create a level playing field here. Quit the laughing and the gibberish and all the rhetoric. Come on; get down to business, and let's straighten this affair out. I know we can, because we've got a Bill before us in Bill 213 that allows that.

It wasn't so long ago that we repealed other sections and entire Acts, Mr. Speaker. I remember doing Bill 14. The minister of agriculture would remember that I'm sure. We repealed things like the Threshers' Lien Act. We repealed the Dairy Industry Act. We repealed the Seed Grain Purchase Act. Fourteen Acts we repealed. So it's not unusual in this day and age and the way that we're performing, and I think government is moving right along in a very quick fashion. This is a timely piece of legislation, and I would encourage everybody to support this Bill.

Thank you.

MR. SPEAKER: The hon. minister without portfolio.

MRS. MIROSH: Thank you, Mr. Speaker. I rise to not support this Bill only because I don't think it's gone far enough. As a matter of fact, all of the loan guarantees statutes could probably be amalgamated under the Financial Administration Act. There are a lot of changes that must be made, but this Bill does not go far enough. So I believe that it should be reviewed, as we have moved along in Alberta Opportunity Company and made some significant changes. The Member for Calgary-North West has alluded to the loan guarantee program with the Alberta Opportunity Company. These guarantees are only to chartered banks and the Alberta Treasury Branch, and they enable small businesses. Small businesses are the backbone of Alberta's job creation and wealth. In order for some of these businesses to continue, the loan guarantees give them operating credit to meet their banks, where their banks are not prepared to give them any more funding. For that we do take fixed assets.

Mr. Speaker, as a matter of fact, in the last five years several thousand jobs have been created as a result of that, and the loss to taxpayers has been minimal. It's been 90 percent successful, and now we feel that the areas where we have failed badly we've corrected, such as the venture and seed investment activities. It has been eliminated. This division was commenced seven years ago and was designed to invest in young high-tech companies. At the time it seemed like a good idea, but because of the significant losses we have wound that down, have made some changes. So I think a statute like this has to address those changes of today, and by doing that, with the amalgamation of the departments that has already been alluded to and with the ongoing changes, we should put this under one piece of legislation only.

I think it's important again for the Assembly to realize that the mission of the Alberta Opportunity Company is to provide financial assistance and guidance for Alberta businesses in small communities. Certainly they're not there to compete against private sectors who do not get the loans. They're only given to those particular businesses who need it and there's no other business like that in that community. Mr. Speaker, you have that in your own constituency, I know. So the priority is given to the Alberta-owned businesses who are labour intensive. In your own constituency it has been successful. I've been watching. The Alberta opportunity fund prohibits the provision of assistance to businesses engaged in basic agriculture or housing.



3:30

The mandate was created in 1972 to address the wide shortfall between financing available to small and medium business from commercial lenders, and that problem still exists today. Commercial lenders now work as a partner with the Alberta Opportunity Company to help these businesses survive, because even today after all of these years these large banks will not give these businesses any loans. They have a list of successful rates as a result of the Alberta Opportunity Company helping these people through, putting forward a business plan, and then when they get on their feet, the chartered banks have taken over. They have thanked us for this. It's created business for the banks as well as we've done this. These are loan guarantees that have been successful.

Probably 6,500 loans have been given over the last five years. Mr. Speaker, there are instances where we have made changes and corrected them, but there are also areas where we have to look at the province as a whole, look into the small communities, and work with small businesses to enable them to grow. Our target is still to create jobs. Job creation is done by private sector to facilitate new jobs, securing of existing jobs through the provision of finance again to small businesses to obtain business financing in the private sector. I want to emphasize the private sector again. Private sector creates wealth and creates jobs, not the government, so the government is just there to facilitate.

Mr. Speaker, I know that there are a number of speakers, but I wanted to clarify the changes that AOC has made with regards to loan guarantees and the consulting services that they have, the corporate marketing. They help businesses to be creative and innovative. I believe that the Alberta Opportunity Company with their three-year plan is targeting exactly our philosophy in Seizing Opportunity in Alberta.

Thank you.

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

The hon. Member for Lethbridge-East.

DR. NICOL: Thank you, Mr. Speaker. I'd just like to make a couple of points on Bill 213 that deals with the loan guarantee statutes of the government. If we look back through the process, through economic literature, through professional discussions, I think it's becoming very clear now that very few of the professionals in the area of business promotion agree that loan guarantees are a good mechanism. There are other mechanisms that work much more effectively in making sure that viable businesses get started in an economy. We hear so much about creating the Alberta advantage, and we want to be sure that it's done correctly. That means we have to deal with it from the perspective of the kind of promotion programs for business that are long lasting, that are equitable, and that can bring about the kind of development that we want for Alberta.

The idea of a loan guarantee in itself raises a lot of questions about the viability of the company. The commercial financial sector has to be the best judge of whether or not a proposal for a business reflects any degree of viability within the industry that the proposed business is trying to establish itself in. If we look at a situation where governments provide an opportunity for loan guarantees, what we see is that this commercial financial sector says: "Gee, why take the risk? We've got a marginal business proposal that we probably would have financed, but let's get the government guarantee put in place just in case." What this does is distorts the market both in terms of the financial operation of

the business, in terms of the financial market itself in terms of supply and demand, in terms of the expected rates of return, in terms of the discounts that the banking institutions can use to deal with the viability of loans. So what we end up then with is really a major distortion in the total market position.

Now, in situations where we've used loan guarantees to maintain the existence of current businesses in the industry, let's face it, Mr. Speaker, those kinds of operations are at best marginal anyway. Otherwise, they wouldn't be in financial trouble to start with. What we need to do is allow for a change in the structure of the business, a change in the structure of the industry that will make it competitive. We've seen situations where businesses that have been supported by government loan guarantees or government loans continue to distort the sector. I think Gainers has got to be a good example of that. The existence of a government-supported, government-financed business distorts the industry. It prevents the kind of growth that is possible in the industry. What you end up with then is inequity in the ability of firms that are trying to make it on their own financing in the industry. So what you deal with, especially when you're dealing with big businesses, is a very direct interruption of the equity that's necessary to make industries competitive and to provide an incentive for other businesses that are operating on their own financing to expand within the sector. So basically, then, we don't want to deal with it in terms of supporting big business.

If we look at the kind of support that we need to deal with in terms of small business, most of the entry constraints on small business are associated with criteria that aren't necessarily financial. If we want to get in and try and promote the development of small business in Alberta, create our Alberta advantage, create the diversity that we need to have - these are, you know, the kinds of terms that we hear constantly about the future and the direction that we should be taking in Alberta - what we've got to do is look at options for providing the infrastructure that's necessary for small business to operate. The big business incubator programs were very effective in getting some small businesses started; they created distortions in others. So these kind of have to be looked at as well.

What we end up then with is basically making sure that businesses have the infrastructure that's necessary to be competitive. For most small businesses this has to deal with information access, market promotion, market development, market identification, and that doesn't need a loan guarantee. That doesn't need the kind of financial commitment that distorts the market and distorts opportunity. What we can do is deal with these kinds of situations for small businesses through support services, the kind of information dissemination opportunities that have been developed.

The problem also arises when we start dealing with loan guarantees coming up in the market in that we get distortions not only in the financial sector but also in the capital sector where we have to start dealing with the impact that these kinds of loan guarantees will have on the opportunities for the capital asset market within an industry. Even though this is not included in here, I can give a good example: the way the Alberta Ag Development Corporation impacted on the price of land in Alberta when they were giving out loans on a large scale. These kinds of things have to be kept under control.

#### Point of Order Questioning a Member

DR. WEST: Mr. Speaker.

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

DR. WEST: Would the hon. member entertain a question in debate under *Beauchesne 492*?

DR. NICOL: Do I have to look up 492?  
Yes, I'll entertain a question.

DR. WEST: Would you?

DR. NICOL: Sure I will.

DR. WEST: Knowing some of the limitations in the discussion that you put on loan guarantees and benefits, could you tell us, because you're the agricultural critic, where you stand on the loan guarantees called the Feeders Associations of Alberta?

DR. NICOL: Mr. Speaker, that's well outside the bounds of the current discussions on loan guarantees, but I've made my position very plain on that. This is something that needs to be reviewed. It needs to be dealt with in terms of co-operative discussions with the Feeders Associations, and they need to be put in a position where over time they are, in an agriculture term, weaned off of the program. This has been made very plain to the Feeders Associations in our discussion. The main issue is that when you have to change programs, do it with compassion. Give them the time to make an adjustment. I think this is the kind of opportunity that they'd like to see as well.

3:40

#### Debate Continued

DR. NICOL: In continuing my discussion on Bill 213, Mr. Speaker, a couple of last points that I just wanted to bring up deal with the idea that if we put in place loan guarantees, what we're doing is inviting retaliatory action by other jurisdictions. We are constantly talking about the idea that we want to reduce interprovincial trade barriers. We support the idea of looking at a global economy. If we're going to put in place within our political jurisdiction programs which influence business decisions, we're not participating properly or ethically in the concepts of open trade and free trade that we're trying to promote. When we distort the market, distort the incentives, we end up then getting into competitive bidding positions for the establishment of new industry. If we put a financial incentive for a business to come to Alberta when that business wouldn't have come here on its own incentive, under its own market-driven decision process, what we've got is a situation where that business has made a choice to locate in Alberta when it didn't have the economic environment to make it viable here. Now, the only way we can continue to support that business is to continue to put public money into it. If we want to deal on an international market, if we want to deal on a Canadian market with our businesses being competitive on that basis, we have to make sure that they have a competitive situation and that they can stand on their own when they establish here.

We want our labour force to have long-term jobs. We want to have a commitment that will provide stability to them, and we've got to provide that by allowing our businesses to be stable and not constantly dealing with the ideas of, "Gee, if I don't get public money, if that public money gets cut off, how can I deal with the competitive position in the world environment?" We can't, Mr. Speaker, and we've got to deal with it from equity, from openness up front, and the best way to deal with that is no loans and no loan guarantees from the public treasury. We've got to look at it from basically that the Alberta advantage has got to be built on

our resource base, on our people, on our natural resources, and let industry develop it competitively.

We've also got a problem that Bill 213 addresses very adequately. On numerous occasions when the government ministers have been challenged in terms of why did they give out a loan to this business or a loan to that business or a loan guarantee through this bank or that bank, the comeback was: well, gee, that's the mandate of this program, to give out those loans, to give out that support to business. Well, Mr. Speaker, this Bill will eliminate the mandate for those loans to take place, and the ministers won't feel obligated then to give out the loans to make effective use of the dollars allocated to those programs within the government.

I'd just like to in closing comment a little bit on some of the comments of the minister without portfolio. She talked about the AOC and its 90 percent success rate. If it's so successful, then we don't need it because the businesses that are applying for money through it would have viable proposals to put to the commercial financial sector. Why do they need to deal with a government-supported, a government-backed financial institution if these businesses are so successful? The idea that the AOC is providing extra-risk opportunity capital isn't verified if they're getting the same kind of payback and loan commitments that the commercial sector is getting. Believe me, a 10 percent default rate is quite attractive, so I'm sure the commercial banks would like to see that in many of their financial transactions.

The minister also mentioned that the commercial banking sector was very supportive of these kinds of programs; they were very happy to see them put in place. Well, Mr. Speaker, I would suggest that, yes, that's true. When they can get a government through these programs to put the general revenue funds up as the major risk-taker in terms of their transactions, I suggest that, yes, the commercial banks would be very happy to see these kinds of programs and they would support the government getting involved in them.

Bill 213 effectively would take and eliminate from the programs in terms of business development the options for those programs to be used in loan guarantees and loans, and I would urge all members of the Legislature to support it.

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

MR. BRASSARD: Thank you, Mr. Speaker. It's a pleasure to join in the debate of Bill 213. I, too, do not support the use of loans or loan guarantees as a means of encouraging economic development in the province of Alberta, primarily because it does not conform with this current government's philosophy. Having said that, however, I will not be supporting this Bill that is presently before this House.

My colleagues have already raised many of the points which I feel make this Bill inappropriate. When Premier Klein assumed the leadership of our party prior to the last election, he had the insight to establish an independent commission to review the province's financial position and report directly to Albertans. This Financial Review Commission released its report in March of last year. Within that report the commission made several recommendations regarding the use of loans and loan guarantees, the most important of which was that government no longer use loans or loan guarantees as a means to carry out public policy. Mr. Speaker, we have accepted that recommendation without hesitation.

This party did not promise the world to Albertans during the campaign leading up to last year's provincial election. What we did promise, however, was that we would balance the budget by

the fiscal year 1996-97 without raising taxes and without reducing the quality of core services this government provides to Alberta. We are keeping that promise. Another important promise that we made was that our government would follow the recommendations of this Financial Review Commission that I spoke of. We would de-emphasize the use of loans and loan guarantees as instruments of that economic development. Since June 15, when this government received the overwhelming support of Albertans, we have not issued a loan or loan guarantee. The only exception I would mention was to honour an outstanding commitment to Canadian Airlines that was made prior to taking over.

Mr. Speaker, Bill 213 proposes to remove sections relating to loan guarantees and indemnities from three Acts under control of the Department of Economic Development and Tourism. As I have just mentioned, the government has already stated that it will no longer use loan guarantees and indemnities as a means to encourage economic development in this province.

The problem that I have with Bill 213 is that it really accomplishes nothing in respect to this government's ability to issue those loans and loan guarantees. In fact, Mr. Speaker, there are numerous other provisions that allow this government to enter into these types of financial transactions. Even with the removal of the three sections referred to in Bill 213, the government could still enter into loans and loan guarantees through the Financial Administration Act. The narrow-minded approach of Bill 213 is its biggest downfall. If the opposition believes that the loan guarantee issue begins and ends with Economic Development and Tourism, they are sadly mistaken. Again, there are 20-plus other legislative provisions dealing with loans and loan guarantees. The Municipal Government Act, the community development Act, and the Department of Agriculture Act are just a few of the Acts which authorize the use of loans and loan guarantees.

This government has acknowledged the mistakes that were made by previous governments. At the time, government and a majority of Albertans believed it was the right thing to do to make such guarantees. Such megaprojects as Syncrude and Al-Pac and the Lloydminster biprovincial upgrader were brought to life because the government of Alberta felt there was a role for them to play in developing Alberta's economy. While other investments and guarantees have cost Albertans a great deal of money, there can be no mistake that there are certain benefits that still exist in this province.

### 3:50

I know of one instance right in my own constituency, Mr. Speaker, where a sawmill was becoming very redundant, was up for sale, and no one could buy it because the banks weren't interested. A buyer did come along who was very familiar with the industry, needed a \$6 million loan guarantee, and received it from this government. They went on to revamp and, as a matter of fact, rebuild the mill completely. They now have equipment valued in excess of \$25 million. Their sales last year alone were in excess of \$45 million. They are now building another sawmill of equal size and are going to be producing LVL lumber, which is laminated veneer lumber. They currently, in their original mill, are employing 367 people in an industry that hardly could employ 37 before it was taken over. So there are some success stories. Incidentally, they never ever did call on the loan guarantee, although they paid the percentage. I forget exactly what it was for the term of the guarantee, but they never ever did use it.

Mr. Speaker, I mentioned Canadian Airlines. I'd just like to note that they offer perhaps the most recent example we have had of our involvement in industry. Albertans were unsure of whether

or not the government should be involved; there's no question about that. The opposition would have preferred that this government not provide a guarantee and that thousands of Albertans would lose their jobs. The government of the day made a very difficult decision to support Canadian Airlines and the many Alberta-based employees who fought for the survival of this uniquely western Canadian airline. Because of that guarantee, Canadian Airlines has since been able to close its deal with American and ensure its continued participation in the Canadian airline industry. This has guaranteed the continued employment of thousands of Albertans.

The opposition also came out against this government's involvement in Gainers. Since the very moment this government took over control of Gainers, the opposition called on this government to close it down and throw hundreds of Edmontonians out of work. Again, Mr. Speaker, the government had some very difficult decisions to make. Ultimately, the company was returned to the private sector and will continue to be a major employer in the city of Edmonton and to provide market access to northern Alberta producers.

There are numerous other instances where loans and loan guarantees are still utilized by this government: the student loan program, loan and loan guarantee programs offered through the Alberta Opportunity Company and the Agriculture Financial Services Corporation. Would the opposition have the government shut down these programs? Where exactly does the opposition stand on loan guarantees per se?

The most recent example of a contradiction in their policy is their opposition to the restructuring of the student loan program. Instead of the government interfering in the marketplace by guaranteeing student loans directly, private financial institutions will assume responsibility for 90 percent of all student loans handed out in the province of Alberta. Even though this restructuring will save the taxpayers of Alberta millions of dollars and completely remove the taxpayer from guaranteeing 90 percent of the student loans, the opposition is against this proposal. There really is no consistency on the opposite side of this House when it comes to loan guarantees.

Plain and simple, Mr. Speaker, this government does not require the passage of Bill 213 to keep its promise to Albertans. I might suggest, however, that the opposition introduce a Bill which would require them to keep their own election promises.

Mr. Speaker, I am not prepared to support Bill 213, and I encourage all others to do likewise.

MR. SPEAKER: The Chair regrets interrupting the hon. Member for Olds-Didsbury, but under Standing Order 8(5)(b) all questions must be decided to conclude debate on a private member's Bill which has received 120 minutes of debate at second reading.

I now put the following question to conclude the debate. All those in favour of second reading of Bill 213, Loan Guarantees Statutes Amendment Act, 1994, as proposed by the hon. Member for Edmonton-Ellerslie, please say aye.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: Those opposed, please say no.

SOME HON. MEMBERS: No.

MR. SPEAKER: The Bill is defeated. Call in the members.

[Several members rose calling for a division. The division bell was rung at 3:56 p.m.]

[Ten minutes having elapsed, the Assembly divided]

For the motion:

Abdurahman	Decore	Sapers
Beniuk	Dickson	Sekulic
Bracko	Kirkland	Van Binsbergen
Bruseker	Mitchell	Vasseur
Chadi	Nicol	White
Collingwood	Percy	

Against the motion:

Amery	Gordon	Mirosh
Black	Haley	Paszkowski
Brassard	Havelock	Pham
Burgener	Herard	Renner
Calahasen	Hierath	Rostad
Cardinal	Hlady	Smith
Clegg	Jacques	Stelmach
Coutts	Kowalski	Tannas
Dinning	Laing	Taylor, L.
Dunford	Langevin	Thurber
Evans	Magnus	West
Forsyth	Mar	Woloshyn
Fritz	McFarland	

Totals:	For - 17	Against - 38
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[Motion lost]

**Bill 214**  
**Members of the Legislative Assembly**  
**Remuneration Review Commission Act**

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

MRS. ABDURAHMAN: Thank you, Mr. Speaker. I rise to speak with regards to the Members of the Legislative Assembly Remuneration Review Commission Act. It's indeed with pride that I rise to speak to my private member's Bill, inasmuch as it certainly was a commitment of myself during the election campaign that trust, openness, and integrity indeed needs to be restored, not only at the provincial level of government but all levels of government across Canada and within the province of Alberta. It saddens me to see the lack of trust that the public at large has when it comes to elected officials.

**4:10**

I firmly believe it is important indeed that no elected persons ever put themselves in the position of being both judge and jury. Unfortunately, over the years in many instances elected officials have indeed done that, Mr. Speaker, particularly in the area of setting their own remuneration. I can use another example where I had a level of discomfort: when it came to development appeal boards. Where within the province of Alberta we saw municipal governments using their legislative ability for full representation on development appeal boards, that would indeed be the very people who had created the legislation. So through Bill 214 I believe this would be a small step in beginning to restore the trust and integrity and opening up of government that Albertans so desire.

I was intrigued, Mr. Speaker, to hear a Member of the Legislative Assembly from the government side saying that we don't need legislation to keep promises. I cannot agree with that

a hundred percent. I think in certain instances indeed we do need legislation to ensure that there is an openness and a restoring of integrity.

Through Bill 214 we're looking at fairness. We're also looking at leadership. I'd also say that the present Premier certainly communicated to Albertans his level of discomfort as to what had happened prior to the last provincial election when it came to remuneration of Members of the Legislative Assembly. In fact, to say that it was obscene would be an understatement.

Mr. Speaker, no political party has a monopoly on good ideas, and no political party has a monopoly on creating good, sound legislation. I would suggest that if indeed this government and particularly the Premier of this province wish to keep their commitment to Albertans, they will support Bill 214.

I would reference back to July of 1993, Mr. Speaker, when certainly the Premier and certain members of the then cabinet criticized what was revealed when we were dealing with cars, the types of cars that were being driven by members of the Legislature, and also July 20, when the then and now Premier Klein promised to cancel the cars and set up an independent body to look into all aspects of MLA pay and perks. [interjections]

You know, it's always convenient when you don't like what you're hearing that you start to throw stones. What I'm hearing, Mr. Speaker, is indeed that happening. What I would like to communicate through Bill 214 is that irrespective of where you sit in this House, trust and integrity and openness must be restored. When we're using examples, whether it be the now Premier Klein or whether it be the hon. leader of the Official Opposition through a letter on October 4 asking for a commission to be put in place to evaluate how we should remunerate Members of the Legislative Assembly and also to make recommendations so that they can be implemented, here we are in May of 1994, and very little action indeed has taken place that would bring some credibility to this process. I would be the first to acknowledge that certainly there have been small steps, but those have been done within the political party system and within the government of Alberta.

Within Bill 214, when we look at the contents of this Bill in putting in place a commission to indeed do the review, the legislation is asking for five members that would reflect

the interests of the following groups,  
the professions,  
small business,  
labour,  
oil, gas and petrochemical industry,  
the general public.

It also clearly states that these members should be truly representative of

the geographical composition of the province [of Alberta] including,  
Calgary and Edmonton . . .  
the southern, central and northern regions.

[Mr. Clegg in the Chair]

The chair of this commission, Mr. Speaker, would be "appointed by the Lieutenant Governor in Council on the recommendation of the Legislative Assembly," and the chair must be "a judge of the Court of Appeal, the Court of Queen's Bench or the Provincial Court." The chair may also be "a retired judge of any of those courts or of the former district courts or Supreme Court of Alberta." This indeed would create an independence and would restore, I believe, integrity to government. It would clearly be an example and show leadership to all other levels of government. The commission would report "no later than 60 days

[after] its first meeting." The frequency of the new commission, under section 3(4): it must "be appointed within 30 days of the commencement of [every] new Legislature and shall meet within 15 days of being appointed."

Now, this is important so that indeed after every provincial election we would see a commission, an independent commission, being put in place. We would also see through Bill 214 that the recommendations would be binding. We've heard reference today to the comments of accepting the recommendations of the Financial Review Commission. I would ask, Mr. Speaker: was the member who acknowledged this during the previous debate on Bill 213 saying that this government indeed was committed to one hundred percent implementation of the Financial Review Commission's report? What we're saying in Bill 214 is that they would be a hundred percent committed to the recommendations of this commission.

MR. DINNING: Do it before the election, Muriel.

MRS. ABDURAHMAN: Within Bill 214 we are also asking that the commission hold public hearings, but it must "give reasonable public notice" of hearings under section 7(2).

Mr. Speaker, we have heard many negative things coming from the government side when it has come to either private members' Bills or amendments being brought before this House by the Official Opposition. I would suggest that if this government is committed to changing the way they have historically done business, they indeed give credence to that. And if they see some merit in a private member's Bill or in a motion or in an amendment to one of the government member's Bills brought forward by their own members or the Official Opposition, why don't they allow the amendment to be carried? Or introduce a meaningful amendment to the Official Opposition's private member's Bill, instead of sitting across on the other side of the House and all they do is criticize and criticize.

I'd also, Mr. Speaker, challenge this government inasmuch as I've heard from a number of members that this Official Opposition should keep its election promises. Here is an opportunity for all sides of the House to keep an election promise, whether you be on the government side of the House or whether you be an Official Opposition member of the House.

4:20

I'd also like to remind members – if I've heard it once, I've heard it a thousand times: we won; you lost. How convenient to turn that statement when they say: why don't you keep your election promises as an Official Opposition? I'd remind them, Mr. Speaker, that the role of the Official Opposition differs substantially from that of the government, and I think it would behoove this government to realize the significance of the two roles to ensure that democracy is indeed well and healthy in the province of Alberta.

MR. DINNING: Well, Albertans aren't getting their money's worth from you, Muriel.

MRS. ABDURAHMAN: I'd also say, Mr. Speaker, that when our Provincial Treasurer continually creates disturbance in this House when I'm speaking, it tells me something: the Provincial Treasurer indeed has sensitive spots when the hon. Member for Clover Bar-Fort Saskatchewan is speaking. It may be that he has qualms of conscience when I get up to speak about the history of previous Conservative governments. The degree of rudeness that

this member shows when I stand to speak I think speaks volumes, because the relevance is that when you're talking about openness, integrity, and accountability, I hear continually negative things coming from the Provincial Treasurer. I think the first thing we need to do is that those who live in glass houses shouldn't be throwing the stones.

One of the things, Mr. Speaker, that I believe Bill 214 does is indeed show leadership. Whether it's the Municipal Government Act, Bill 31, whether it's Bill 19 or Bill 20, we can set the stage so that municipal governments, hospital boards, and school boards could follow by example the provincial government in ensuring that we never are judge and jury when it comes to setting our own remuneration.

Indeed, Mr. Speaker, the Premier of the province moved with lightning speed when the outrage of Albertans was felt by the previous government of Alberta regarding pensions. Now, it doesn't matter which political party you belong to. I would say that that outrage was directed at all political parties, and we all share in some of that responsibility.

DR. L. TAYLOR: I don't.

MRS. ABDURAHMAN: Now, we indeed do share in some of that responsibility, because here today we have an opportunity, Mr. Speaker, to support Bill 214, which will allow for an independent commission to be put in place. [interjections]

#### Speaker's Ruling Decorum

MR. ACTING SPEAKER: Hon. member, I'm sorry to interrupt, but we have two hours of debate on this left, and I'm sure that everybody will have the right and the privilege to talk on this Bill. We don't need everybody yelling across: I'm such a good fellow. It was started by the right side this time, and then the left side started. So, please, let the hon. member voice her opinion. Everybody has their own opinion. [interjections] Order. Everybody has the right to their opinion, so let's just keep it down.

Hon. member.

MRS. ABDURAHMAN: Thank you, Mr. Speaker. I appreciate very much your comments, yet again I can see they've been totally ignored. So I certainly must indeed be touching that very sensitive spot that government members have.

#### Debate Continued

MRS. ABDURAHMAN: As I've stated not once, twice, three times, four times, or five times in this House, if indeed this government wants to open up the way they do business, restore trust and integrity, show some leadership, and bring some fairness into the system, they will support Bill 214.

Now, Mr. Speaker, I think the first thing that we indeed should be doing is allowing this commission to be put in place. Within the legislation . . . [interjections]

I said it once before, Mr. Speaker, and I know I'm using my own time up, but I've no intention of competing against the rudeness on the other side of the House. No intention. And I'll stand here until I have silence.

MR. ACTING SPEAKER: Hon. members, I did rise here about two and half minutes ago. Please, let's have order in the House. The hon. member has the floor and is entitled to voice her opinion.

Hon. member.

MRS. ABDURAHMAN: Thank you, Mr. Speaker. The one thing that I would very much like to see is true democracy working within this House. To have a true democratic process, we as Members of the Legislative Assembly, irrespective of party affiliation, should do what's right for Alberta and what's right for Albertans, not use the party system to undermine the democratic process. That's what I continually see happening day in, day out within this House.

So I would say to every member sitting in this House that if indeed you are serious about not being judge and jury, you support Bill 214 and ensure that part 3 of the Members' Services Committee remuneration of members would be amended through this Bill, then allowing the commission to do the job that previously was done under the Members' Services Committee. Only then, I believe, Mr. Speaker, will Albertans have trust restored through the Legislative Assembly and there will be a level of comfort in Albertans that Members of the Legislative Assembly are appropriately remunerated and that it has been set by a truly independent commission.

I thank you, Mr. Speaker.

MR. ACTING SPEAKER: Thank you, hon. member.  
The hon. Member for Three Hills-Airdrie.

MS HALEY: Thank you, Mr. Speaker. As a member of both the Assembly and the Special Standing Committee on Members' Services, I would be remiss if I did not rise and speak against this Bill this afternoon.

Mr. Speaker, as you are aware, earlier this year the Special Standing Committee on Members' Services discussed the issue . . . [interjections]

MR. ACTING SPEAKER: Order.

MR. CHADI: I've never seen anything like it.

MR. ACTING SPEAKER: Just stick around a little while longer; you'll see it again.

Hon. members, the same applies. Give the hon. member the privilege of voicing her concern.

The hon. Member for Three-Hills Airdrie.

MS HALEY: Mr. Speaker, as you are aware, the Special Standing Committee on Members' Services earlier this year discussed the issue of establishing an independent commission to conduct an analysis of MLA indemnities and allowances. Therefore, I feel this Bill is redundant. I find it surprising that a member of the opposition caucus would have sponsored a Bill which proposes the establishment of an independent review of MLA remuneration. Mr. Speaker, I would like to cite page 54 of the Members' Services *Hansard* from August 28, 1989, when the present Member for Edmonton-Rutherford stated:

Some . . . may advocate an external review. I don't believe in an external review, and our caucus doesn't believe in an external review. Only members themselves can . . . determine [what our remuneration should be]. I've seen external reviews in the past that simply haven't worked.

MR. WOLOSHTYN: Who said that?

4:30

MS HALEY: Edmonton-Rutherford.

Why, Mr. Speaker, do you suppose this abrupt about-face? Is it because the opposition makes its policy decisions based only on whatever whims they feel are politically expedient at the time?

An independent review of MLA and cabinet minister remuneration is also redundant since the last external review was completed almost one year ago. The consulting firm of Peat Marwick Stevenson & Kellogg was retained to examine how compensation packages for Alberta ministers and MLAs compared with equivalent positions in the private and public sectors.

Through an all-party agreement, Peat Marwick consulted and asked for input as it related to remuneration received by Members of this Legislative Assembly. This firm worked with the Members' Services Committee as well as an appointed committee in conducting its assignment. Peat Marwick used its own in-house evaluation plan as a means of comparison. Modifications were made to its evaluation plan in order to reflect the unique nature of MLA and cabinet minister positions. Thirty-two selected MLA and ministerial positions were evaluated. They were compared and contrasted under this plan. These consultations consisted of interviews with seven ministers of the Crown, 15 private government members, and 10 opposition members, including the present members for Calgary-North West, Edmonton-McClung, and Redwater. It is significant to note, Mr. Speaker, that both the study commencement and data collected or acquired were prior to the reduction and restructuring of cabinet and committees in December 1992.

Following the interviews and analysis a report, at a cost of \$125,000 to the Alberta taxpayers, was presented to the Members' Services Committee in March of 1993. This report contained a number of conclusions. I would like to read one of the major conclusions, found on page 2 of the report, and I quote:

On a cash basis, we found that MLAs were paid lower than both the public and private sectors and at approximately the same level as elected officials in other jurisdictions.

When the total compensation package, which included the MLA pension plan, was taken into account, the authors of the report concluded that MLAs were paid higher than the public sector, higher than the private sector at the MLA level but lower than the public sector at the ministerial level. MLAs were – and I emphasize the word "were" – paid slightly lower than comparable elected officials in other jurisdictions.

However, if members were to compare their present – present – compensation packages using the Peat Marwick data, they would notice that MLAs and ministers today make less respectively than their counterparts did in January of 1989. Today both MLAs and ministers alike earn less in both cash as well as total compensation than the public and private sectors. In a comparative study on vehicle allowances, rates for members of the Assembly were either on par or in many cases lower than allowances paid by the civil service, Crown corporations, or the private sector.

Mr. Speaker, I would like to disclose some of the major recommendations contained in the Peat Marwick report and explain what action has taken place. I think you will agree that this government has taken action further than the report authors might ever have thought possible or maybe even advisable. First, while the report recognized that the nature of an MLA's job was full-time, it felt that the committee attendance allowance and tax free allowance should be abolished. In addition, the authors thought cash compensation for both MLAs and cabinet ministers should be brought up to the same level as comparable positions in the public sector. This included increases of approximately \$5,000 and \$19,000 respectively for private members and cabinet ministers. Additionally, in order to bring the total compensation

for MLAs in line with that of the public sector, it was suggested that the annual pension accrual for members of the Assembly be reduced.

What has happened since then? Well, as the government has given a high priority to balancing our budget, it was felt that Alberta's elected representatives should lead by example. We all know what happened to the MLA pension plan about a year ago: it was eliminated. Cabinet ministers' salaries were reduced by 5 percent along with MLAs' in January of this year.

The number of committees have been reduced. As of December 1992, after data was gathered for the study, so too were committee attendance allowances. Under the revised Members' Services Committee orders, members of either category A or category B committees may claim a committee allowance for committee hearings held outside a session of the Assembly. This contradicts the Liberal position in '89, when the Member for Edmonton-Rutherford endorsed an additional monthly per diem for the chairmen of the A category committees of \$350 per month.

In the end, within the span of nearly a year, both private members and cabinet ministers have seen their remuneration reduced nearly 35 percent from January 1, 1993, levels. In fact, if you glance a little further, you will notice that we are in many cases making less than what our counterparts did prior to August of '89, when they took the infamous raise.

Mr. Speaker, as you can see, the House has indeed been leading by example. Through sponsorship of this Bill, it is evident that the opposition feels that the Members' Services Committee is not productive. They feel that members cannot and should not be held accountable for determining their own remuneration in a fair and open manner.

However, before we start reinventing the wheel, I'll state that, yes, I do favour making the Members' Services Committee more productive. Let's remove the media and the continuous political posturing by the opposition, roll up our sleeves, and get down to work. On the Members' Services Committee we spend days discussing this very issue: reviewing remuneration for Members of the Legislative Assembly. As well, the committee spends time hearing and answering complaints raised by Liberal members on the committee. Among other things, we hear petty gripes from some Liberal members on unfounded accusations like defeated or retired MLAs from the last election taking off with constituency furniture, computers, and even government-issued cars.

When it comes time for Members' Services Committee to trim the budget for the Legislative Assembly, one can be sure that the Liberal members on the committee will fight tooth and nail to protect their entitlements, which include constituency offices in close proximity to the Legislature, travel allowances for Edmonton members, and of course their leader's allowance. In fact, Mr. Speaker, I'd like to add that once again it was the present Member for Edmonton-Rutherford who voted for and even proposed many of the increases in salaries, benefits, and allowances, and other perquisites for members in August of 1989. Besides an automobile for the then third-party leader, the benefits included, among other things, a 30 percent salary increase for the leader of the Liberal Party. While it wasn't the 70 percent raise that the Liberal leader had been hoping for, it was nevertheless the highest pay increase of any party leader in recent memory. I might also add that the pay increase was on top of the leader's monthly allowance of \$1,200 paid from a special leader's discretionary fund financed through the Liberal Party.

Mr. Speaker, if the Liberals of this Assembly really want to do something radical, why don't they speak to their federal counterparts regarding the generous pension plans and double-dipping

going on there? Nearly two months ago the *Ottawa Citizen* reported that, according to the latest figures, Canadian taxpayers are on the hook for another \$12.2 million shortfall in the pension plan for MPs and Senators. I might add that this is in addition to a \$158 million top-up the federal government was forced to contribute in '91-92, after actuaries warned that there was not enough money in the plan to pay MPs and Senators who eventually will collect the benefits. For every dollar the Members of Parliament paid last year, which was \$2.33 million, the government contributed more than \$6 to the plan. Even with periodic top-ups, actuaries predicted in their report that the benefits cost would soon exceed what working MPs are paid. By 2005 it is expected that pension costs will be close to 110 percent of working MPs' salaries. With such gold-plated extravagance one wonders how serious the federal Liberal government is about this country's finances.

It is evident that this government right here in Alberta has been leading the rest of the country. What more a report by an independent commission, at a cost of \$125,000-plus, could accomplish so soon after the release of the Peat Marwick report is beyond me. Ultimately, Mr. Speaker, no matter how independent the report is, it must be passed in this Legislative Assembly, and that means it's our responsibility, just as is reflected in our Standing Orders. We are indeed masters of our own fate and our own destiny, and I don't think any of us should be trying to shirk our responsibility.

I urge my learned colleagues of this House to vote against this Bill.

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

4:40

DR. PERCY: Thank you, Mr. Speaker. I rise to speak in favour of this Bill. Let me start off by saying that the hon. Member for Three Hills-Airdrie spoke of political rhetoric, political posturing, et cetera. With respect, I would argue that there was a large element of that type of posturing within her speech.

Let's get down to basics, Mr. Speaker. There are I guess three fundamental issues here. First of all, the issue of credibility of elected officials. I think all hon. members would say that the credibility of elected officials is low. It's low because they appear on occasion to backtrack. It's low because on occasion they appear not to have a consistent set of principles that drive them. It is low because it is perceived, in the case of certain Legislatures – and this is one of them – that they set their own salaries, their own perks, their own fees. That does cause problems of perception. It erodes the notion that the legislators work independent of their own self-interest.

We have an Ethics Commissioner on hand to ensure that in our financial dealings everything is done transparently. In the House today, Mr. Speaker, we have 49 new members, all of whom have come in with the perception that they wanted to see a change in the way that government operated and they wanted to see a political process that was a lot more transparent and open. Certainly the message that all members got at the doors, and I think listened to, was that it could not be business as usual.

The hon. Member for Three Hills-Airdrie spoke of 1989 and what the hon. Member for Edmonton-Rutherford voted on. Well, that's history, Mr. Speaker. There are 25 new members in the Liberal caucus. Things have changed on that side, things have changed on this side in terms of what the issues are.

MR. DINNING: That was then; this is now.

DR. PERCY: Again this government keeps trying to say: "Well, we weren't there when the debt was mounting. We weren't there when MagCan emerged. That doesn't count because that was then." Well, the reality, Mr. Speaker, with this particular issue, with all issues is: let's get down to what we can do now. The issue now is how we can restore some semblance of credibility.

One easy step is to set the issue of remuneration aside and have an independent commission assess it, and then assess whether or not legislators are entitled to a tax free allowance. I don't think we are. I think everything that we receive should be taxed. That's my opinion, but it would be nice to have an independent body review it. I think members on both sides of the House have had constituents come up and say: "Well, why is part of your salary tax free? Why is part of this? What's the mix? How did it emerge?" Well, I can show them the little green book, Mr. Speaker. I can show them debates in various committees, but it really doesn't cut much with them. They'd like to know why we don't pay tax on everything that we earn, because they do. Why don't we? That's an issue, then, that an independent committee could assess very easily.

The hon. Member for Three Hills-Airdrie brought up the issue of the Peat Marwick Stevenson & Kellogg study. Again, the recommendations have not been implemented. On a piecemeal basis the government has reacted on the issue of pensions, on other types of issues related to certain perks, but there has not been a piecemeal implementation of that arm's-length recommendation. Nobody is at all questioning the thoroughness with which that report was undertaken. As the member suggested, they spoke to a large number of MLAs on both sides of the House. They attempted to assess the responsibilities of the various members and, in light of that, came up with a remuneration package that they thought was adequate. But it has not been implemented, Mr. Speaker. What we see, then, are piecemeal efforts in that regard.

I think, from my perspective, the reason I support this Bill wholeheartedly is that it allows me to go back to the constituency and say: "I did not make recommendations as to how my salary should be set. It was done arm's length by a public commission. Then it came back in." As the member on the other side suggested, ultimately that has to be voted on, but I'd much prefer to vote on something that was completely arm's length than a process where we debate and discuss what we should receive.

I think that type of issue should be taken out of our committee context and put aside externally, because that has been done elsewhere. I mean, certainly in Manitoba they had an independent review commission that assessed MLA remuneration. I would feel a lot more comfortable, Mr. Speaker, with the knowledge that there was an arm's-length commission doing it, making the recommendation. Then I agree that it is our responsibility. We have to vote on it. We have to live with the consequences when we go meet our electorate and face the voters. So I agree; we have to take the heat and we are responsible.

That's not the issue. It's an issue of the mechanism by which the remuneration package is set. I mean, it is a really bizarre mixture right now of tax free allowances, particular fee structures, automobile allowance, et cetera. Why not rationalize it, make it clearer, try and have it as an entire package, and do so in a way, Mr. Speaker, that takes into account the problems that face rural members, the distances associated with it and the extra costs of being rural members?

I mean, I think a number of these issues could be dealt with in a more consistent framework. At least when I look at the remuneration package that presently exists, I think there is an effort within the package to deal with some of the particular problems faced by rural members, but it's done so on a sort of piecemeal, ad hoc basis. It leaves everybody open to questioning as to, well, the amount of travel allowance: is it cheaper to own the car and receive an allowance, et cetera? Why not just have the commission look at it and say, "This is a fair package," and then we accept responsibility and vote on it?

Another issue that comes up is the concern that we're abdicating responsibility by having an arm's-length commission. That was a point that was made in several instances. I totally disagree with that. In fact, I think if anything, we're abdicating responsibility by debating it ourselves, because there are relatively few areas where you debate and set your own salary. We should not be involved in that.

One hon. member across the floor, in an effort to create grave disorder, shouted: what about doing it before an election? That seemed like a reasonable suggestion, an amendment, Mr. Speaker, but the problem is that we don't know when an election is going to be called, unfortunately. We know when the term expires, but I can't see a Premier getting up in the House and saying, "Well, you know, we need to set up this commission now because it could be that two months from now we're going to have an election." So I'd like to see a fixed term.

MR. DINNING: Do it every third year then, Mike.

DR. PERCY: Every third term. That's an amendment that could be brought in at committee. I think the issue of timing, when this is done – maybe every third year would make sense. Those are issues that could be dealt with in an amendment. I agree; I'd much prefer to have it done before an election so you take the heat. When you're knocking on doors, people say, "You don't deserve that; justify it." So I think that's a reasonable suggestion: do it before an election. That's easily an amendment that could be brought forward. There are friendly amendments that can be brought forward.

This Bill, Mr. Speaker, is an effort, then, to set this out of the context of the Legislature. Again, I would like some of the members who are not novices to come forward in the context of this debate and explain precisely how the remuneration package fits together, why it makes sense for rural members and urban members the way that the whole package has been constructed. I'd invite them to do it and in fact I'd challenge them to do it, because when I look at the package, it seems to have grown incrementally, bit by bit. I know that somebody on the other side will take me up on the challenge, and I look forward to it.

Again, why would you want to support this Bill, and why would the novices in this Legislature want to support this Bill? Because (a) it helps restore our credibility, (b) we can go forward and say it was done arm's length – we accept responsibility; we voted on it prior to the election, and then we can take the heat – and (c) what it would do is provide a comprehensive package where the income, I would hope, would all be taxable. It would take into account differences between rural and urban members, disparities between Edmonton members and elsewhere, and would try and put it together in a complete package. That could be set up as part of the terms of reference. But it would be nice to put this issue to bed once and for all.



The Member for Three Hills-Airdrie talked about the petty wrangling that occurs in the particular committee. Well, this would be one way of eliminating that petty wrangling, by getting it outside and dealing with it only once every three or four years.

I think it's a very straightforward Bill, Mr. Speaker. I think the principles set out in the Bill are very clear, and I would think all members in this House could support the principle, even if they disagree with the detail, and then at committee assess the detail.

So with those comments, Mr. Speaker, I will conclude, and I look forward to members on the other side who have been here a long, long, long time trying to explain exactly how it fits together very nicely and makes a lot of sense.

Thank you.

4:50

MR. ACTING SPEAKER: The hon. minister without portfolio.

MRS. MIROSH: Thank you, Mr. Speaker. I am pleased to get into this debate since I've been on Members' Services since 1986, when I was elected. I can also recall that the Member for Edmonton-Rutherford has been on that committee since 1986. Then – and I'm going to talk about then – the member that is sponsoring this Bill, prior to her being elected, was a PC, a Progressive Conservative member . . .

MR. DINNING: Percy wasn't a member then. Only five years of Percy. Percy wasn't in the class of '86. Only a select group.

MRS. MIROSH: Oh, sorry. Edmonton – what is he now? – Rutherford was the class of '89. I will stand corrected, of course. He doesn't go back as far as '86.

I'd like to just speak to the person sponsoring this Bill. I really think it takes a lot of nerve, quite frankly, when she sat as a PC cardholder and took remunerations as a board member around this city and had no problems with taking remuneration then and then stands here and talks about a committee that should be set up . . .

#### Point of Order Relevance

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

MR. ACTING SPEAKER: Edmonton-Whitemud on a point of order.

DR. PERCY: Relevance, Mr. Speaker, *Beauchesne* 459.

MRS. MIROSH: Relevance is about remuneration. We are talking about remuneration.

MR. CHADI: We're MLAs, Dianne.

MRS. MIROSH: You're MLAs. I'm getting to that. You spoke about history. I can talk a little bit about history too.

#### Debate Continued

MRS. MIROSH: We looked at various studies. We looked at boards, commissions, and how MLAs compared in what they were receiving. In 1986 Tevie Miller was the basis of what we went on. If you can recall, hon. members across the way, that was an independent committee, and the outcry from the public was just as bad as the outcry from the public when we set it ourselves. There was absolutely no difference. It was an

independent committee, and Tevie Miller was the chairman. We based those salaries on the Tevie Miller report in 1986 and continued to do that in 1989.

Then we decided that we should – and I was a member of the committee, and it was one hundred percent unanimous. All parties agreed to an independent study, which has already been talked about, by Peat Marwick Stevenson & Kellogg. We paid \$200,000 for this report. It was an independent study, absolutely, totally independent. There were criteria set out. How we conduct our work – we needed a basis for comparison. We used job evaluation techniques for comparison of jobs. This is a job. Then we compared ourselves to the external world. We looked at not only the cash compensation to MLAs in comparison to other MLAs and MPs across the country but also the total compensation. We looked at boards and commissions and other people in the province as well as across the country and what we were paying them for their work. We looked at expense accounts and how we compared to the private sector with the work that we conduct in the House.

It was decided in this report that each MLA had different jobs. Ministers have different jobs. MLAs have different responsibilities. The conclusion that was drawn was in fact that MLAs' salaries were very, very low compared to the private sector and certainly to the hours and hours of work that they put into their jobs. As we sit till 1 o'clock this morning, you will figure out what your salary is: it's less than 50 cents an hour.

MR. DINNING: When did you get an increase?

MRS. MIROSH: I got an increase in my pay? Sorry; maybe it's only 30 cents an hour. I didn't calculate it.

I would just like to also bring back what we had put in as a benchmark. There always has to be a benchmark, and it doesn't matter if an independent committee does it, whether MLAs do it, who does it. In the end the MLAs have to make that decision and take that responsibility, and that's all of us collectively. We do make that decision. This is the highest court. This is where the decision is made, whether it's an independent commission or not.

So we decided on a recommendation from the Tevie Miller report, which was an independent recommendation, that the remuneration would equal 55 percent of a provincial judge's salary, and that was accepted by the Liberals as well at that time. For the Premier of the province we equated that to the provincial chief judge's salary in the province of Alberta. The Leader of the Official Opposition, the Speaker of the Assembly, and a minister with portfolio – not without – were equal to a provincial judge's salary. A minister without portfolio and the leader of the third party were 75 percent of a judge's salary. This was an independent report, I might add, and those were the benchmarks that we had used at that time, in August 1989.

So we have here the Member for Edmonton-Rutherford. Again I'd like to quote from *Hansard*, Mr. Speaker. This is the Member for Edmonton-Rutherford, a Liberal, who said:

Well, Mr. Chairman, it's a difficult issue [having to look at our salaries]. Having been involved in political life before and having faced this particular situation, I know there's no magical solution. Some people may advocate an external review. I don't believe in an external review, and our caucus doesn't believe in an external review.

August 1989, not that long ago.

Only members themselves can really determine that. I've seen external reviews in the past that simply haven't worked. The other problem I have . . . I would have wished that a member of the media would have been here so we could have had comments recorded. That was a Liberal member, your member who still sits in this Legislative Assembly today, saying . . .

### Point of Order Imputing Motives

MRS. ABDURAHMAN: Point of order.

MR. ACTING SPEAKER: Hon. member, a point of order.

MRS. ABDURAHMAN: Standing Order 23(i). Speaking to the point of order, I certainly believe the member is imputing false motives on me for bringing forward Bill 214. It's my understanding as a Member of the Legislative Assembly that a private member can bring forward a private member's Bill, and it indeed does not reflect government policy; it does not reflect Official Opposition policy. I stand before you, Mr. Speaker, saying that the member has been imputing false motives, that indeed in a previous Legislature members of the Liberals have taken positions different than Bill 214. Bill 214 is a private member's Bill. It is not a party-affiliated Bill.

Also on the point of order, imputing false motives, Mr. Speaker, I'd clearly state that with regards to my appointment to Alberta Hospital Edmonton and also to the Public Health Advisory and Appeal Board, I was never in the position of setting my own remuneration. It was done through the Legislative Assembly of Alberta. Therefore, I would ask for a withdrawal.

MR. ACTING SPEAKER: Hon. member, you are giving a lovely speech. However, you did bring a point of order. I can't for the life of me feel how by reading from *Hansard*, which the hon. minister without portfolio was doing – certainly you're right that a private member's Bill does not have to have the support of any caucus. I suppose any Bill doesn't specifically need that support. You're right on that point, but I don't think you're right that you have a point of order. To read out of *Hansard*, I think the records are pretty clear on that. Certainly the hon. minister without portfolio is voicing her point on this Bill, and I'd ask her to continue.

5:00

MRS. MIROSH: Thank you, Mr. Speaker. Yes, for the record this is *Hansard*, and perhaps I can circulate this copy for the member across the way, because if this is imputing false motives out of *Hansard* . . . You have a member on the opposite side who does not agree with an external review. I think that Legislative Assembly members, all members should know exactly what members of the Liberal caucus are saying and have actually voted unanimously in our Members' Services, which is an all-party committee.

### Debate Continued

MRS. MIROSH: Again, I've been on this all-party committee. It's not only unanimous that the member didn't support external review; he even increased or made a motion that the leader of the third party of that day be given an additional \$13,669, which would bring his salary up to more than what a minister was making.

AN HON. MEMBER: How much?

MRS. MIROSH: Well, actually it equated to \$78,400.

He moved this, and I'd like to quote again, Mr. Speaker. The member says:

Mr. Chairman, speaking to that, the thing we attempted to address here – and if you notice, the benefit is really not to the

minister without portfolio; the benefit is to the leader of third party, Laurence Decore. No question about it.

He's sitting there giving his own leader a raise and talking about the importance of it and not needing an external review to do this. This is just so appalling. I can't believe it.

I would just like to again go back to the Peat Marwick report. The member across the way talked about history and that was then and this is now. I mean, 1989 was not that long ago. Prior to the election this Peat Marwick Stevenson & Kellogg report was put out. It was so thorough. There were people all over the province interviewed, the public. I brought this to my town. [interjections] Excuse me. Excuse me. If you want to debate, you had your turn. [interjections] You know, Mr. Speaker, the members opposite, if they feel they're being paid too much, should return their dollars to the Provincial Treasurer, because he'd be happy to take that money.

Mr. Speaker, I'd like to make some quotes from this study, and it's really important on the basis of comparison. There isn't an external review that would ever go into this kind of depth. The primary and significant comparison is the job evaluation, looking at each one of us as an individual, and the primary groups are knowledge and skills, the effort of the job. I suppose, you know, when you look at the responsibilities of errors, contacts, and so on, maybe yours should be lower than members over here. Perhaps that should be reviewed by Members' Services. "We used the job evaluation technique to compare jobs" and "a sample of MLA and Ministerial positions as benchmarks and evaluated them using the firm's job evaluation plan." In other words, this study used a number of firms' job evaluation plans to come up with the recommendations that they did in this report.

Mr. Speaker, the end result of this report – the end result of this report – was that MLAs are paid too low. Too low. Now, did we respond and immediately raise our salaries? Absolutely not. One year ago the ministers of the Crown took a 5 percent decrease. All of the members just this January took a 5 percent decrease, and the pensions were absolutely, totally eliminated. That is truly significant, absolutely truly significant. No committee members get remuneration. We have here 12 firms – 12 firms – not just the people who are doing the report, but 12 firms participated with us, representing 80 different positions.

### Point of Order Relevance

DR. PERCY: A point of order, Mr. Speaker.

MR. ACTING SPEAKER: A point of order, hon. Member for Edmonton-Whitemud.

DR. PERCY: Mr. Speaker, my point of order citing again *Beauchesne* 459, relevance. Let me make a point, if I may. The issue of relevance is as follows. The hon. member has spoken time and time again about what she did not like in 1989. Well, the Bill that's brought forward by the hon. member allows that very issue to be dealt with and perks and privileges to be removed, reduced. So in what sense, then, is it a concern when the very Bill that's being debated allows her concerns to be dealt with expeditiously?

MRS. MIROSH: This is a debate. This isn't a point of order.

MR. ACTING SPEAKER: Thanks for the answer, hon. minister without portfolio. You are certainly right; it is a debate. We've

got to be very lenient when we're talking about remunerations and benefits and show an example. There is no point of order.

The hon. minister without portfolio.

### Debate Continued

MRS. MIROSH: Thank you, Mr. Speaker. You know, I've listened to the member across the way for 20 minutes. He has to stand up and interrupt because I'm getting to the point of the Bill, because this is an important . . .

AN HON. MEMBER: You're getting to the truth.

MRS. MIROSH: And to the truth, absolute truth. Liberal members sat on this Members' Services Committee and voted the way they wanted to without an external review, and now I'm moving into what we've had done. There is an external review. The Bill is absolutely redundant because an external review is right here. Every member can get one.

So I want to get back to this independent review, because there were 12 firms participating in this. Eighty different people, positions were participating in this. If that isn't external, I mean, this Bill should have never been accepted on the Order Paper here, because it's already redundant, totally redundant.

Now, Mr. Speaker, when we look at job evaluations – you know, I really question the members opposite sometimes. We also did look very carefully at what was happening in other provinces. We looked right across Canada to make sure that we were in line with other MLAs and Members of Parliament and so on, and there was absolutely no question that MLAs were paid reasonably.

Now, I want to get into expense allowances, because what we have to emphasize here is that expenses are intended to be a cost-recovery item and nothing more and nothing less and that we were certainly, absolutely, totally in line with the monthly capital residence allowance – as a matter of fact, they indicated that that might even be a little low – and that we were certainly in line with private sectors and others with regards to any kind of expenses that we had for gas and driving here, flying here, and so on. It's also noted that our health and related benefits were comparable to everybody else.

Mr. Speaker, if this isn't an external review, I don't know what is. We have implemented pretty well everything in this review except we have reduced our salary. We went before the public. We asked the public. On June 15 the public knew exactly what our salaries were going to be, what our expenses were going to be, and the fact that we eliminated our pension. The public voted for all of this side of the House unanimously on the basis of what we put forward to them and honestly.

Mr. Speaker, I really feel that we should call for the vote, because this Bill is totally redundant.

Thank you.

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

MR. VAN BINSBERGEN: Thank you, Mr. Speaker. In spite of the minister's request for an early question, I'd like to say a few things but very few in deference to her. I listened with great amazement to her passionate account of history as she quoted extensively from *Hansard*. It seems to me that she's clearly not with it, clearly not contemporary, clearly living in the past, and therefore perhaps it makes sense that the Premier saw fit to take away her portfolio.

Mr. Speaker, when all of us were campaigning last June, I think every single one of us knocking on doors discovered that the most important issue to all our constituents was salaries, perks, et cetera, and no matter that Peat Marwick – whatever it was called – was in the process of coming out with a study, this was the question that I heard more often than even the deficit elimination. I assured all my constituents that I would do my level best once into the Legislature to ensure that an independent commission would be struck. So I'm probably without any surprise fully behind this particular Bill.

5:10

Of course, we all know that the Premier promised the very same thing, but he has been procrastinating greatly, as he has on many other occasions. This is what bothers me, because I keep going back to my riding, where I do attend frequently in spite of what the minister said earlier, and they still ask me: what's happening to that commission that you promised and that the Premier has promised. Well, I tell them then that the Premier's a good man; however, he does not always do as he promises. In fact, there is a French expression, Mr. Speaker, if I may use it. It says: *péter plus haut que le trou*. In all due respect for Madam there, it sort of means that one makes a great deal of noise in the outhouse particularly, hence the reference to the hole, and that nothing in fact is happening. So that, I think, typifies the actions of the Premier in this sense. It's a very good expression that is being used frequently by French-Canadians, and I think it hits close to home in this particular case.

Now, it means specifically that in this particular case it is time that the promise be executed, that the promise of having an independent commission be resurrected, that the commission be established and so on and so forth. Let's not have a repeat of earlier promises of really drastically dealing with the pensions. What is being done, of course, to the pensions of relatively young members: they've been wiped out. Fair enough. But those who left and were in the House before 1989 in fact are enjoying very lavish pensions. Nothing really has happened to it.

All I want to say is that the independent body needs to be established so that . . . [interjection] Mr. Speaker, the Member for Cypress-Medicine Hat is again calling like a moose in heat. Perhaps he can take his turn eventually and speak in measured tones that contribute to the whole procedures here.

Mr. Speaker, out of deference to the minister without portfolio as I promised, I would cut this short, but I would hope that all members on the other side would vote in favour of this.

Thank you very much.

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

MR. BRASSARD: Thank you, Mr. Speaker. I think it's safe to say that there's nothing more distasteful to most politicians than trying to establish their own pay schedule. Disputes over pay and benefits have always been and will continue to be a constant issue of politics throughout this world. If pay is considered too low, then of course one would conclude that only the independently wealthy would be able to take time away from their families, work, or business to run for political office and have a say in decisions that would directly affect the general public. Compensation must be fair and adequate. I realize the terms adequate and fair are generic. However, remuneration for MLAs and cabinet ministers should enhance the democratic process; that is, it should enable as many people as possible to put their names forward as candidates in provincial elections.

This Bill sponsored by the Member for Clover Bar-Fort Saskatchewan calls for the creation of an independent commission which would place all MLA indemnities and allowances under a microscope. As outlined in Bill 214, the membership of this six-member commission would reflect the interests of the professions, small business, labour, the oil and gas industry, and the general public. While some could argue whether special interest groups already exert too much influence, one should wonder whether institutionalizing these interests within a Bill would be the wisest move. One major problem I have is that while some groups are recognized, it tends to do so at the expense of others. While oil and gas is an important industry to this government, we must also be mindful of this province's reduced dependence on it from even 10 years ago. Among others, agriculture, forestry, and tourism, too, are important industries to Alberta. Nevertheless, no consideration has been given to them.

[Mr. Deputy Speaker in the Chair]

While it may appear that the Liberals approve of the politics of exclusion, this government certainly does not. Even if this Bill were to pass without amendment, how would these interests be represented? As there are countless professional and labour groups in the province – the oil and gas sector, for instance – multinationals operate amongst Canadian firms of every shape and size. Each has its own specific problems and concerns unique to it. Within the professions the views of the provincial Bar Association would inevitably be different from those of the College of Physicians and Surgeons or even APEGGA, for that matter. And how about labour? There are so many unions which represent workers in numerous occupations in industry in addition to the public sector. With such diversity how could this government determine whether these so-called representatives would be true spokespeople of all of its respective groups. However, once these representatives are appointed to the commission, goodness knows what agendas they might pursue.

We only have to look south of the border where Americans for some time have witnessed how their legislators are to some degree submitted to the power, influence, and whims of special interest groups. In the U.S. salaries for members of many state Legislatures are determined by compensation commissions appointed by the governor. If one were to examine the National Conference of State Legislatures' recent report on compensation and benefits, one would find that on average state representatives and senators earn less than \$20,000 per year. With such low remuneration packages, one would wonder whether these legislators are prone to be swayed by special interest groups. This has been one of the major criticisms of the American political system.

Periodically Americans will hear of a scandal which sends a shock to their democratic system. Nearly five years ago such an incident developed before the residents of South Carolina. This scandal broke in 1990 after a Federal Bureau of Investigation undercover investigation revealed that some members of the South Carolina State Legislature were offered cash in exchange for voting in favour of a Bill which would legalize horse and dog racing in that state. This led the United States grand jury to subpoena the records of all 124 members of the state's House of Representatives that July. One year later more than two dozen people, including 18 members of the state House and five lobbyists, were indicted by the federal grand jury.

In my opinion, Mr. Speaker, one could conclude that it was their low remuneration which may have tempted many of them to

peddle their votes. Even today legislators of the state of South Carolina receive in U.S. dollars a salary of \$10,400 and a vouchered allowance of \$83 per day for expenses. While the daily expense allowance is on par with the temporary resident's allowance for members representing constituencies outside of Edmonton, their salary portion is well below that country's poverty line. Even with their political institutions there have been many questions about the actual influence of special interest groups, particularly on Capitol Hill in Washington, D.C. Much like this House, fear of a backlash by voters, too, has made members of Congress skittish about voting increases to their own pay, even when their salaries failed to keep up with inflation.

However, over the years members of the Senate and the House of Representatives were able to find ingenious ways to increase their income without having to cast a vote to raise their pay. Many lawmakers in the United States were able to augment their government salaries with honoraria, speaking fees, and other payments for private interests. Members of Congress in 1989 collected more than \$9 million in honoraria in this fashion. Rightfully so, the practice of making speeches for honoraria was assailed as at best a source of distraction from the business of government and at worst a form of legalized bribery. Criticism of honoraria mounted through the '80s as outside interests became more and more brazen about using the payments to gain access to members of Congress. Stories of politicians picking up a \$2,000 cheque to attend a breakfast seemed increasingly to taint the entire system.

5:20

Coming back to Alberta, Mr. Speaker, the report by Peat Marwick Stevenson & Kellogg, which has been referred to several times, last year confirmed that, with the exception of the former MLA pension plan, combined cash and noncash compensation received by cabinet ministers and MLAs was not higher than comparable positions in both private and public sectors. As a matter of fact, they were lower than they should be.

I realize some members of the public are somewhat apprehensive about letting members of the province's internal board of economy, the Members' Services Committee, determine the remuneration for MLAs and cabinet ministers. Most people in the real world cannot name their own salary – we recognize that – unless of course they run the company. Nevertheless, I do not think that the independent commission as described in this Bill 214 would necessarily raise the confidence of John or Jane Q. Public any further than it has been. We only have to look back to the independent reports that have been provided to this government in the past to recognize that. As the hon. member from Calgary mentioned, it still comes back to this Assembly to approve or disapprove that salary increase.

Members of the Legislature are well aware of how cash and noncash compensation they receive is perceived in the public eye. As such, in meeting its commitment to the Deficit Elimination Act, this Assembly has already undertaken measures to reduce remuneration and the administrative budget of the Legislative Assembly. Accordingly, they did not accept the Peat Marwick recommendation for a salary increase. In fact, they have reduced their remuneration package to pre-1989 rates. History has shown that members of this Assembly have consistently acted responsibly. They are sensitive to the sentiments of the Alberta public, and I am every bit confident that this tradition will continue. We had an independent review done. We don't need another one, Mr. Speaker.

On that, I wish to adjourn debate.

HON. MEMBERS: Question.

MR. DEPUTY SPEAKER: Adjournment has been called as well as the question. An adjournment motion is not debatable. There is time left, so we will have to deal with the adjournment motion first. If you wish not to adjourn it, then of course we will continue on to the question.

The hon. Member for Olds-Didsbury has moved that we adjourn debate on this Bill at this time. All those in favour of that motion, please say aye.

SOME HON. MEMBERS: Aye.

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

SOME HON. MEMBERS: No.

MR. DEPUTY SPEAKER: Carried.

[The Assembly adjourned at 5:25 p.m.]

