

## Legislative Assembly of Alberta

Title: **Tuesday, November 8, 1994**

8:00 p.m.

Date: 94/11/08

[Mr. Clegg in the Chair]

head: **Government Bills and Orders**

head: **Third Reading**

**Bill 43**

**Students Loan Guarantee Amendment Act, 1994**

MR. ADY: Mr. Speaker, I'm pleased to move third reading of Bill 43.

I think it's been very advantageous to the Assembly for this Bill to come before the House, because I believe that of the many programs government has responsibility for, the student finance program is among the most misunderstood on both sides of the House. This has given both sides of the House an opportunity to discuss and gain a better understanding of how the student finance program works, how the loans are awarded, how they're repaid. This Act deals specifically with the repayment process which was recently adopted by the government, and in fact that is the sole reason for this Act being in front of the Assembly at this time.

I believe that during second reading and committee we must have covered all of the questions that could possibly flow from either side of the House. So, Mr. Speaker, I'll not make further comments, and we'll give the House the opportunity.

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

MR. N. TAYLOR: Thank you, Mr. Speaker. In general I feel it's a fairly good Bill, but a couple of things intrigue me.

MR. TRYNCHY: Question.

MR. N. TAYLOR: Do you want to ask one? Of course, I'll sit down.

The question here is that if we are going to transfer the cost of education more to the student – and I think that probably the hon. member's on the right track there, because then the student becomes the consumer and the higher education institutions have to compete for his or her business, as you might say. Whereas the old way, we'd pump the money in the other side, into the university, and then they would open up a broad sphere to educate. The competition maybe wasn't what it should be between universities, although the old system has left us with the University of Calgary and the University of Alberta rated, according to *Maclean's* magazine anyhow, in the top 10 year after year, so maybe it wasn't that bad.

I'm willing and game to try – I think a lot of us will be game to try – to fund higher education differently by doing it through the student. However, once that's said, I think there should be some way to telegraph a message to the young people and the parents in this province that if they can get out of high school with a decent mark, they will be able to borrow the funds to go. In other words, I think it's quite important, if anything – you know, before we go on to our maker and get buried six feet under, there are certain social contracts you have that you maybe inherited from the time when you were swinging through the trees picking lice off each other. [interjections] Blue lice, red lice: what's the difference?

The fact is, Mr. Speaker, there are certain social contracts we have. One is looking after our parents in their old age because they looked after their young. The second social contract is to try to equip our youth as much as possible with a way to go out to make a living. It may have started out teaching them how to make a fire and how to make a spear and a bow and arrow. Today that bow and arrow and spear, as you know, have evolved into a postsecondary certificate or degree of some sort. I think that's a social contract. Some of the right-wing thinkers say, "Well, only the smart and only the elite should go," but I think we have a responsibility to educate anyone with the wherewithal, that's able to get through secondary school.

Therefore, if we're going to fund education by going through the student, you have to have a fund of money in the student loan program that will more than meet the needs. I'm very afraid that that doesn't show. I would have been much happier if somehow or another this thing was funded in a ratio of what our population of graduates was from school. That's just one of the thoughts I turn out, and the member from Cardston, being a very astute minister, will probably say to himself, "I'll put my researchers to work on that, and maybe next year, if not by next year by election time, I'll have a plank that'll undercut that character over there." Which is fine; I don't mind being undercut.

The second side of the area that I wanted to chat on just for a minute was the question of payback. I think there's a heavy orientation or a heavy thinking when I read through here that you're going to have a tendency to loan to engineers and lawyers and doctors. People that are going to make good money when they graduate get the loans, and the others don't. I know, one of the engineers supposedly got money. I never did get around to a soft, cushy contract working on paving contracts for the government, but I did do some engineering. I found that you could get more pay through politics than you could through engineering, Mr. Speaker. Nevertheless, I see a bend here that we'd have a tendency to finance those who are going to make higher salaries in the hereafter than those that don't.

Not too long ago I was looking at the Sistine chapel, and nobody knew who the hell the engineer was who built it, but everybody knew who painted it. I'll bet you the painter at that time got hardly any money, and that's the way it is today. If you ask an artist or a poet, "Oh, no, there's not much money there." But really a thousand years from now or 500 years from now, a hundred years from now, they'll probably be the ones that are remembered in Alberta, certainly not the politicians, except the odd one that gets hung for something. The engineers will certainly go by the way. Businessmen will fall, but the ones that will be remembered will be the ones that have contributed something that stays and lasts through the ages. So this is why I'd like to see something that makes the paybacks tied to the income. So what? Maybe Michelangelo wouldn't have paid off his postsecondary artist school loan if he'd been alive 50 years, and the engineer of course would have paid it back in a couple of years. But so what? Who knows?

I'd like to have seen paybacks tied to income. I think it would have made much more sense. I'm really not sure that the person that's making \$100,000 a year and is a real smart engineer or somebody that has learned how to graft something onto something at great expense to the people that all want to have it are the ones that really need help. I think that someone that maybe puts their life into volunteer work, maybe teaching down in the slums or work like that, as long as they're paying a percentage of their income – I'd like to have seen the payback tied to income. I think

that would be the second part of the social contract that you didn't expect, that you didn't have a pension to just finance those that are going to appear to return a lot of money on a short-term basis.

[Mr. Speaker in the Chair]

The last point – and I know you're going to close off debate to the hon. member. I think you had said there was a favoured nations clause in the agreement you made with the banks so that CIBC hasn't got a free ride, so that if another bank came along and wanted to do a better deal, CIBC would have to match it or not. We call that in business usually a favoured nation clause, that you have to match it. You're a favourite because you have it, and something else comes along. I don't know how long this is going to go on, but when you're closing debate you might answer me on that. I'd appreciate it.

Thank you very much, Mr. Speaker, for bearing with me.

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

**8:10**

DR. PERCY: Thank you, Mr. Speaker. Certainly in looking at the principle embodied in this Bill, there's a theme in it which one can agree with, which is in a sense trying to spread the risk. In the context of amendments that we had brought forward in Committee of the Whole, I still have concerns over the current structure of the Bill. This Bill, like many others – there are arguments made that there is going to be a net savings, and the savings is going to arise, for example, because we're no longer guaranteeing the 90 percent, but we're going to pay a risk premium of 5 percent to compensate the banks for bearing this additional risk with the 90 percent they do have. The provincial government will in fact guarantee 100 percent of the remaining 10 percent of those individuals who have had poor credit histories or in some way are a high risk.

The issue here is: there are no numbers that have been provided the House, certainly the opposition just to get a handle on what the value of these savings are. We haven't been given the exact failure rates to get an idea of where these savings are going to materialize, because it's very clear that the province will save money on this if in fact the cost, the 5 percent risk premium plus the losses under the 10 percent that they guarantee, is going to be less than would have been the overall average default rate on the program as it had existed. The minister nor his department provided any material for the House to determine whether or not on economic grounds this made sense. None of the numbers on default rates on the average for the 100 percent then the potential losses under the 10 percent were provided.

Now, I'm sure having done some back-of-the-envelope calculations that there's a set of default rates which will make this an eminently sensible program on that level. On the other hand, with some slight variations of those default rates, we could take a real bath on this program. It would have been interesting to see the exact – because this is in large part an economic proposal, a way of trying to shift risk onto the other sector. Clearly there's a number of very, very strong actuarial assumptions built into the structure of this and the regulations that guide the program. I think the hon. minister would have found it perhaps a much speedier passage through Committee of the Whole stage had there in fact just been some information provided along these lines.

As I say, I'm quite willing to believe that there are potential savings from this. Now, having said that, it's still not clear to me

that in fact 5 percent is the appropriate risk premium, because the potential increase in income to CIBC as a result of this program will be very high. I think the evidence suggests that many students, not all but many, tend to continue to do their banking and use their credit cards at the bank they initially get their student loan with. It's just ease of convenience and the like. Giving this list of student loans to the provincial government is very much like selling a subscription list, because there are certain characteristics to that clientele, one of which is that they successfully complete their postsecondary education. On average we know that their unemployment rate is going to be lower. On average we know that their incomes are going to be higher, and this of course is the prime group that chartered banks would like to focus on in terms of a variety of programs, credit cards, et cetera, targeted at these groups. That's money in the bank for the particular bank in question, and it certainly was one margin one would have expected the provincial government to have operated on.

The 5 percent premium seems to have been plucked from thin air. The choice of the 10 percent high-risk category seems to have been plucked from thin air. It would have been very useful in assessing this, then, to find out how those categories were chosen. Why 10 percent? Why 90 percent? Why 5 percent? It easily could be the case, with very, very reasonable sets of assumptions about these rates, that CIBC will be laughing all the way to the bank. They already in a number of areas have received a pretty good deal, so I would very much have appreciated seeing this. I think the background that had accompanied the release of this program would have been enhanced significantly had those numbers been with it.

On the general issue of making the loans more interest sensitive, I certainly think this is a first step in the direction of ensuring that students, when they do enter the labour market, are not immediately hit with a fast-track repayment schedule. Certainly the evidence suggests that the duration of job search for graduates of our postsecondary institutions, the norm is now three, six, nine months for them to achieve a job that they would like. So I think this is at least a move in the right direction.

With those comments, Mr. Speaker, I will conclude.

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

MR. HENRY: Thank you very much, Mr. Speaker. I have a few brief comments I'd like to make on Bill 43. I see we woke the hon. Minister of Health out of her doldrums with our pounding. Now let's not get her too wide awake back there.

Mr. Speaker, on a more serious note, a couple of things. I raised in another stage of this Bill that the income-contingent repayment plan, as has been suggested, has been proposed by various student groups and also I believe has been in the pilot stage south of the border. I have a couple of comments for the hon. minister, and I hope he's able to respond at the end of the debate.

Earlier this year, Mr. Speaker, when asked about the income-contingent plan, I understand the minister's response in question period was that most models of income-contingent repayment plans involved some sort of collection through the taxation system, which would then involve the federal government. That wasn't in place and I understand that. My question that I'd like the hon. minister to address would be: what are his plans or perhaps those of the hon. minister responsible for FIGA for perhaps proposing or addressing that issue, putting it on the table in terms of negotiations with the federal government, and are we going to

look at that down the road? That is, if we don't start working on it now, it's not going to be available. I take the minister at his word that it wouldn't be feasible to implement that plan unless we have the co-operation of the federal government, and I certainly recognize that. So that's one question: what's the time line or schedule for putting this on the agenda in terms of discussions with our federal counterparts? I might offer to the hon. member, if he needs some friends in Ottawa, this side of the House certainly has a lot of them.

Mr. Speaker, I'd also like to address the issue that was raised by the hon. Member for Edmonton-Whitemud. I believe it was called the interest-shielding program, the shielding program that I believe is mentioned in publications from the department relative to if students are unemployed or underemployed for a certain period of time after graduation. We know more and more that that is the economy we're living in, where it's taking students not just three or four or five months to find jobs, but to find career-track jobs that pay anything worth while it's sometimes taking two to three years. So I'd like perhaps a more detailed explanation. What specifically will the interest shielding do beyond allowing the individual to negotiate one to one with the banks?

We all know that over time in this province, over the last number of decades, the availability of money in terms of loaning – and this would affect students as well as farmers and business-people – is directly affected by what happens in central Canada and indeed south of the border. What I'm looking for is some sort of assurance that any relief that's able to be provided for students because they aren't able to gain permanent full-time employment in the first period after graduation is independent of any policy the bank may have with regard to its lending levels or its lending policies in the province.

With those comments, I'll take my place, Mr. Speaker. I look forward to hearing from the minister.

Thank you.

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

8:20

DR. NICOL: Thank you, Mr. Speaker. I just have a couple of comments I'd like to make about Bill 43. A lot of the issues have been addressed already this evening in terms of the conditions under which the agreement was made with CIBC that were pursuant to the opportunities allowed by this Bill. What we have now is a Bill ready to become law that is going to deal with the government's relationship with their students, how they're financed, and basically the conditions under which loans are provided through the chartered banks to students so that they can pursue studies.

One of the comments that I'd like to bring out about this Bill is basically the kind of process that comes about when we pass Bills like Bill 43 in the sense that the Bill itself sounds like all we're doing is transferring around a few conditions in the student loan Act. But what's so important about this kind of an Act is what it allows to go on behind the scene. Basically, what we've got now is legitimizing the government's dealing with banks in private negotiations and not involving the students as much as they could be, not involving the taxpayer, not involving the legislative process. Basically, what we have now is an example of the kind of new process of policy creation and program development that should be done within the Legislature, which is now going to be done through ministerial negotiations with private firms.

We basically have here a situation that's arisen now where we have interest 5 percent above prime being charged to students.

We have – and give them credit for that – a very reasonably flexible repayment schedule, but we also have conditions that are put on the loans in terms of the kinds of institutions that students can attend if they get a loan, the kind of expectations that are put on the institutions to verify student participation, student achievements. Basically, all of these things have gone on now in private negotiation between the minister and the bank. So even though 43 appears to be quite a straightforward Bill that just opens up and redefines some of the conditions under which student loans can be given, in the sense that there's a second or a third party involved now in terms of the commercial bank, we end up with a process that's permitted by this Bill which is really quite different than the process that we've had in the past, and we're going to find more of these kinds of changes in the legislative process as we go through it.

Other than the parameters that are in the Bill, Mr. Speaker, I think it provides some flexibility to students that they needed, but the process by which it was achieved I find very concerning and frightening almost.

Thank you.

MR. SPEAKER: The hon. Minister of Advanced Education and Career Development to close debate.

MR. ADY: Yes. Thank you, Mr. Speaker. I'll try to briefly respond to some of the questions that were put by the members opposite. There still seems to be a little bit of misunderstanding.

The Member for Redwater had a concern about there not being a pool of money. We'll need to clarify one more time that the provincial government does not in fact lend the money. The bank lends the money. The government pays the interest on it. Consequently, the only pool of money they need is to be able to make that interest payment. They never, ever have to pay the principal unless there's a default. Then they pay the principal. But under the new income-sensitive program that we're putting in this Act, the government will not be called on to pay the principal, because the bank is now on the hook for the principal if there's a default.

So that's where this thing differs quite dramatically, and really, we moved to it because, as I explained in committee, the old system did not work well for the student. The banks were without conscience when they dealt with the students and were happy to have them default because they phoned over to the Students Finance Board and got their money the next day. They had no responsibility from there on. We guaranteed it and they knew it. So if the student defaulted, what better deal than that? They would have had interest for four years guaranteed; now they've got their principal guaranteed. That was not a good deal for students, it was not a good deal for the taxpayers, and that's what caused us to move to negotiate this deal.

The member also talked about an income-contingent loan, and I understand why he's doing that, because Mr. Axworthy, the minister for human resources federally, is coming forward with a proposal for that. Frankly, the day that I can see the benefit for the student and the taxpayer for an income-contingent loan program is the day that I'll be interested in finding a way to put it in place, but today I don't see it. I look at them, I look at the models that are there, and I don't see it as a benefit. The student doesn't benefit from it and neither does the taxpayer, and until those two things come together – I'd be glad to have a long discussion on that issue with the member outside the House sometime when it wouldn't take the Assembly's time.

Let me move to the Member for Edmonton-Whitemud. He had a concern over the 10 percent of the loans that the banks didn't take and that we must guarantee if they're going to take them. Bear in mind that's a limited guarantee. I've forgotten the particulars, but as the students make their payments within the first two or three or four years, the government's responsibility for that risk loan diminishes to the point where the bank picks it all up from there on. So we're only on for the 10 percent portion and only with a limited guarantee for that. The bank has to take responsibility for any defaults on the other 90 percent.

He had a concern about the amount of savings that would be there, because if there were a dramatic number of defaults, he felt that the government would be at risk and lose a lot of money. Not so, because the government is not responsible any more for the defaults except on those 10 percent. We know actuarially about what percentage they will be. We've been in this business a long time. We have a lot of facts, a lot of figures, and we can tell just about where those defaults are going to be. It's projected that we will save the taxpayer about \$8 million in the first year of this program because of the defaults we won't have to pick up. The bank probably won't have to pick those defaults up either, Mr. Speaker, because they're going to work with the student, give him an opportunity to pay it, nobody defaults, and nobody has to absorb it, because the student will be in a position to pay it off over time under a much more flexible proposal.

There was concern on the other side about the good deal that the CIBC had gotten, and what about other banks and their opportunity? To explain that, in our contract with CIBC we have a clause that says that if another bank or two or three come along and they want to get into this, all we had to guarantee the CIBC is that we would not give the new banks that come into the bargain a better deal than we gave CIBC. That's the only provision we had to give them. The door is open for them to come in and take a share of the business if they so choose. Interestingly enough in our negotiations – and we went wherever we thought there would be interest – the next closest bank we could get was not 5 percent for the risk premium but 10 percent. The next closest. No one else wanted to come near this thing.

We are the third province in on an income-sensitive program, and we have a better deal than the other two. Where our better deal comes is that we don't pay the risk premium until the loan is consolidated. The other provinces are paying the risk premium when the loan is taken down. That's pretty dramatic. There's four years' difference there in interest. So we feel like we made the best deal on the block that there was. If we want to talk about where did we get the 5 percent and where did we get some of the other components of that, we got them through negotiation and by making ourselves aware of what was already out there in the system and then bargaining against that. We feel like we have arrived at as good a deal as there is to be had in today's marketplace. If a better deal comes on, this deal is a five-year term and either side can get out with notice. So we can get out; we're not really locked in.

**8:30**

One last point. There was a concern over students not being able to meet their obligations, that they need this income contingent thing because they can't get a job for a few months afterwards. Remember that the Students Finance Board pays interest for six months after graduation; all right? That's the first six months. The student makes his plea at the end of six months, says, "I still don't have a job," or, "I have one, but it doesn't pay me enough money, so I need some more time." Another six

months can be given through the appeals committee of the Students Finance Board. That can happen, and it does happen. No payments. No payments and no interest. No interest; the government continues to pay the interest. That can happen up to 18 months under the present program. That's quite a long time. To me, that's a fairer deal than an income contingent program which would have a student have the opportunity to not pay his or her loan back until they reach a certain plateau of income, which they may never reach. Now, somebody has to lose in that equation, and I'll leave it to your imagination of all the things that can happen in reaching that plateau without discussing it in the House tonight.

To me, the income contingent loan program is not the best for the student because many of the models that I've looked at have a provision that lets students load up with money – it's not needs based – then at the end of the day all of a sudden the responsibility wall comes, and it's tough to have to pay it back. The federal government does not have a remission program on the Canada student loan side. They don't have a remission program. So whatever the student accumulates in debt, they're responsible for. They have to pay it back. We do have a remission program on the Alberta student loan program.

There was one other question about the provisions for being entitled to a student loan. As you know, the Alberta government administers both the Canada student loan and the Alberta student loan programs, and a large component of the requirements to qualify are set by the Canada student loan program, and we follow along with it. We do have some of our own, but the federal government sets the number of credits that must be taken.

MR. TRYNCHY: It's time to quit.

MR. ADY: Okay. Thank you.

So, Mr. Speaker, having answered all their questions without leaving anything out, I move third reading of Bill 43.

[Motion carried; Bill 43 read a third time]

**Bill 44**  
**Advanced Education Foundations**  
**Amendment Act, 1994**

MR. SPEAKER: The hon. Minister of Advanced Education and Career Development.

MR. ADY: Thank you, Mr. Speaker. It's my pleasure to move third reading of Bill 44, the Advanced Education Foundations Amendment Act, 1994.

Two components to this Act, very simple, very straightforward: to establish a foundation for the private colleges, four in number, and to remove the sunset clause which would bring to an end the foundations Act for colleges.

Mr. Speaker, with that I'll end my comments, and allow the members opposite, if they so choose.

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

MR. HENRY: Thank you, Mr. Speaker. I haven't had an opportunity to speak on this Bill, but I will be voting in favour of the Bill, so just a couple of brief comments. I wanted to put on record a long-standing concern of mine that has recently been shared with me by residents of the Edmonton area, particularly in the nonprofit sector. What we see here is a move, more and more

a move within governments generally to have communities or the nonprofit sector raise more funds to provide more services. Certainly private colleges' having foundations is not a bad idea, but it does provide more competition, if I can say, for the scarce charitable dollar. I know or I sense in my bones, at least, that this session is rapidly coming to an end, and I will not have an opportunity to debate motion 519 by the hon. Member for Red Deer-South, which I believe addresses this issue. There are more and more competitions . . .

MR. N. TAYLOR: That's the smart one from Red Deer.

MR. HENRY: That's the smart one.

MR. DAY: That's an allegation.

MR. HENRY: Mr. Speaker, I leave it to you whether if we would say the smart one from Red Deer's motion on 519 is an allegation or not.

I believe what that motion addresses and what I'd like to address under Bill 44 is the increasing competition out there for giving dollars generally and having more foundations or having continuing foundations simply as a part of that whole phenomenon. I think we have to, as legislators on both sides of the House, come to grips with some really tough decisions.

There are some inequities that we can address. Number one, if I go to Red Deer-South and decide that the Red Deer-South MLA is who I'd like to support and pull out a hundred dollars from my pocket and say I'd like to help with that election campaign, as a tax benefit I receive . . . [interjection] I'd certainly consider doing it for Lacombe, having been a former resident. The point is that that tax credit to me would be \$75. However, if I went to Red Deer-South and gave that same dollar to a service club or to a nonprofit or the crisis intervention centre or indeed the hospital, then my return would be significantly less in terms of tax rebate than \$75. There is a double standard. Politicians, elected officials, don't like to talk about it. It was the subject of a major, major national lobby campaign of national nonprofit organizations in the last decade to have equal and fair treatment. If we're going to be asking as governments more and more – I see some members laughing – communities to take on more responsibilities, then we have to start addressing the issue of increasing competition for scarcer and scarcer dollars. That's one issue that I'd like to put forward for members to think about, because at some point we're going to have to come to terms with a fairer treatment of charitable and nonprofit organizations with regard to giving.

The other issue we're going to have to address at some point is the definition of what is charitable and what is not charitable. There's been an explosion in our province and I daresay in our country in the last decade or decade and a half of groups that are essentially self-serving, serving their own membership as private groups, if I can put it that way, that are essentially, again, organizations for the benefit of the individuals in the organization but are given charitable status. We all know of those groups, and I see a few heads shaking. I don't have the answer, but I want to put it on the table. We're going to have to address that issue with regard to charities. Exactly what is charity? If I decide that I want to have a club for recreation purposes for me and my family in my community and then I get some people together and we build a club and we decide to make it nonprofit so we can protect ourselves and then we decide to go to other neighbours and get some donations, if I give, is that in fact charitable? I see the

Member for Lethbridge-West nodding no, but that is being treated as charitable in the context of what's happening. That, to me, is very different from giving to a society that provides services to child welfare or giving to a hospital auxiliary organization or donating to the neonatal intensive care unit at the Royal Alex or something.

Because we are talking about fund-raising essentially for community services in this, I will support the Bill, but I wanted to put those two issues: equitable tax treatment for charitable organizations as communities are being pressed more and more to raise more dollars to provide services, and the consideration of the definition of what we consider charitable works in the community and what we consider essentially self-serving, private clubs that are working under the guise of charities.

Thank you, Mr. Speaker.

HON. MEMBERS: Question.

[Motion carried; Bill 44 read a third time]

8:40

**Bill 45**  
**Alberta Health Care Insurance**  
**Amendment Act, 1994 (No. 2)**

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

MR. BRASSARD: Thank you, Mr. Speaker. In moving third reading of Bill 45, I would just like to congratulate the members for the excellent debate from both sides of the House. I'd like to particularly thank the Member for Bow Valley and the Member for Cypress-Medicine Hat for their input as well as the Member for Edmonton-Glenora. I thank him very much.

Mr. Speaker, this Bill is going to benefit literally thousands through research. It's going to clarify the mandate of the Blue Cross plan, and it will enable the Pharmaceutical Association in their practitioner investigations. This is a good Bill, and I am pleased to move third reading of Bill 45.

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

MR. SAPERS: Thank you, Mr. Speaker, and thank you for the gracious comments from the Member for Olds-Didsbury.

Mr. Speaker, Bill 45, as we've said in debates at previous stages of this Bill, is in fact a good Bill with good intentions, but it does have some flaws. We've attempted to deal with those flaws through some amendments, one of which was accepted of four, and that does show that there is an ability for the opposition and the government to work together. We're still very concerned about the safety of records, the integrity of records, the confidentiality of very sensitive health and personal information. We have every confidence that the information will be used for research, but we're fearful that the information on individual Albertans may also be used for some other purposes.

Mr. Speaker, as we've heard in debate, we also have some concerns about one section of this Bill, and that's the section that addresses Blue Cross and the role of Blue Cross in determining, as it says in the Bill, what is nonessential and therefore insurable by a third party. But by default, of course, that means defining what is insurable, what will be considered to be an essential or a core medical service, and therefore what will be funded publicly and universally acceptable under the existing Alberta health care insurance premium plan.

So, Mr. Speaker, we are concerned that this Bill does much more than simply allow for the collection and dissemination of health records. I suppose that the proof, as they say, will be in the pudding. We'll know for sure whether these fears were justified or not as time goes by. Of course, we could have laid to rest any concern or most of the concerns had there been more of a willingness on the part of government members to reasonably accept the amendments that we put forward. Unfortunately, that wasn't the case.

Mr. Speaker, I hope that we'll have a chance to debate both the need for health research and an outcome-derived system of health care, a system of health care that's based more on health needs than it is on any other needs, including budget or political needs. I hope that the information collected as a result of Bill 45 will help take us in that direction. With that I'll conclude my remarks.

MR. N. TAYLOR: This is fairly short, Mr. Speaker. To the Member for Olds-Didsbury. They asked the question in the course of the debate, so maybe when he is summing up for the vote, he'd be kind enough to say just how he answered the Alberta Medical Association's concern back in October that there'd be a release of confidential information to health administrators and researchers. In October the president of the Alberta Medical Association, Dr. Fred Moriarty, expressed concern that any release of data would jeopardize the confidential patient/physician relationship. He was quoted as saying that the release of any specific patient information would violate the doctor-patient relationship, that any legislation that proposes to release confidential information must have a clause that ensures the maintenance of that very basic trust. I don't recall seeing it, so maybe the hon. member, when he sums up or asks for the support of the House, may have a statement on that. I would find it interesting because they are a very important and responsible professional association, and I think they deserve an answer.

MR. BRASSARD: Mr. Speaker, we have covered that fairly thoroughly in the debate, and it was not an issue as part of the debate.

By and large, basically through the minister the individual is contacted to see if indeed they want to be contacted by the researcher. If they deny that request, then it stops right there. The complete control of this information is in the hands of the individual. They can deny access to it if they wish.

I would point out to the member also that this Bill does not contravene any of the confidentiality that's outlined in the freedom of information and privacy Act. So I think it conforms in every respect with the concerns that he addressed.

Having said that, I call for the question, Mr. Speaker.

[Motion carried; Bill 45 read a third time]

#### **Bill 46 Hospitals Amendment Act, 1994**

MR. SPEAKER: The hon. Member for Innisfail-Sylvan Lake.

MR. SEVERTSON: Thank you, Mr. Speaker. I move third reading of Bill 46, the Hospitals Amendment Act, 1994, which is an expansion of the third party liability program which we've had since 1962. In that Bill we recover all hospital costs. This Bill will enable the Crown to recover all direct and indirect health care costs incurred by the Crown that arise from the action of a wrongdoer.

I just want to ensure the members of the Assembly that in no way does this affect the delivery of health services to the injured person. They'll receive them as they always have in the past. This is just to recover the costs in the case of a wrongdoer.

I call for the question.

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

MR. HENRY: Thank you very much, Mr. Speaker. A couple of comments and questions. The mover of the Bill suggests that this is simply an expansion of something that's been going on for 30 years. Well, I would suggest that it's a significant expansion and not something minor.

In the previous debate, if my memory serves me correctly – and I believe it does – one of the responses from the mover of the Bill to questions from this side of the House was that this is being done in most other provinces or a lot of other provinces. Mr. Speaker, I've received mixed information on that, and I'd like the mover of the Bill to be more specific about that. Which other provinces have this provision, and how does it differ? Is it exactly the same provision in every province, or does it differ? I haven't heard that in debate.

The government has not adequately addressed the insurance industry's claim that insurance rates will rise, I've read and I've been told by members of the insurance industry, anywhere from 5 to 15 percent as a direct result of this Bill. If this is the case, Mr. Speaker, what essentially the government is doing is not recovering from third party individuals or groups or others that are liable but recovering from all Albertans who drive and therefore use insurance. This is not simply a matter – and I want to make sure the record's clear – of Joe Blow bangs into my car, and Joe Blow's in the wrong, and I'm hurt badly, and I need medical care. This is simply not a matter of the government recovering the costs of my health care from Joe Blow, who's liable, but from Joe Blow's insurance. Those costs are then passed on to all drivers in the province, admittedly at a varying level depending on their driving record, and in fact will be passed on to me, the injured person, at at least a minimal level, according to sources or individuals whom I've talked to in the insurance industry.

So it's not a matter of simply going after the third party who's liable. Because that cost for the most part is borne by insurance, it's actually spread over a wide variety. Now, I'm not going to get up here and say that this is another form of taxation. I don't think it is. I see the hon. minister saying please don't do that; I'm extrapolating somewhat from her facial expressions. But, Mr. Speaker, it is definitely an off-loading of costs onto drivers in this province who are required, and rightfully required, to have insurance. If this was a matter of going after third parties who were required to pay the costs out of their own pockets and were those kinds of costs that an individual could bear, then I would find this Bill more supportable, but because essentially what this is doing is removing those costs from the Health budget, which are borne by all Albertans, and transferring them onto the insurance costs, which are borne by driving Albertans, whether they are good drivers or bad drivers, I think it is an inappropriate off-loading but is definitely an off-loading. I think that needs to be very, very clear.

**8:50**

The other issue that the mover of the Bill or any other government member has failed to address, and that I raised in an earlier debate on this Bill, is the issue of risk in terms of legal costs. As I understand this Bill, Mr. Speaker, what happens is that the

normal litigation between the two litigators goes on, and if there is a resolution, in or out of the court system, the government is then informed, and the government comes after the liable individual for the health care costs involved in that particular accident. What that does is put – again, either the insured person or, if there's not adequate insurance, the individual taking all the risk.

So if I am hurt by a particular accident and I believe that the other individual is at fault, then under this Bill what happens is I, as an individual, go out and retain a lawyer, I pursue this action, and I take the entire financial risk, unless I'm able to convince some lawyer to work on contingency. Now, admittedly there are more lawyers around these days who are willing to do that, but in a stricter sense it's my responsibility, and I take that risk. I put the cash up front. Then what happens is that we end up with a resolution of the case, and if I win the case, the Crown then benefits in terms of the return of the health care costs, yet the Department of Health is not required to take any of the risk. I think I've made that fairly clear.

AN HON. MEMBER: You have.

MR. HENRY: I have, according to members.

So we're seeing an off-loading in terms of health care costs from the general taxpayer onto those who are insured, not onto individuals, because we're primarily talking about going after insurance companies who are funded, if I can put it that way, by individuals in this province, number one. Number two, the government stands to gain everything and has absolutely no responsibility for taking the risk. Mr. Speaker, this is like nothing I've ever seen, where you can essentially benefit from a litigation process in the courts, never having to have assumed any of the risk, incurred any of the costs, or frankly bothered about it until after the fact, which is what has happened with the Crown. I think that if the Crown is going to go after those costs, then certainly the Crown should take some of the risk.

Again, pushing that example a bit more, hon. minister, if you're going to benefit from a court action and the individual is taking the risk for that court action, certainly the Crown should maybe take some of that risk. Now, if I can draw a scenario here – and I know the hon. Health minister wants to have her cake and eat it too. But if I can push that example a little bit more, Mr. Speaker, I as a litigator would have to take some risk, pay some fees, which can be fairly substantial, receive a judgment, and unless the court deems that my costs are incurred, then my costs are cut off as a part of the judgment, especially if it's settled out of court; that part of the judgment is less because of my cost. Then what happens is that I as an individual have lost, yet the Crown gets full payment for their costs after the fact, according to this legislation. I would challenge the hon. Minister of Health or any other member of the opposite side to refute these facts as I am suggesting them.

Mr. Speaker, there will be some increased bureaucracy with regard to keeping records and whatnot, but I'm sure that'll be covered by the costs.

Mr. Speaker, again, the other issue that wasn't clear to me in this Act and has not been made clear is, again, if an injured person goes out and collects a variety of medical information and perhaps has 10 files full of medical records and examinations and tests and reports, et cetera, and then in the actual negotiations with the other party or in a courtroom situation only uses information in eight of those files, under this legislation the government would have access to all reasonable files. Well, would the government have access to information that the

individual chose not to use in their own court action? That seems to be an iffy one here, and I think again one that needs to be addressed.

With those comments, Mr. Speaker, I will take my seat and allow other members to speak, but I would urge the government to rethink this piece of legislation and rethink some of the details of this legislation.

Thank you.

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

DR. PERCY: Thank you, Mr. Speaker. I have three issues I'd like to address. The first concerns the issue of consultation.

MR. SPEAKER: Order please. Would the hon. member kindly yield for the purposes of Introduction of Guests, if there's unanimous consent in the Assembly?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed?

The hon. Member for Cypress-Medicine Hat.

head: **Introduction of Guests**

DR. L. TAYLOR: Thank you, thank you, Mr. Speaker. I'm pleased to arise this evening and introduce one of the leading citizens in Medicine Hat, an alderman and the father of our member right here: Mr. George Renner.

head: **Government Bills and Orders**  
head: **Third Reading**

**Bill 46**  
**Hospitals Amendment Act, 1994**  
*(continued)*

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

DR. PERCY: Thank you, Mr. Speaker. I have three issues with respect to Bill 46. The first is the issue of consultation. It's clear when we look at the history of Bill 22, when it was brought forward and then was allowed to die on the Order Paper, that the issue there was consultation. The government had suggested they needed more stakeholder input, yet if you talk to those stakeholders, they're not at all satisfied that they have had significant input, particularly insurance companies. They still feel that this Bill is going to have a serious and negative effect on premium levels. So in terms of the issue of consultation, whether the problems that had been identified with Bill 22, initially two and a half years ago, have been dealt with in this Bill, the answer is no, not from their perspective. To the extent that you'd expect significant changes or revisions in a Bill after that period of time, I think there is some disappointment on the side of consumer groups and on the side of insurance companies that their concerns were not addressed. They had made them known quite clearly, and they feel that their concerns were not addressed and their questions not answered.

**9:00**

The second issue concerns the costs associated with this. This relates in part to the mechanics of the Bill, and some of these issues were alluded to by my hon. colleague from Edmonton-Centre. I'll just give an analogy. The grandmother of my son – got your attention? – gave him a share of Alcan, one share, and every quarter he gets a cheque for 13 cents. It costs Alcan 43 cents to send it, and it costs them a significant amount of money

to process the dividend for this one share. So it's a very costly endeavour. In fact, Alcan would be far better off if they just shipped my son five bucks and closed the account. But, no, each quarter they continue doing this, and then we take the 13-cent cheque in and cash it. A trail goes on. If you look at the amount of paper and the bureaucracy associated with that one share, you say: "This is the private sector run amok. There's something wrong here."

I look at that analogy, and then I come and I look at this Bill, and I ask: well, is this much different in terms of the extra costs and the growth of government and the bureaucracy that's going to emerge? I don't think so in terms of the litigation. On one hand, the hon. minister will appeal to the principle that, in general, taxpayers ought not to pay this and the wrongdoer should pay. But, on the other hand, if for each dollar you spend attempting to extract from the wrongdoer the funds and you get 5 cents in return, I think you're just off-loading the costs. I would like to have seen that this in fact makes economic sense in terms of, I guess, the issue of who ought to pay. The principle I could agree with.

On the other hand, in a period when you're ceasing to fund kindergarten, opting out of 200 hours, cutting back in a wide range of areas, if it costs you a buck to collect 5 cents, that's not a good deal. There were never numbers presented with this to tell us that this was a fair return in terms of the associated costs. We do know, though, that this is a lawyer's heaven. There's going to be a significant increase in litigation associated with this Bill. Certainly I would think that there are some stakeholder groups out there who view this as a positive move, but on the other hand, I think a lot of the potential gains are going to be eaten up by one particular group.

I look at this Bill and I ask myself: does it make us better off as a society to take this route? The answer is: it's not at all clear to me that it does, because it may be more costly to collect these funds than the revenues that we're going to get. Are the benefits from this particular piece of legislation concentrated within one group? Naively I suspect that some of the potential gains to society are going to be captured by one group in particular through the process of litigation. Does it lead to a more streamlined government? Clearly it fails that test of a more streamlined government, Mr. Speaker, because it does require a significantly larger bureaucracy just to track the paper in this and to pursue the ongoing litigation and just the costs of that. All in all, I understand the principle behind this Bill, but on the other hand, in this period of financial restraint the costs of this are significant, and it's not clear to me what the potential benefits are in terms of savings to society as a whole. That was the point my hon. colleague for Edmonton-Centre was trying to bring forward, that in a sense we just may be shifting these costs from one group to another, but overall we are going to be worse off than we were before. So I have concerns there.

Then the issue of consultation. We certainly have spoken to stakeholder groups in this as well, as probably the hon. members on that side have. They are not very positive about this Bill. The consumer groups are not and insurance companies are not.

So with those comments, Mr. Speaker, I will conclude. Thank you.

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

MR. COLLINGWOOD: Thank you, Mr. Speaker. In continuing on from the comments made by the hon. members for Edmonton-Whitemud and Edmonton-Centre, I too would have to comment that the Bill presented as Bill 46 is not going to in fact provide for

Albertans a more streamlined approach to cost recovery for health services. I recall in the other readings on this Bill that some members indicated that all groups are satisfied with and accept the Bill in its form. Although I haven't confirmed this with my colleagues, I suspect, as the Member for Edmonton-Whitemud did indicate in his words, that this will be lawyer's heaven and will certainly increase litigation. There's absolutely no question about the fact that what this is going to do for the Crown to have the right to recover the costs of medical services – the only way that's going to happen under the Bill as presented is through the courts and through litigation. So for every circumstance where the Crown wants to recover the cost of health services and the future cost of health services, the way that that process is going to have to take place, unlike the way that it occurs now, is going to be through the courts suing a wrongdoer as defined under the Act to recover those costs.

On the issue of whether or not it is an approach as this government has set its agenda in terms of streamlining government and reducing its cost in providing services to Albertans, it simply does not meet the test with the amount of litigation that is going to have to take place. I recall in previous debates that the Member for Bow Valley gave us a bit of a rather caveman drawing where he gave us the scenario of a drunk driver causes an accident, sends some people to hospital – they are severely injured or disabled – and it should be the responsibility of that drunk driver to pay for the health costs of those individuals for the health services that they have to receive as a result of the injuries and for all of the future health costs that they have to recover. Well, it is a rather simplistic model, Mr. Speaker, and I have heard no other debate and no other comments about some of the other difficulties and the other issues and the other concerns that are going to arise from daily life in this province that is not that simplistic model. You can't simply go forward with a Bill in the form of Bill 46 looking at a simplistic model like that and saying: "There. Now we've solved all the problems in how we are going to deliver health services to those that require it because of the actions or omissions of a wrongdoer." It simply does not work.

The one issue that comes to my mind is that there will, in many cases, be questions, concerns, litigation, actions, and defences on whether or not injuries sustained by an individual are directly as a result of the wrongdoer's actions or indirectly as a result of the wrongdoer's actions, and that will certainly lead to a great deal of litigation. There's also the question of whether or not a pre-existing condition plays into whether or not the injury suffered is the fault of the wrongdoer. We have all of those issues that have to be dealt with that the Bill speaks nothing of. In fact, the Bill goes so far and is so heavy handed in its approach that under some of the specific sections of this particular Bill – I'm reading, Mr. Speaker, from the proposed section 88(2):

For the purposes of the Crown's right of recovery, a certificate is prima facie proof of the health services referred to in subsection (1)(a).

Well, (1)(a) of that Bill also talks about "the health services a beneficiary will likely receive in the future." So the director can put forward a certificate saying, "This is how much we think we will have to pay for the health services that particular beneficiary will receive in the future," simply through a certificate – that certificate constitutes prima facie proof – that that's the health services that are going to be required for that individual. That's incredibly heavy handed, Mr. Speaker, for the government to take that attitude and that approach to say, "This is how we're going to recover health costs from so-called wrongdoers."

So that whole issue of a pre-existing condition hasn't been included. It will lead to protracted litigation that goes way, way



beyond the simplistic model of a motor vehicle accident. It's not going to be sufficient in this case to take those kinds of situations and say, "That's the way we're going to be able to recover our costs."

All members in this Assembly can conjure up and think of scenarios that are going to be incredibly complex, that are going to be certainly embroiled in litigation, not just involving the Crown but certainly involving many litigants, many plaintiffs, many defendants. There will be third-party claims and third-party liability. Will there be an action involving the third party? Will there be products liability? All the questions then being raised as to what constitutes a wrongdoer do not appear to have been contemplated in the Bill as well.

#### 9:10

I'm not certain, Mr. Speaker, that in the definition of wrongdoer a wrongdoer is the equivalent of a tort-feasor and whether or not the same tests that constitute, for example, negligence, the tests as to what duty is owed, who the duty is owed to to constitute negligence and to constitute a tort-feasor, are the equivalent tests or means to determine whether or not that individual or organization or corporation or whoever the defendant happens to be constitutes a wrongdoer under this Act. We have heard in the debate before – and I do not believe the answer has been given adequately by the government – as to whether or not wrongdoer will include businesses, corporations, organizations, municipalities, anybody who may by virtue of the definition be "a person whose wrongful act or omission results in personal injuries to a beneficiary." Will an omission mean that that individual, corporation, municipality is an organization or body that knew or ought to have known that by their omission personal injury could be reasonably foreseeable?

I give the example, Mr. Speaker, of a one-vehicle accident, a car slides off the road, a car swerves around a corner, taking again a rather simplistic model that we have been using in debate here. Will the municipality that failed to adequately sand that road then be the wrongdoer subject to litigation by the Crown for their omission and therefore constitute a wrongdoer when they knew or ought to have known that their omission could cause personal injury to someone who would require health services?

I can't tell, Mr. Speaker, if this Act goes so far and so broad as to cover virtually every conceivable defendant that litigation covers today. If I have a motor vehicle accident, counsel for the defendant may well include the mechanic that fixed the vehicle. They may well include the supplier of the brakes. They may well include a whole variety of individuals or persons who had some part to play, some contribution that could have led to the mishap that could have led to the personal injury. Now, as I read the Bill all of those persons will constitute wrongdoers under the Act, and it's not just in the model that we've been talking about, the insurer of the individual. It will also now include the insurer of the corporation. It will include errors and omissions insurance. It will include directors' liability insurance. It will include virtually every factor, side, element that is involved in what may indeed constitute an act or omission that would make a person a wrongdoer.

I don't recall, Mr. Speaker, whether or not we have had debate on whether or not the Act goes so far, but if it is in fact the intent of the Bill that the government will not have to, through taxpayers' dollars, pay for health services past and future of any citizen of this province if there is a wrongdoer, then the government will find the wrongdoer. In litigation when plaintiffs go after defendants, they are certainly looking to recover their costs, to recover damages, because there is someone who is liable for the injury

that they have suffered as a result of – and I'll use the example – the negligent act.

We see in the Bill, Mr. Speaker, that the government is prepared to go way beyond the rules of evidence, simply provide certificates of what constitutes quantum, submit that to the courts, and say: "There. That's how much it's going to cost for future payments of health services to those individuals." It will be interesting to see, of course, whether or not those kinds of approaches are going to be used by the government in making sure that they establish the quantum without question, without argument, without debate, without defence, because when it's a prima facie case, the onus is going to be on the other side to show that it's not the amount that is going to be required for the future care of that particular individual. The interesting thing about that, of course, is that then we never end the process of litigation because if there were other contributing factors after the fact, then there is certainly going to be a request for mitigation from the cost of the insurer to pay those health costs because the beneficiary got pneumonia or took a trip. Whatever other circumstances exist in that person's life may be a contributing factor that should mitigate or reduce the cost to that insurer. So now we're going to have litigation that never ends. It will go on forever.

While the government tries to get out of paying, the insurer tries to get out of paying. Who's caught in the middle? The beneficiary of course. The citizen of Alberta is always caught in the middle when we're dealing with this government. But the other beneficiary, of course, in all likelihood is the wrongdoer. In many cases it will be the wrongdoer because they're going to be injured in the accident too, in the simplistic model. But the government has no problem in going after that individual to make their lives miserable. We will continue to have the ongoing litigation with them as well as to whether or not they were indeed the wrongdoer, whether or not their cost of health services will continue at the same rate as well.

One of the most interesting scenarios I can picture that was not discussed in the debate was, as I understand it, Mr. Speaker – and I stand to be corrected – the situation that does exist with the motor vehicle accident claims fund. Now, in that situation an uninsured motorist who will not have the ability to cover a judgment gives the plaintiff the opportunity to look to the motor vehicle accident claims fund for compensation for injury suffered. In many cases the motor vehicle accident claims fund doesn't like paying out money. That's the government paying out money on a litigation matter. So the motor vehicle accident claims fund does its darndest to make sure that it reduces the amount it has to pay out, and it uses all the standard arguments: pre-existing condition, quantum is incorrect, only a small percentage of liability. So now we're going to have a situation that would involve an uninsured motorist, where the government will sue the government, the government will insist that the government pay all the costs, but the government will insist that the government doesn't have to pay the costs to the other hand of the government. That's a situation that's going to exist. That's ridiculous.

Under the motor vehicle accident claims fund we're now going to have the government in litigation with the government as to who's going to pay the costs. Now there's efficiency for you. That's a great one. That's the way to streamline government. But make sure we put Albertans right in the middle. That's a good way to do it. So what they'll do is suffer day after day after day waiting for somebody to make a decision. But the government is going to fight with the government, then the government is going to fight back with the government, and the individual will sit there and suffer while the government litigates against the government not knowing whether or not it's the plaintiff or the

defendant. This is a great way to streamline and reduce the cost of government.

Of course, Mr. Speaker, the legal community may not be all that upset with what the government wants to do to promote and promote and promote litigation. We know the government has a propensity to litigate. We know the government enjoys litigation, and by Bill 46 we can see that the government wants to get involved in so much litigation that, well, it just won't be able to keep up because there are going to be so many lawsuits. For every accident that occurs, for every Albertan that needs health services, this government is going to want to claim money from somebody. Well there's only one way to do it: sue them. So we're going to have a lawsuit in Alberta now for every person who is injured.

9:20

I wonder about situations where under workers' compensation a payment has been made under a compensable injury, and then that individual is cut off workers' compensation but still can't work because the board decides: "Well, the compensable injury, that's all fixed. You're ready to go back to work." Even though they can't. There's probably a wrongdoer out there, so why not sue the wrongdoer? Let's make sure that WCB doesn't have to pay the money. We'll find a wrongdoer somewhere out there to make sure the government doesn't have to pay the cost.

What's really interesting about this Bill, Mr. Speaker, is that for years there has been debate in this province – granted that it has not come to fruition – and probably in every single jurisdiction in North America as to whether or not to go to a no-fault insurance model. Well, I'll be happy now to go back to my colleagues in the legal community and say: "In Alberta no-fault insurance is dead. It'll never happen." Why? Because somebody's at fault. Just take a look at Bill 46. There's always somebody at fault because we insist that there will be a wrongdoer. We want to get out of paying health services, so there's going to be a wrongdoer. If we even go so far as to say that we conceive of a wrongdoer, then we are obviously moving completely away from a model of no-fault insurance. This Bill tells Albertans that no-fault insurance as a concept in this province is dead.

Mr. Speaker, one of the other real difficulties I have with this particular Bill is that not only does it give the government the right to sue Albertans, which of course the hon. Member for Innisfail-Sylvan Lake, who sponsored the Bill, says is just an expansion of the third-party liability rights. Wrong. That's not what this Bill does. There was debate previously that if it were where the government could tack onto existing litigation between participants, that would have been an extension. The government's right to sue is not an extension. It's a complete, fundamental change from what was, so it's not simply an extension, as the member put it.

The one that is probably the most offensive of all gives the government an extra six months tacked on at the end for the right to sue above and beyond what Albertans are entitled to do under the existing law. What do you need six months for? Can't you get your act together? Or are you going to be so bogged down in bureaucracy, paperwork, and lawyers that you need the extra six months in addition to what Albertans are entitled to so that you can get your act together and make sure that you can sue? That is incredibly offensive. That is an incredibly offensive provision of the Bill that simply telegraphs to Albertans that government is better than people and government is going to make sure that they hold it over Albertans as this Bill becomes law.

The other one that comes to my attention, Mr. Speaker, is the provision contained in section 87(3). That one says that

If the Director believes that the cost of pursuing the Crown's right of recovery . . . will exceed the benefit to the Crown, the Director may release a person from liability to the Crown in respect of that right without receiving any payment.

Now, the interesting one that I talked about was the motor vehicle accident claims fund. So if the government doesn't want to embarrass itself by suing itself or suing the defendant, the wrongdoer, and then recovering from their own uninsured motor vehicle fund, what they'll do is decide, "Well, if it's an uninsured motorist, then I guess we won't bother suing because we're just going to end up embarrassing ourselves anyway." So that message to Albertans then is: "Jeez, don't drive insured. For God's sakes, don't drive insured, because if you don't drive insured, then chances are you don't have to worry about it, because the government probably won't bother embarrassing itself to try and recover the money from itself, to take it from the left pocket to the right pocket." That's the message. That's the message that is telegraphed to Albertans in that particular section.

MR. SAPERS: We ought to just hoist this Bill.

MR. COLLINGWOOD: Well, we should. We may just have to.

Mr. Speaker, for all of those reasons what I've attempted to indicate to members of the Assembly is that the Bill has not been well thought out and should be defeated.

Thank you, Mr. Speaker.

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

MR. HENRY: Mr. Speaker, I would wonder if I could seek unanimous consent to revert to Introduction of Guests.

MR. SPEAKER: Is there consent in the Assembly for reversion to Introduction of Guests?

HON. MEMBERS: Agreed.

MR. SPEAKER: Opposed? Carried.

The hon. Member for Edmonton-Centre.

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

MR. HENRY: Thank you very much, Mr. Speaker. I'd like to introduce in the public gallery today an individual who's a former employee of *Hansard* in this Legislature as well as a former employee of visitor services and a former employee of the Department of Community Development and is now currently employed with the Liberal research department in this Legislative Assembly, providing good work and good support for the Member for Edmonton-Centre and other members of the Assembly. If Mr. Scott Thompson would like to rise and receive the warm welcome of the Assembly.

Thank you.

head: **Government Bills and Orders**  
head: **Third Reading**  
**Bill 46**  
**Hospitals Amendment Act, 1994**  
(continued)

MR. SPEAKER: The hon. Member for Bonnyville.

MR. VASSEUR: Thank you, Mr. Speaker. I promise that I won't be as long as my previous colleague, but I do have some real concerns. [interjections] Maybe I shouldn't have made that promise.

When you first look at Bill 46, you take a look at the responsibility of the wrongdoer, and you say: "Well, why not? He was responsible for whatever accident, and maybe he should be the one that pays. Why should the taxpayer pay?" But the Bill goes further than that. There's somewhat of a camouflage here that the government is trying to hide behind, because really all the government is doing here is saying: well, it's going to be cheaper to operate. Yes, they may very well be able to save the \$10 million that they've indicated in the Bill, and that is really the issue here. That \$10 million is not a saving to Albertans because it will cost far more than that to everyday Albertans. So Albertans in the long run really don't save any money when they go to the insurance company and they pay the higher premiums that will be necessary not only to pay for the liabilities and the costs incurred but for all the extra litigation that is going to be going back and forth. The only thing that I see here that is positive is that it's good job creation for the legal office because those people are going to be busy.

The industry has told us all the way along that there's not really any advantage in doing this because the cost is going to be borne by all Albertans, and each and every one of us when we go to our insurance companies – and not only as individuals but as small business, as municipalities – is going to pay the higher fee. So that's a concern that should be here for every one of us to address in this Bill.

Thank you very much, Mr. Speaker.

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

MR. DALLA-LONGA: Thank you, Mr. Speaker. I'd like to speak in favour of this Bill, but I have some concerns about the implementation and how provisions under this Bill are going to be carried out.

I guess one of the things that is of concern to me is that I'd like to know and I'd like a response from the Member for Innisfail-Sylvan Lake: was the legal community, specifically litigation lawyers practising in the area of insurance litigation, consulted? Because it seems to me that current litigation dealing with insurance litigation – some of the things that appear to be holes and appear to be very broadly covered are better handled in the real world. So my question is specifically: was the insurance community, were the litigation lawyers consulted as to how better definitions of claims could be made, better definitions as to how the government could go and get back some of its costs? I see all sorts of problems, and I'd like to talk about some of those problems.

The first thing. I'd like to disagree in part with my colleague from Edmonton-Centre. I think this is another form of taxation. I think it's a sort of generic taxation. We have a health care system that the government pays for primarily through the taxation system, and then we have Alberta health care premiums, which partially offset that cost. Now we're going to partially offset those costs even more by recovering costs of health care through insurance premiums, which in turn – make no doubt about it – will be paid for by the consumer.

9:30

There is absolutely no doubt that this Bill is good news for lawyers, but let's not forget about the accountants because the

accountants are going to get some work out of this, too. This Bill says: we're going to recover costs. Well, what the heck are the costs? The government says: our costs are \$10,000; here's the bill. Well, the insurance company isn't going to sit down and just pay that cost, so therefore everybody will have to get their expert witness.

Now, this brings up another potential problem we could have. Suppose we have two motor vehicle accidents wheeled into the emergency room. One is an individual hurt by a wrongdoer. The hospital knows that they're going to get their money back on the wrongdoer, so they'd better load up on the costs on this guy. Then the other guy doesn't have a wrongdoer to recover from. So how is this going to work? Does the wrongdoer get the better hospital room? When you use this word "wrongdoer" – maybe this Bill should have been called, "In Search of Wrongdoers" or something. I don't know; Hospitals Amendment Act? I can't figure that out. In Search of Wrongdoers. Where do we get that name from anyway: wrongdoers? So that's potentially another problem. We're going to have all sorts of arguments about what the cost really was. Do we add in indirect costs? Do we add in just direct costs? Do we use the expensive doctors on the wrongdoer patients or not?

All of the discussions have centred on what happens in a car accident. Well, you know, this Bill could cover all sorts of incidents. Suppose you have a restaurant, Mr. Speaker, and suppose this restaurant serves up a bad batch of pizzas or something – okay? – and everybody gets sick. [interjections]

MR. SPEAKER: Order.

MR. DALLA-LONGA: Thank you, Mr. Speaker. At least they're finally awake.

[Mr. Tannas in the Chair]

AN HON. MEMBER: How can you have a bad pizza, Danny?

MR. DALLA-LONGA: Never touch the stuff. Anyway, this bad batch of pizzas come in, so who's the wrongdoer? This poor little pizza restaurateur now is on the hook for all the illnesses that come out.

Suppose, Mr. Speaker, that we've got an individual that has a sore back. He's got a back condition and he's in a car accident and his back is further aggravated. Now he goes to the hospital, and he's got to get health care treatment. How are you going to calculate the costs in that? I'm in favour of the concept of wrongdoers, but I don't think this Bill has been thought out, and I'm concerned that we're going to bring in a whole new hornets' nest.

So, Mr. Speaker, I think it would be incumbent upon the government to possibly rethink this Bill, and I'd like to be on record that we're going to have problems with this Bill. Apart from the fact that the insurance companies don't like it and consumer groups don't like it – obviously they don't like it, but they're going to like it even less when they start getting into the practicalities of implementing this Bill. It's a problem, a problem in real life insurance litigation. So let's not forget about the accountants, because the accountants are going to get a lot of work out of this, and other expert witnesses.

You know, in terms of the costs of litigating this thing, I see additional problems with lawyers collecting a fee for collecting money for the government, and maybe at the same time there's a

civil action involved. How do we keep the two costs, the legal fees separate? We're going to have the insurance company defending their clients insured against civil action and against an action from the government. There's going to be a problem here with overlapping of which action is which. I just reiterate: I don't think this thing has been thought out well enough, and I think it's too broad, and I would urge the government to rethink this.

Those are all the comments I have, Mr. Speaker.

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

MS LEIBOVICI: Thank you, Mr. Speaker. [interjections]

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

MS LEIBOVICI: Yes, I'm ready.

MR. DEPUTY SPEAKER: Well, then you have to begin speaking.

MS LEIBOVICI: Are we okay? Yup; okay. Good. Thank you.

MR. DALLA-LONGA: They're still wound up from the last speaker.

MS LEIBOVICI: I guess so. You got them so excited, Danny, with your points that they're still trying to digest it all. They realize that those are really valid, valid points. I would imagine that the government, once we've gotten through this phase and onto the next phase with this Bill, is going to say: "You're right. We're going to take this back, and we're going to do what we should have done in the first place, and that was talk to the insurance company, talk to Albertans, and study this."

In 1992, Mr. Speaker, this Bill was brought forward, and it's my understanding that it's come back to us with very few amendments. Now, the government has had at least two years to actually do some consultation, yet when I look at the Information Bulletin, October 17, 1994, put out by Alberta Health, what does it say here?

This Bill has not been introduced yet in the Legislature. Once it is introduced, it will be studied and debated by both sides of the House.

Well, I would imagine that in the two years from 1992 to 1994 the government would have had the opportunity to talk to the insurance firms, to talk to the consumer groups, to talk to the various groups that need to be consulted with this. Then along with the information newser that was sent out by the government, there would also have been a list of all those groups that were contacted, and there would have been the results of that consultation. My guess is that there has been very little consultation that has occurred, because if it had occurred, it would be put out here for everybody to see.

In fact, what we see is that the consumer advocacy groups claim that this is a Bill that's potentially going to pit family against family so that there won't be any claims of wrongdoing with regards to that, that in fact the insurance costs are going to go up. We heard this afternoon in question period how the premiums that people pay for health care are going up. Now their insurance costs are going up as well, and this is a government of no taxation. Well, give me a break. I don't think that anyone believes that in Alberta anymore, when all they do is dig deep

into that pocket, pull out that wallet, and pay every time they have to use a service, not to mention pay their taxes as well.

So what we're seeing here is a Bill that again sets up a bureaucracy, gives a delegation to a director, increases costs to Albertans. We have the fine example that was put forward by my colleague here with regards to the administrative costs that are going to occur. The example of putting a 43-cent stamp on an envelope, not to mention the overhead that's required in terms of the labour costs and everything else to give a 13-cent dividend, is exactly what we're going to see. Just because the government is initiating action for claiming doesn't mean you're going to win. So you've hired lawyers. You've set them after someone who's had wrongdoing, and the government is assuming that it's an automatic win situation. It's not. You can lose, but you still have to pay the litigation fees, and if you don't have in-house lawyers, then you're going to use the out-house lawyers, and you're going to have to pay for them.

9:40

AN HON. MEMBER: Outhouse lawyers?

MS LEIBOVICI: That's right; out-house lawyers.

I think that we need to really take a step backwards on this particular Bill. The insurance companies are even saying that it's a bad Bill. The insurance companies said in 1992 and they're saying again in 1994 that what this Bill will do is increase costs to individuals.

Now, there are a number of things wrong with this Bill. What the Bill does is expand the third-party liability program. It allows for the government to initiate action on wrongdoers to recover all past and future health care costs. We're not just talking costs within the hospital. We've got a Bill here that has too many unanswered questions, especially when you look at the issue of wrongdoers. When I spoke to the Bill last time, I indicated that you could take the definition of "wrongdoer" and extend it to the level of the ministers in the front row. I would have thought that given that persuasive argument, we would have had amendments that would have come back to this Legislative Assembly in the Committee of the Whole . . . [interjections]

MR. DEPUTY SPEAKER: Order.

MS LEIBOVICI: I'm generating lots of discussion there. I'm sure what they're going to do is say that this Bill should not go forward. I'm sure that's what the discussion is about on that side. If one of the ministers is willing to come up and say that, I'm willing to sit down. Do we have any takers?

#### Point of Order Relevance

MR. DAY: Mr. Speaker, *Beauchesne* refers very clearly to third reading in terms of dealing with principles, much as second reading also indicates. What we've heard tonight is a preponderance of hypotheses, and I believe it was Sherlock Holmes in *A Scandal in Bohemia* who said: it is a capital error to theorize in the absence of data. That is what is happening over here, and I wonder if the members could just get to the point. [interjections]

MS LEIBOVICI: Mr. Speaker, it would be a capital error to actually pass legislation . . .

MR. DEPUTY SPEAKER: Just a minute, hon. member. [interjection] Whoa, hon. member. The normal courtesy of the

House is that the Chair recognizes the individual and then they may speak. There is another little convention that if for some reason you don't catch the eye, or in my case the ear, of the Chair, you may say, "Mr. Speaker." That should be enough to catch the Chair's attention.

In this case, the Chair is going to invite the hon. Member for Edmonton-Meadowlark to discuss, refute if there's a want, the point of order raised by the hon. Government House Leader. Then we will make a determination and then move on.

MS LEIBOVICI: Well, other than quoting from Sherlock Holmes, I don't believe that there was a point of order. I definitely am speaking to the principle of the Bill, and I rest my case.

MR. DEPUTY SPEAKER: You're resting your case on the point of order, or you're resting your case on the debate?

MS LEIBOVICI: On the point of order, Mr. Speaker.

MR. DEPUTY SPEAKER: Certainly there is some merit to the House leader's point of order. It is after a while rather interesting to have members hypothesize – if this, then that, then that, then this, then this – until they seem to be a long way from the Bill, and then knock down those branches and thus have refuted the Bill. If we could, hon. members on both sides, stick a little more closely to the pertinent information on any given Bill, in that way I think we might spend the time a little more usefully. It would be more of an encouragement, a mild admonition, and we'll look forward to hearing your rhetoric more closely to the principles of Bill 46, the Hospitals Amendment Act, 1994, hon. member.

MS LEIBOVICI: Well thank you, Mr. Speaker, for that direction. I guess I did not see my comments to be hypotheses. I saw my comments to be realities once this Bill is passed.

#### Debate Continued

MS LEIBOVICI: Therefore, I believe that I am speaking to the principles of the Bill and to the direction that this Bill is heading when I say with all frankness that in looking at the Bill, what this is going to do is it's going to increase costs to Albertans. It's going to increase insurance rates. It's going to increase bureaucracy. It's going to raise questions of privacy. It's going to raise questions in terms of what happens if an individual has no insurance. It's going to raise issues as to what the definition of wrongdoer is. It's going to provide for delegations to a director, which is again a new individual within government or perhaps outside of government that's going to be appointed as a director of third party liability. The only group that will benefit from this Bill is the litigation lawyers . . .

MR. DALLA-LONGA: And the accountants.

MS LEIBOVICI: And the accountants, my colleague to the right of me so aptly is pointing out.

Now, when we look at the fact that the health care costs are going to increase because of the litigation factor and the insurance costs are going to increase because of that litigation factor, what we then see is that there will be no cost savings to Alberta Health. Now, the only rationale that I have seen this government engage in in any of its Bills that it's put forward and any of its legislation that it's put forward is the drive for saving costs. What this will

do is it will increase costs, and it will increase costs to the consumers.

The reporting requirements as well, when we look at what the requirements are, are going to increase the bureaucracy. This Bill is a Bill that was brought forward, as I indicated earlier, in 1992. It is now 1994. There have been very few sections that have been altered within this Bill. When one looks at the principle of the Bill, one finds that that principle in and of itself has not changed, that in fact what the objections were in 1992 are the same objections that we find in 1994. When I look at some of the headlines that I see in the newspapers that deal with this, one that jumps right off the page is: Consumers hit hard by new Bill. Insurance costs will jump. These are the kinds of issues, these are the kinds of concerns, these are the principles upon which I cannot support this particular Bill.

With those comments I will allow for further debate in the Legislative Assembly from either side of the House.

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

MR. SEKULIC: Thank you, Mr. Speaker. As always I will be concise. I do want to put forward a number of concerns that I have with Bill 46. I think, first of all, it would be more appropriately referred to as the litigation Bill or the accountant's Bill. A Bill is a Bill, or is it a fee, or is it a tax? Those are the first questions that I think have to be addressed. Are we just shifting costs into another area and perhaps in fact increasing the costs to taxpayers, to the consumers?

Mr. Speaker, I'm not clear who asked for this Bill. Certainly it wasn't insurance groups. Certainly it wasn't consumers groups. Certainly it wasn't Albertans. Yet we do have the Bill in front of us. [interjection] I'll get to that point shortly. I see this Bill as a shift of focus away from hospitals, away from health care and into courtrooms and into the legal profession. I have a real concern with that. I'm very much a believer in preventative health care, and this isn't working in the direction of preventative health care.

9:50

Perhaps the most important, the key, concern I have is with "wrongdoer." Now, I know this has been mentioned a number of times, and I'll put it forward as a question that perhaps the Member for Innisfail-Sylvan Lake will respond to. In the 1992-93 annual report for the Department of Health:

Motor vehicle collisions and suicides account for the most injury-related deaths, [but] motor vehicle collisions and falls are the two leading causes of hospitalization from injury.

Now, in the event of a motor vehicle collision the fault will be more readily determined, more easily determined, and "wrongdoer" may be more easily defined, and perhaps even then insurance may be easier to pursue.

The issue of falls as one of the leading causes of hospitalization in this province. Wrongdoer. Who is the wrongdoer?

AN HON. MEMBER: Gravity.

MR. SEKULIC: Gravity, as one puts forward.

But, seriously, in a fall who are we to pursue? Who will government pursue as the wrongdoer? Will it be the individual? Will the individual then be responsible for those costs incurred as a result of maybe a fall of one stair? Will it be the individual's

home insurance? If so, how will the insurance agencies adjust the rates to reflect this new risk that they'll be accepting?

Mr. Speaker, the other example that I'd put forward, not a hypothetical but quite seriously one that needs to be responded to, is the issue of cancer, particularly lung cancer. The Department of Health in their annual report, citing it once again:

The most preventable of all cancers is lung cancer. Smoking is the primary risk factor.

This being the case, is there a contributory negligence here? Is the smoker a wrongdoer? What can we expect in terms of future cost recoveries under this new Act?

Mr. Speaker, with those comments I believe I'll give the opportunity to another member, and perhaps Innisfail-Sylvan Lake at some point will be able to address some of the questions that I've put forward about wrongdoers in those two specific cases.

Thank you.

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

MR. SAPERS: Thank you, Mr. Speaker. It is clear to all the persons who have read this Bill and all the people who have commented on this Bill that the government of Alberta is intent on turning health care in this province into some kind of market offer. We're going to have some kind of bizarre bazaar of health care. In fact, what's clear now after reading Bill 46 and after reviewing the comments in *Hansard* and after listening to the debate – and here we are at third reading on this Bill – is that this government is giving a whole new meaning to the phrase, "your money or your life." What we now see is the clear intent of this government to erode the health care and the Alberta health care insurance system as we know it and as we've paid for it.

Now, Bill 46 does two things. Bill 46, firstly, eliminates the Crown's subrogated right to pursue third-party hospital costs and replaces it with an independent right of action. The other thing that this Bill does is it gives the government a brand-new right to recover costs beyond just the costs of hospitalization.

The Liberal caucus proposed amendments that recognized that there may be a person who creates the circumstances that produce a cost that is not legitimate for the taxpayers to bear. We produced amendments that would have allowed the government to join in an existing action to recover costs beyond hospitalization. Mr. Speaker, if in fact it was the intent of the government through this Bill to simply recover costs where there are legitimate reasons and grounds to do so, then that amendment should have been accepted. The fact that that amendment was not accepted and the fact, furthermore, that the government refused to accept the amendment asking for a sunset review after three years prior to implementation indicates to me and to members of this caucus that this Bill is not just about the ability to recover another \$10 million or \$12 million of costs, but in fact this Bill is about the death of medicare.

Mr. Speaker, there are many, many ways that the government could recover those costs. In fact, we've seen just today the latest three-year business plan from the Minister of Health, which talks about a 200-plus million dollars premium tax grab, almost a 50 percent increase over the projected life of the business plan. We're talking 200-plus million dollars, not \$10 million or \$12 million. This government has already made clear the direction they plan on taking health care premiums, and they've already made clear the extent to which . . .

### Point of Order Relevance

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

MR. DEPUTY SPEAKER: The hon. Member for Innisfail-Sylvan Lake is rising on a point of order.

MR. SEVERTSON: Relevancy. We're talking about the health care premiums that were in question period today, which has nothing to do with this Bill, third-party liability.

AN HON. MEMBER: Citation.

MR. DEPUTY SPEAKER: I presume it's relevance. Would you care to comment or tie it in?

MR. SAPERS: Thank you, Mr. Speaker. The member raises the question of whether it's relevant to talk about insurance premiums when we've got a Bill that fundamentally addresses insurance costs. I don't think I need to defend whether this is relevant or not, and I would suggest that we not spend any more time dealing with frivolous points of order.

MR. DEPUTY SPEAKER: Well, the hon. Member for Innisfail-Sylvan Lake has caught the Chair a little bit unaware in the sense that I should have asked the hon. member to define his point of order but from the context took it that it was relevance. However, I would agree with what Edmonton-Glenora is saying, that if you're recovering money from third-party liability suits, surely to goodness that's relevant to premiums.

MR. WOLOSHYN: What's this got to do with the Bill?

MR. DEPUTY SPEAKER: Hon. Member for Stony Plain, thank you.

### Debate Continued

MR. SAPERS: Mr. Speaker, when the Member for Innisfail-Sylvan Lake first rose in the Assembly on the 20th of October to speak to this Bill, he made reference to a newspaper article. I'll quote briefly from *Hansard*, and I'm quoting the Member for Innisfail-Sylvan Lake:

The Member for Edmonton-Glenora has stated publicly that this Bill paves the way for government recovery of costs from people who may have a bad diet or drink too much or don't get enough exercise. Such comments are ridiculous and misleading. The opposition health critic has stated that this Bill suggests – and I quote from the *Edmonton Journal* of October 15 – that "this government wants to get out of the health care insurance business altogether."

He then continued:

Mr. Speaker, the Department of Health spends almost \$4 billion on health care service in this province, and we want to recover about \$12 million of taxpayers' dollars. I do not see that this is a great plot to erode the health care insurance program.

Well, I hope he can see a little more clearly now, Mr. Speaker, and I hope he's paid more attention to the debate in this Legislature than he pays to the *Edmonton Journal*. Now, I do commend him for reading the Edmonton newspapers. They often are full of excellent comment, but the real point here is that this Bill is about shifting burden and shifting cost away from the taxpayer, who's already paid taxes, to enjoy the benefits of a health care system that they thought they were paying those taxes for to begin with. It's now trying to shift those costs to insurance companies. We've

already heard much debate in this Assembly about what this is going to do for the bank accounts of lawyers and accountants and all of those other people in the insurance business, but what this isn't going to do is this isn't going to make government more efficient, and it's not going to do much for taxpayers.

**10:00**

Mr. Speaker, this Bill is troubling for many reasons. We could just look at the philosophy of the Bill. We could look at it in terms of how it threatens the universal and publicly administered nature of our health care system, but even if you just look at it from a practical standpoint, you start to question how in the world will costs be decided? How will the government be able to extrapolate costs? How will they be able to look at past, present, and future health care costs? How will they know how much to ask for, and how will they know how much to settle for?

The Auditor General in the 1993-94 report comments on the Department of Health in recommendation 19. For those members who care to read the Auditor General's report, it's on page 78, and I'll quote:

It is recommended that the Department of Health establish procedures to report publicly on the cost of the services funded by the Province and delivered by the regional health authorities.

Mr. Speaker, the Auditor General's report indicates that those costing mechanisms aren't even in place. The Auditor General's report would suggest that what we have is a system of services being delivered where there are no clear-cut costs attached to them. That's understandable for a number reasons, not to say that we shouldn't make that system more accountable, because of course we should. What it means is that it's going to be very problematic to attach costs, to define costs in such a way that is reasonable, that is consistent, that won't just result in even more litigation, and won't result in even more inconsistency, more duplication, more bureaucracy, and ultimately more cost.

This Bill was a bad idea the first time it was brought before the Assembly, and it hasn't gotten to be very much more of a better idea now. The Member for Innisfail-Sylvan Lake and the Member for Bow Valley have both said in the Assembly that this Bill is about wrongdoers and about drunk drivers, and you know, Mr. Speaker, we already have, since 1962, the ability to participate in an existing lawsuit and recover hospital costs. We could simply amend the existing section 58 of the Act to allow costs beyond the costs of hospitalization to be included in such action. But, no, that wasn't good enough for the government. They wanted to pursue this ridiculous notion that there must always be somebody to blame, and when there isn't, they'll invent somebody, and it doesn't matter how much money it costs for that invention. They'll pursue it anyway, because somehow it fits with their new right philosophy of what the role of the government is or isn't. I suggest that that's not good enough for Alberta, that's not the right way to go for Alberta, and it's not what Albertans want their government to do.

Mr. Speaker, this Bill should not go any further. With that in mind, I will move the following amendment:

That the motion for third reading be amended to read that Bill 46, the Hospitals Amendment Act, 1994, be not now read a third time because the Assembly finds that passage of this Bill would result in a system of recovering third party liability health care costs that has greater financial and nonmonetary costs than the current system.

I'll pause momentarily while that's being circulated.

**SOME HON. MEMBERS:** Question.

**MR. DEPUTY SPEAKER:** Thank you for calling for the question. The question is that we take a moment while the amendment is verified and circulated. The Chair would indicate to hon. members that the amendment has the necessary signatures and that all debate, until this amendment is dealt with, shall be on the specifics of the amendment.

**MR. SAPERS:** Speaking specifically to the amendment, the amendment talks about the greater financial and nonmonetary costs that this Bill will create. Now, first, just looking at the financial costs, we know about the bureaucracy that will be created by this Bill. We know about the record keeping that will have to be kept. We discussed the fact that this government wants to extend itself the right to pursue legal action six months beyond what other Albertans have the right to pursue. We can only imagine the people that'll have to be hired, the documents that will have to be maintained, the records that will have to be searched. Mr. Speaker, for two years can you imagine every incident, every accident, everything that results in hospitalization or medical treatment being scrutinized by a battery of public servants and lawyers pursuing to see whether or not there's a potential for litigation, if there's a potential for cost recovery. It's staggering what this could amount to. Other costs: hiring of new Crown lawyers. Maybe they wouldn't even do that. Maybe that cost wouldn't materialize. Maybe they would simply give it to a bunch of their buddies in the legal profession, and they'd all act on a retainer basis. Even so, the Court costs, tying up the Courts, tying up the clerks and tying up all of that valuable and expensive time in the legal system. The monetary costs will far exceed any potential for the cost recovery. If the government wants to recover \$10 million in costs, the insurance industry has estimated that insurance premiums will have to increase by \$14 million. That's a direct cost to the consumer, to the taxpayer, and after all, that's who this is all about.

What about other ways? Has the government pursued other ways? Have they sat down with the insurance industry? The insurance industry has talked about us putting a surcharge on automobile premiums. Has the government consulted with the insurance industry to look at more workable ways? If really what this is is the government trying to find new ways to raise revenue, if that's what this is about, simply a way to raise revenue, then why wouldn't the government simply add it to their already planned huge increases in the health care premiums?

What about the nonmonetary costs? What about the hypocrisy of a government suing its citizenry? What about the hypocrisy of one government department suing another government department all in the name of finding a wrongdoer? What about the pitting of one family member against another, Mr Speaker? A husband and wife are driving to work one day, and they are involved in a car accident. The government decides that the spouse that was driving is the wrongdoer, and one having to sue the other to recover costs on the other's behalf. Families being pitted against each other in this way I think will do no good for the kind of society that I think at least we as legislators should be trying to help create.

Mr. Speaker, Bill 46 is a Bill that is dangerous for several reasons. It's dangerous in terms of the health of our health care system, it's dangerous to the state of the government's planned and announced drive for efficiency, and it's dangerous in terms of the kind of impact it can have overall on our society. So I would hope that all members will appreciate the intent of this motion, and since this Assembly was unwilling to accept the previous amendments which may have rescued Bill 46, I will hope now that

they will do the right thing and that this Bill will not be allowed to pass third reading.

Thank you.

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

MS LEIBOVICI: Thank you, Mr. Speaker, and I would like to thank the hon. Member for Edmonton-Glenora for bringing forward this motion that indicates that this Bill not be read a third time because the passage of the Bill

would result in a system of recovering third party liability health care costs that has greater financial and nonmonetary costs than the current system.

I would have hoped that the government members would have been slightly more enthusiastic in terms of their response to this amendment and that they would have taken the opportunity to sit back and say, "Yes, maybe we need more time to look at this particular Bill." The reason that more time is needed is because of the realization that what this Bill really does is shift costs from one system to another. It shifts costs from the health care system to the insurance system but without the resulting drop in the premiums for health care. So what we are going to be seeing is an increase in health care costs and an increase in insurance costs.

It's for those very reasons that the major groups that are affected, in terms of the Consumers' Association of Canada, Alberta branch, and the Insurance Bureau of Canada, have indicated that they are not in support of this Bill. Both of these groups have said no, that this is not a Bill they can support, this is not a Bill that would be for the betterment of Albertans, and in fact what this Bill would result in is exactly what the motion from the hon. Member for Edmonton-Glenora has indicated. It would result in a system of recovering third party liability health care costs that has greater financial and nonmonetary costs than the current system.

These groups have had the courage to say no, and I would have hoped that by now the government would have also had the courage to say no, that it's time to take this back and look at it and look at what some of the issues are that the various groups, including the opposition, are concerned about.

#### 10:10

Now, we've indicated a number of times that there is a definite problem with the definition of "wrongdoer," and we have given numerous examples, whether those examples are with regards to the drunk driver, whether those examples are with regards to the mother and child situation where the mother may turn her head and the child falls out of the tree and breaks a leg. There are other examples that we can look at as well. We can look at examples in terms of where an employee gets hurt on the jobsite. The question then is: who does the government go to sue? Is there at all a possibility that the government could try and collect from WCB, who is in fact the insurer for the employee, or does the government go after the employer and the insurance company of the employer? I think that's unclear.

We had the hon. Member for Sherwood Park speak eloquently in terms of the motor vehicle accident claims fund and indicate that in fact what would happen if this Bill was passed is that the passage of this Bill would result in a system of recovering third party liability health care costs that has greater financial and nonmonetary costs than the current system.

[interjection] That's why the amendment was put forward, hon. Treasurer, by the hon. Member for Edmonton-Glenora, that "the Hospitals Amendment Act, 1994, be not now read a third time."

There's the issue of the costs and that in fact the total costs are going to increase, that what the department is looking at – and this speaks of course directly to the amendment – is that the costs would be recovered. But if you look at the increase in the insurance claim costs and the increased costs with regards to the percentage that lawyers currently collect for collecting hospital costs – and they currently collect 10 to 15 percent for their efforts – if the regulations are given the same percentage, then the total costs increase is going to be another million to a million and a half dollars.

Now, this does not take into account the fact that we are setting up another bureaucracy, that in fact this bureaucracy has a director of third party liability who will be appointed, that this director can hire legal counsel, that this director can establish forms. This is a government that says that they don't want red tape, and here we go. We've got more forms, more regulation in effect. The director can then subdelegate – and here we get back to the delegation of authority – to another individual

to exercise any power or to perform any duty of the Director . . . or the regulations . . . including any power or duty that requires the Director to form a belief.

It almost sounds like we've got a religious experience going on here, that the director is going to be able "to form a belief," and there's no real explanation of what that means.

So we've got this delegation that will occur, and if that isn't worrisome enough, then what we need to look at is the fact that the director can do a number of things, one of which is to request any person who has information respecting the health services provided to a beneficiary to provide the Director with that information.

This is not a medical individual that might have that information. This is not someone within the health care system, nor is this someone within the insurance business. Then "the Director" could request that. Now, I know the Speaker is saying: well, what does this have to do with the amendment? In fact, this has a lot to do with the amendment because what we are saying is that if we pass this Bill, what will happen is that we're going to have a system of recovering third party liability health care costs that has greater financial and nonmonetary costs than the current system. It's for those reasons that we've requested that this Bill not be read a third time.

Now, all of the examples that I've been pointing out directly pertain to this particular amendment because of the fact that they will increase the costs. The government in debate has tried to inform us that this is not the case, but when we look at the actual content of the Bill, if we look at the provisions of the Bill for control – because that's what needs to happen – what we then see is that there has to be a greater financial cost. There is no way that this Bill can be implemented without a greater financial cost. It's not only a greater financial cost to the government, which would be bad enough, but it's a greater financial cost to the consumer as well.

[Mr. Clegg in the Chair]

This is why once again this Bill has been talked about by the Consumers' Association of Canada and the Insurance Bureau of Canada, who have indicated that in fact they cannot support this Bill. Now, we have to give credit to these organizations, because in fact the Insurance Bureau of Canada could very well say: "Well, we'll just pocket the extra money. The insurance premiums will increase, and it'll be so much better for our business." But they're saying, "No, this is not the case." They do not see



that this is required, and in fact the system up to this point in time has worked very well.

The government has had the opportunity in legislation since 1962, I believe, to recover health care costs, and that legislation has worked, I would imagine, fairly well. Again, there is no indication from the government as to exactly why this particular amendment in this particular form is required. Looking at the track record, what we're seeing is the government saying that it would like to divest itself of some of its responsibilities in an effort to reduce costs: to reduce the deficit and to reduce the debt. What we are seeing, though, is that when the government does that, it passes on the increased costs to the consumer. As a result, what is happening is that these increased costs are then coming out of the pocket of the consumer. Again, there is only one taxpayer; there is only one pocket. Though the government would like to set forth the myth that indeed the taxpayer is paying less these days, I think that when people look at their bank balances at the end of the year, they're going to see in fact that they're paying more. They're paying more for services, and they're getting less for the payment for those services.

This Bill has some very disturbing sections in it. There are some questions that I believe need to be addressed. There are the concerns of the Consumers' Association of Canada as well as the Insurance Bureau of Canada, just to mention a few. For these reasons, I think it behooves the government to say that this is not the time to pass this particular legislation. What needs to happen with this legislation is to do what needed to happen over the past two years. The consultations and the time and care with regard to the drafting of the legislation should have taken place so that in effect what we would see is legislation that leaves no doubt as to what the meaning is of "wrongdoer," that leaves no doubt as to what the actual powers are of the director and those that the director subdelegates to, that leaves no doubt that when litigation occurs, it occurs for the reasons that it happened over the past. I think for these reasons, again as I indicated, it behooves the government to take a good, hard look at this Bill and not read this Bill a third time.

Thank you.

10:20

MRS. McCLELLAN: Mr. Speaker, I move we adjourn debate.

MR. ACTING SPEAKER: The hon. Minister of Health has moved that we adjourn debate. All in favour?

SOME HON. MEMBERS: Agreed.

MR. ACTING SPEAKER: Opposed, if any?

SOME HON. MEMBERS: No.

MR. ACTING SPEAKER: Carried.

**Bill 47**  
**Safety Codes Amendment Act, 1994**

MR. DAY: Mr. Speaker, I would call for the question at third reading on Bill 47.

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

MS LEIBOVICI: Thank you, Mr. Speaker. What Bill 47 does is allow basically for fees to be charged for the operation of the Safety Codes Council. Now, we've heard . . .

AN HON. MEMBER: Same speech, different Bill.

MS LEIBOVICI: Bill 47, Safety Codes Amendment Act, 1994?

AN HON. MEMBER: Same speech though.

MS LEIBOVICI: Same speech? I may surprise you.

AN HON. MEMBER: It doesn't make any sense anyway.

MR. ACTING SPEAKER: Order.

Hon. Member for Edmonton-Meadowlark, do you care to speak now?

MS LEIBOVICI: I'm always prepared to speak, Mr. Speaker.

Mr. Speaker, what the Safety Codes Act has had is a rather long history in this Legislative Assembly and outside. About three years ago the Safety Codes Act was passed, and it's taken three years for that particular piece of legislation to actually be enacted. Now, what we've seen are some interesting variations in terms of the original intent of the Safety Codes Council and what has happened since the original Safety Codes Council was enacted and initiated.

We've also seen some interesting changes of heart by the Minister of Labour. For instance, when we look at 21.2(1) and 21.3(1), what we have is that the ministerial approval for charges which was previously deleted by the said minister in 1992-93 is now back into the legislation. So the question then comes: who is making these decisions, and on what are these decisions based? In actual fact, does the Minister of Labour have a grasp as to what the Safety Codes Council was originally supposed to do?

Now, the other issue that needs to be addressed is the whole issue in terms of what the Safety Codes Council in actual fact does as it's now set up. What it basically is allowing is that there's going to be another level of taxation placed on municipalities and on individuals. The original Safety Codes Act, originally sponsored by the minister of environment, saw that the Safety Codes Council was to be a standards setting body that licensed municipalities and persons to deliver services. Those that were licensed paid a fee for that privilege, and where no municipality was willing or able to provide or contract that service, the council would provide it or contract it and collect fees. Instead of the voluntary system originally proposed by the industry, all the participants have now involuntarily been grandfathered into participating, and so in fact they're not willing to pay the franchising fee - if we want to call it that - to the council so that the council's operations can be financed. So what is happening now is that we've got a levy being established in Bill 47, and we look at Bill 41, schedule 10, and Bill 57 that will contradict to some degree what we've set up in the Safety Codes Council. We're seeing where we've got different Bills of government running at cross purposes to each other.

Now, the reason the council is seen to be a bit of a problem and the reason we're having some of the changes occur is that I don't think that the government, or perhaps the bureaucracy within the government, really wishes this council to be truly independent. The council would be user-funded with all fees going to provide services, whereas the proposed arrangements would see the

government retain its revenue stream while letting the new agencies charge a second time for actually providing the services. So what we're actually seeing is that there's going to be more government control and more public expense than the plan that was originally put forward to the stakeholders.

Now, what we've got a real problem with in terms of the Bill is again that we're dipping into people's pockets, and whereas the fees before were going to provide services, what we're now saying is that the government still retains its revenues even though the agencies can now charge for services. So in fact what happens when you go and want to build a building, for instance, is that you still pay for the building permit and that cost will be remitted to the government, and on the other hand what happens is that you will get charged for the inspector to come out. So you're being doubly taxed. It's not only taxation without representation as in some of the Bills we're seeing, but we're seeing double taxation.

We've mentioned the concern from the city of Edmonton in particular, and I'm sure some of the other municipalities have that concern as well. There was a letter that was written, I believe to the minister, to indicate the displeasure of the Edmonton city council with regards to the fact that they would be collecting a provincial fee on behalf of the government and that would be seen as another taxation by the city of Edmonton when in fact it is downloading or a redistribution, as the Minister of Municipal Affairs likes to call it, of the standard of living.

This Bill has some issues that still need to be defined in my mind. I think there are some problems we are going to see in the next few months with regards to the Safety Codes Council and the implementation of the DAOs, as they are now called. One of the ones that I would like to bring particular attention to again, as I have in the past, is the boilers and pressure vessels branch. Especially with regards to the whole issue of the Candu reactors, it's my indication that we do a fair amount of work on that and that without having the credibility in the international community through the boilers and pressure vessels branch that work is at risk.

With those comments, I'd like to close my debate on the subject. Thank you.

[Motion carried; Bill 47 read a third time]

10:30

**Bill 48  
Occupational Health and Safety  
Amendment Act, 1994**

MR. DAY: Mr. Speaker, I move third reading on Bill 48, Occupational Health and Safety Amendment Act, 1994.

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

MS LEIBOVICI: Thank you, Mr. Speaker. The occupational health and safety area is a very serious area within government, because that's the area that looks at ensuring that there are health and safety standards for workers across the province. What this particular Bill – and we tried to put forward some amendments in the Act – has evidence of is once again sloppy draftsmanship. I think it's unfortunate that when these Bills come to the Legislative Assembly, there cannot be better drafting that occurs so that some of these sections have got a lot more clarification in terms of what they actually mean and what their impact will be.

The minister has called this a housekeeping Bill. I'm not so sure that it's a housekeeping Bill when you look at the fact that medical officers can be subcontracted – again we're looking at a

delegation of authority – that there are problems with regards to the Occupational Health and Safety Act in terms of voluntary compliance at this point in time, when we've got terms within the contract that talk about household servants. There are a lot of questions with regards to which occupations will be considered to be under this particular Act. It says that "occupation" means every occupation . . . over which the Legislature has jurisdiction." Well, the way this government is going, it doesn't look like it will have much jurisdiction over anything by the end of the day.

We've had numerous questions and, yes, Minister of Labour, complaints about the occupational health and safety area. We've had comments such that the Alberta Labour department has created a smoke screen pretending that occupational health and safety as a function still exists, that there is no authorization to regulate or inspect companies for compliance with the Act and regulations, that the branch is mainly made up of administrative staff, that the field staff of occupational health and safety – and I would appreciate if the minister would get back to me on this one – is in fact now located within the WCB, the Workers' Compensation Board.

There are questions that give rise to issues such as whether or not the new Act will give protection for workers, because it provides that the Occupational Health and Safety Act is in the hands of the employers only and the monitoring activities are within the hands of private companies. There are questions that have been raised with myself in terms of since Alberta Labour took over occupational health and safety, how many companies have in fact been prosecuted, how many stop work orders have been issued, how many violations of the Act and regulations have been cited against companies? These are some of the issues with . . .

**Point of Order  
Relevance**

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

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

MR. DAY: Citing relevance. I'm usually interested in the straightforward debate put forward by the Member for Edmonton-Meadowlark, but these types of questions, which are items for Written Questions or Motions for Returns, are hardly a matter of principle in third reading of the Bill.

MR. ACTING SPEAKER: On the point of order, hon. member.

MS LEIBOVICI: Thank you, Mr. Speaker. I appreciate the Minister of Labour putting me on the right track.

**Debate Continued**

MS LEIBOVICI: To summarize, what I would like to indicate is that there are issues with this particular Act that we have concerns about.

Thank you.

[Motion carried; Bill 48 read a third time]

**Bill 49  
Civil Enforcement Act**

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

MR. DUNFORD: Thank you, Mr. Speaker. I would like to move third reading of Bill 49.

There were a number of questions that had previously been raised on the Bill, and I had earlier in the evening been prepared to answer to them, but we have droned on so long tonight that I would just simply say that I would encourage all members in the House to support third reading.

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

MR. COLLINGWOOD: Thank you, Mr. Speaker. For myself I've enjoyed the debate on all of the Bills tonight, and I guess if the hon. Member for Lethbridge-West considers it to be droning on, maybe he could find some other more productive things to be doing than participating in democracy. I guess that democracy becomes a bit of a nuisance for members on the government side when we're here to be debating. Some members on the other side are perhaps here for other reasons, but we're here to debate legislation that's being put forward by the government. A debate, as has been observed before, requires contribution from both sides of the House, and unfortunately some members opposite have taken, I guess of their own accord, not to participate and not to fulfill the obligations that they have to their constituents. However, Mr. Speaker, be that as it may, just a few comments with respect to this particular Bill.

One of the concerns I've had with the privatization of bailiffs and the continued direction of the government to move in the direction of privatization is that there are many issues that are still of a concern that do not appear to have been addressed. We have seen in the agenda of the government in this particular session, in what it called its housekeeping agenda, moving again very rapidly in the direction of privatization of as many agencies and services as are possible, and this is the agenda for the fall session.

With respect to the civil enforcement agencies and bailiffs, the government is very prepared to support private business initiatives in the province of Alberta. One of the things that has made the sheriff's office work so well is that as a government agency it is an impartial government agency and works on behalf of Albertans in discharging its responsibility. As I see it, Mr. Speaker – and I would hope that the hon. Member for Lethbridge-West, the sponsor of the Bill, will deal with this. It strikes me that there is nothing in this Bill to prevent the private bailiff, who will be Repos R Us Incorporated or some such – there does not appear to be any prohibition that would disallow that particular private enterprise to set up a used car lot under another business umbrella so that the private bailiff can seize the vehicle, leave a bailee's undertaking with the owner of the vehicle, never take possession of the vehicle, pay off the bank that hired him the cost that is owed to the bank, sell back the car to the same person that's never left his possession at a higher rate, probably factor the loan, or maybe seize the vehicle and stick it on his car lot that's on the lot next door to his repossession business.

My concern is that unless there are some checks and balances in that kind of approach to privatization, Albertans, whether creditors or debtors, will not be better served than with the structure and the function that we have in place right now with an impartial bailiff. If we are prepared, if this Bill does not address that, does not give those checks and balances, then we will not have a better system. Mr. Speaker, I hope the member is prepared to answer that concern, not only for myself and for my constituents but for all Albertans.

With that, I take my seat and look forward to debate. In fact, Mr. Speaker, I will adjourn debate on this Bill.

MR. ACTING SPEAKER: The hon. Member for Sherwood Park has moved that we adjourn the debate on Bill 49. Are you all in favour?

HON. MEMBERS: Agreed.

MR. ACTING SPEAKER: Opposed, if any? Carried.

10:40

**Bill 41  
Government Organization Act**

[Adjourned debate November 8: Mr. Sapers]

33. Moved by Mr. Day:

Be it resolved that debate on third reading of Bill 41, Government Organization Act, shall not be further adjourned.

[Motion carried]

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

DR. PERCY: Thank you, Mr. Speaker. I rise to speak against Bill 41. I've spoken against Bill 41 in second reading, I've spoken against it in Committee of the Whole, and I will continue to speak against it in third.

With regards to the issues of principles – simple principle: accountability and ministerial responsibility and the issue of legislative responsibility – I believe that the principles embodied in Bill 41 remove a lot of the accountability that Albertans expect the Legislature to oversee and to enforce. I believe the Bill as constituted basically allows for government by executive decision-making. It allows ministers, the Executive Council, through regulation to run government without recourse to the Legislature. I believe this Bill allows them, again through regulation, to set up a range of entities which will in effect be in the private sector, competing in the private sector with quasi-monopolies.

[Mr. Deputy Speaker in the Chair]

Philosophically I'm opposed to this Bill. I've thought long and hard about this. I'm opposed to this Bill, Mr. Speaker, because what it does is shift out of government into the private sector functions of government. But that's not downsizing government. That's not streamlining government. What it is is creating these quasi-independent organizations that are not subject to legislative scrutiny, that are not subject to the incentives of the marketplace because they have monopolies. There are no mechanisms in place to keep them efficient and lean. What we're going to get is just high-cost government that's not accountable.

Now, again with regards to issues of principle, Mr. Speaker, take a look at certain aspects of this Bill. Take a look at section 13. What section 13 does – and again I'm speaking to the principle of it – is it allows for the Executive Council to make all decisions with regards to grants. That whole section deals specifically with grants. There is nothing that flows through the Legislature. It's all through Executive Council. None of it goes through . . . [interjections] A sore point with the Treasurer, a sore point. [interjections] They don't have to be right. They

don't even have to be accurate. A sore point. I believe we've touched a nerve. But the issue is that what this does is centralize.

Now, another issue. If you look at the very schedules here – and the hon. Minister of Labour said: well, look, you know these schedules are very specific; they deal just with these particular entities. Well, the minister well knows, as the hon. Provincial Treasurer knows, that titles are meaningless. They're not specific necessarily to those departments. In fact, titles don't count in those schedules. Ask your lawyers on that. The schedules, the titles are meaningless. You can call the title whatever you want and put the title on it. But the provisions of those schedules can be used to achieve virtually any end.

So the fact that there's a nice fancy title on it doesn't preclude the exercise of the provisions of those sections to other facets that lie outside the title. They're enabling. They're not very specific. They're not focused. So this really opens the net very wide. I mean, it's a bit of a red herring to say: well, this title says that it's specific to the Department of Labour. Well, the title isn't the legislation. It's the schedule, and a minister can use that schedule to achieve any particular end.

So Bill 41 has many of the very same elements, Mr. Speaker, that we dislike so much in Bill 57, and just as we have fought hard against Bill 57, for all of the same reasons there are elements of Bill 41 that we are philosophically opposed to. It is true, as the hon. Member for Calgary-Varsity has argued, that there are significant elements of consolidation in this Bill. Good thing. But in the process of consolidation there have been words that have been changed: from "government officials" to "persons", for example. That really opens up the net significantly.

Philosophically, then, I think this is not government light. This is government bloat, but it's not going to be accountable. We're not going to be able to get our hands on it because it's one step removed from the Legislature. You just have to look at England and a lot of the quangos there, or look at some of the state-owned organizations in New Zealand to see the type of administrative bloat that you get when you remove it.

If the issue is streamlining government, all you need is a minister like the hon. Minister of Municipal Affairs moving this stuff out of government and setting up these independent entities, quasi-independent. Just remove them from legislative scrutiny. We can get at it perhaps second hand. It's set up in such a way that the Auditor General doesn't have direct access to them. Many of the provisions of the Financial Administration Act don't apply. On one hand, the Provincial Treasurer has done a good job in terms of bringing things into the purview of the Financial Administration Act and ensuring much greater transparency and accountability. This Bill 41, Mr. Speaker, moves away from that, and it sets up this . . . [interjection] No, no, I'm going to say it. It basically will allow at some point a vast patronage network to exist which is not going to be subject to legislative scrutiny. The hon. Minister of Labour has said, "Well, you know, we can appoint up to 50 percent of the people, perhaps more," but they're appointing them. The bottom line is they're going to be carrying out a number of functions that we're not going to have oversight on through the Legislature. It's not a laughing matter.

Part of the reason we have a \$30 billion debt is because government got out of hand. There wasn't ministerial responsibility; there was a complete abdication of responsibility. What this Bill does now is kind of delegate that type of administrative irresponsibility to a much lower level and then allow the minister just to stand up scot-free and say, "Well, it's not my fault; it was them." It just allows, then, ministers to abdicate their responsibility.

They may call this the Government Organization Act, but very much like Bill 57, Mr. Speaker, this is the government abdication Act. What it does, then, is remove ministerial accountability, and it removes transparency. We may disagree with what the Minister of Municipal Affairs does, but we can run head on to the minister, argue with him in this Legislature, ask questions of him in this Legislature. Occasionally we even get an answer from the minister. We won't be able to do this once some of these other entities are set up.

MR. DINNING: Why?

DR. PERCY: The hon. Provincial Treasurer asked, "Why." Well, let me give you an example, because I'm in a sense replying, Mr. Speaker. The Minister of Health, when any question is asked about a regional health authority, says: "Oh, they're independent. They're appointed boards. I can't comment on that." Well, we're going to see exactly the same phenomenon happen with these.

MR. DINNING: You want the same bloat to exist; is that right?

DR. PERCY: The same bloat that old Jimmy over there has set up. [interjections]

#### **Speaker's Ruling Decorum**

MR. DEPUTY SPEAKER: Order. Order.

Hon. Provincial Treasurer. [interjections] Order, hon. Member for Edmonton-Centre. Hon. member, we can tell with the volume and the vehemence that you are moved by this Bill. What the Chair would ask is that you speak through the Chair as opposed to each other. We have no members from the constituency of Jimmy. Hon. member, we refer to each other by the districts that we represent or the portfolios that we may carry. With those thoughts in mind hopefully you will continue in your review of Bill 41 in third reading.

#### **Debate Continued**

DR. PERCY: Thank you, Mr. Speaker.

AN HON. MEMBER: Yeah, Jimbo.

**10:50**

DR. PERCY: Champagne Jim.

The issue, Mr. Speaker, then, is the philosophy of this Bill, and I am opposed to the philosophy of the Bill. I accept the reorganization. I have no problems with that. I think it's very useful to consolidate and bring it together. But this Bill is more than housekeeping. It has a number of aspects to it which allow for the delegation of ministerial responsibility without any accountability. In my opinion, it allows then for the emergence of a series of entities that are not going to be cost efficient. There are not going to be the mechanisms in there. I just look back at the Getty years and see a worst case example emerging: where you will get bloat; you will get abdication of ministerial responsibility; and you'll have all the mechanisms in place that got us to where we are today, sacrificing health care programs, sacrificing education programs because of the gross debt we have, the rising debt servicing. They could have been avoided had there been ministerial responsibility and a view that these were taxpayers' dollars.

The philosophy of shifting government functions into the private sector – but it's still government, the functions are still there. They're just being undertaken by a different entity, which we're

not at all clear is going to be more efficient. We haven't downsized government; we've just relabeled it, put it in the private sector. We know the incentive in the private sector: bigger is better. It's going to be the Bovar phenomenon all over: we're just going to work on a cost-recovery basis, and we'll ensure our fees will always cover our costs. There are just not the mechanisms out there.

So I in fact don't like these aspects of this Bill. You may not have gathered that, but there are aspects of this Bill that I am opposed to in principle.

**Point of Order  
Questioning a Member**

MR. SMITH: Mr. Speaker, 482. Would the hon. member entertain a question?

MR. DEPUTY SPEAKER: The hon. Member for Calgary-Varsity is rising on a point of order. I'm sorry, hon. member; your voice is so soft in this august body that the Chair had difficulty hearing the citation.

MR. SMITH: Citation 482. Would the minister of bloat over here, the hon. Member for Edmonton-Glenora, entertain a question? [interjections]

DR. PERCY: Edmonton-Whitemud.

AN HON. MEMBER: He's very confused.

MR. SMITH: I wasn't confused, Mr. Speaker, until the hon. Member for Edmonton-Whitemud stood up, and that's why I would like to ask if he would entertain a question.

DR. PERCY: Certainly, Mr. Speaker, were this to be a substitute for his 20-minute monologue, I would.

MR. DEPUTY SPEAKER: We'll just still try and work on the principles of the House. We've heard from the hon. Member for Calgary-Varsity on 482. The speaker, Edmonton-Whitemud, only needs to say yes or no.

DR. PERCY: No.

MR. DEPUTY SPEAKER: If it's no, then we go on. Good. Edmonton-Whitemud in continuance.

**Debate Continued**

DR. PERCY: So I hope I have capsuled my concerns about this Bill. With that comment, then, I will conclude.

MR. DEPUTY SPEAKER: The hon. Member for Sherwood Park on Bill 41.

MR. COLLINGWOOD: Yes. Thank you, Mr. Speaker. I rise in third reading of Bill 41 to speak against the Bill. I must say, though, for the benefit of Calgary-Varsity, that when he was introducing Bill 41 in third reading, I must admit there was a time in terms of some of his comments – I think the old song goes: I was almost persuaded. I was almost persuaded by his comments about streamlining government. He had me convinced that we don't need a legislative secretary for Economic Development and Tourism; that's for certain.

He also convinced me that the Assembly doesn't need 83 MLAs. I believe that there was at one point in time a Bill before this Assembly that would reduce the number of MLAs from 83 to 65, towards streamlining government. As it turned out, members opposite knew that in their own constituencies they were going to be cutting out health care staff. They were going to be cutting out police services. They were going to be cutting out teachers. They were going to be cutting out social workers. They were going to be cutting out virtually every sector of their community, but they weren't going to be touching the MLA, because in fact this government really isn't intent on streamlining government when it comes to themselves. They're only intent on streamlining government when in fact under the false description of streamlining government it simply means a transference of a service. It simply means off-loading. It simply means downloading. It simply means services in another form. That's what it means. There is nothing, Mr. Speaker, in Bill 41 that suggests that there is going to be a streamlining of government. Nothing in the Bill, in terms of the philosophy of this Bill, indicates that there is going to be a streamlining of government.

As the title suggests, there is going to be a reorganization of government, but as my colleague from Edmonton-Whitemud has indicated, it does not in any way indicate that there is going to be a streamlining of government. In fact, the potential exists, as has been seen in other jurisdictions – and he mentioned specifically Great Britain with its quangos and New Zealand with many of its new organizations. There is tremendous potential for bloat in the private sector providing services, and again as the hon. Member for Edmonton-Whitemud had indicated and very eloquently I might have added, on a cost-recovery basis.

Mr. Speaker, under Bill 41 there will be a tremendous potential and opportunity for bloat, but it will not cost the government money in terms of taxpayers' dollars because those delegated bodies, those delegated persons will have opportunity of course to recover their costs in levies, assessments, user fees, and any other forms that are necessary for them to operate their services on a cost-recovery basis. So it's not a streamlining of government. It's simply that taxpayers of this province of Alberta, after having paid their taxes, will also be paying user fees, levies, and assessments to get the services that they've already paid their taxes for. That will be the ultimate outcome of this Bill.

I think that I would echo the comments of Edmonton-Whitemud and perhaps speak for other members – but I'll let them speak for themselves. There is support for the notion of government reorganization where it will create greater efficiencies. The difficulty that opposition members have had with Bill 41 is in the broad, sweeping powers that are given to ministers under this Act and the ultimate conclusion that there will be delegation without accountability. That is the single most offensive component of the Bill, the single most difficulty that opposition members have, and I think, as has been aptly demonstrated by Albertans, the new direction that governments in the province will be taking.

The responsibility of every member in this Assembly is to participate fully in the government services that are provided to citizens of Alberta. It is not the responsibility of this Legislature to abrogate that responsibility, to delegate that responsibility, and to simply wash their hands of it. Those are the consequences of Bill 41, particularly in the provisions in section 2(1)(a) and in section 9. Those are the provisions that cause the most difficulty, because those are the provisions that form the essence and the philosophy, the direction, the impetus, and the emphasis of Bill 41.

Mr. Speaker, I'm dismayed that the government on the one hand would say that this is a housekeeping Bill and on the other hand invoke closure at all three stages of this particular Bill. It strikes me that it is inconsistent for the government to consider a piece of legislation as housekeeping and then to invoke closure and stifle debate at all three levels, committee included, by invoking a closure motion.

There were a number of aspects of this Bill beyond section 2 and section 9 that caused a great deal of concern, and I had raised that, Mr. Speaker, previously. The issue has not been dealt with satisfactorily. The Act continues to stand as is, and that's with respect to the ultimate powers that are given to the ministers in terms of the disposition of Crown land.

In particular, the concern was expressed by me – and I express it again – that in the provisions of section 14(3) of this particular Bill it is now the case, as has not been the case in the past, that a minister may dispose of Crown land without anything further. We have had previous legislation – it continues to exist in legislation today under the Public Lands Act – that creates many checks and balances as to how the government can deal with land that is owned by the citizens of the province of Alberta, the Crown lands of this province. If the intent of Bill 41 is simply to streamline government in terms of reorganization, if that is truly the intent of the Bill, there is no need for a provision like section 14(3) to be included in this Bill. The existing legislation would have continued, the checks and balances would have continued to curb a government or a minister from deciding on its own volition that it could dispose of Crown land.

#### 11:00

In that the government saw fit to include section 14(3), giving the minister that power, there is more to this legislation, Mr. Speaker, than simply housekeeping, than simply streamlining, than simply reorganization. It is impossible and indefensible for the government to say that on the strength of streamlining a minister now has the right to sell off Crown land without anything further in terms of checks and balances in the legislation. Had that not been included, I may have been swayed into believing that in fact the sole purpose of Bill 41 was indeed an attempt to organize government to make it more efficient. Given that it's there, I simply cannot accept that.

One of the concerns, Mr. Speaker, that I had raised – and again the Bill in its present form cannot show that the responsibilities for particular ministers must stay and must rest with that minister, notwithstanding the attempt to reorganize, to restructure, to streamline, as the Member for Calgary-Varsity, the sponsor of the Bill, has attempted to indicate. I have noted and for the record I will indicate that sections 14(2), 33(a), 62(2)(c), 82(2), 95(3) all indicate that the minister responsible under those sections is the minister determined under section 16 of the Government Organization Act as the minister responsible for this Act. I did just simply make reference for the sake of expediency to the specific sections of the Bill, but they deal with responsibilities that have always been within the purview of the Minister of Environmental Protection.

Mr. Speaker, if again the intent of the Bill was simply to reorganize government and to streamline it and to not embark on a course that allows the government to ping-pong and bounce around different ministerial responsibilities, different decision-making to different ministers, if it was truly committed to many of the commitments that it says it has, it would have left certain ministers responsible for certain areas. In all of the cases that I cited, the Bill should in fact say: Minister of Environmental

Protection, rather than any minister who happens to be the minister responsible for that Act.

Mr. Speaker, on those points I think the government has fallen well short of its responsibility in dedicating a particular minister or a ministry to certain functions, certain responsibilities, and certain obligations. It sets the direction for the Bill that any responsibility of any particular minister can move to another ministry or can be delegated to any person. It cannot leave those responsibilities in the hands of the minister who has always been traditionally within government that particular individual who becomes the advocate for those services under their jurisdiction. Whether or not it is in Environmental Protection, whether it's in Health, whether it's in Education, that particular minister takes the obligation and the responsibility to be the strongest advocate for those services provided to those Albertans of all members of Executive Council. They are the advocate and they are the spokesman for that particular responsibility.

We will now have as a result of Bill 41 ministers who will be potentially responsible for an area one day and responsible for another area another day without sort of accepting the definition of the obligation and the advocacy role that they are to play within that particular department. I think what that does, Mr. Speaker, aside from the broad sweeping power where those responsibilities can be delegated to any person, is it will also weaken within Executive Council the advocacy role that that particular minister is going to play on any particular issue.

We have often debated in this Assembly and we will, I guarantee you, Mr. Speaker, continue to have many good debates on the balance between Environmental Protection and economic development. Within Executive Council there has to be an advocate for environmental protection and there has to be an advocate for economic development. Those individuals, as the strong advocates, must be able to bring forward ideas and options and different directions that are worthy of full debate within, first of all, Executive Council and, secondly, within the Legislative Assembly. I see in the form that Bill 41 takes at this point in time that those roles, responsibilities, obligations, and commitments are going to be weakened as a result of that.

Mr. Speaker, the philosophy of the Bill; the ability of the minister to delegate any power, duty, or function to any person; the ability of a minister, unchecked, to sell off Crown land, from my perspective are the most dangerous aspects of this particular Bill. They set the government in a very different direction than the government agenda has been so far in its efforts to streamline government, which members of the opposition have, where warranted, indicated to the government that those approaches are worthy and can be supported.

We saw in the last session, Mr. Speaker, a number of pieces of legislation come forward that were getting rid of old pieces of legislation that were no longer required, that were very much in the spirit of streamlining legislation, streamlining government operations. Members on this side of the House supported those initiatives. We would again support the initiative as provided in Bill 41, but for the serious, serious deviations from the standard approach to government reorganization, that takes accountability away from the Legislature, that does nothing but streamline the obligations of this Assembly, that takes away every member's ability to participate fully in debate on issues of importance to Albertans and simply leaves that decision-making to a minister or his delegate to make decisions, where there will no longer be opportunity for members of this Assembly to participate in that debate and bring forward – because all of us are here bringing

forward ideas and issues that are issues and ideas of our constituents. That's what we do in this Assembly. The delegate of the minister is not an individual who has the same obligation to serve constituents that elected that individual.

For those reasons, Mr. Speaker, I cannot on behalf of my constituents support Bill 41 because of the consequences that it has to this Assembly.

Thank you.

MR. DEPUTY SPEAKER: The hon. Member for Edmonton-Meadowlark. Have you spoken on this, hon. member? My list is incomplete.

MS LEIBOVICI: I don't believe so. I have spoken tonight, but I don't believe that I have spoken on third reading. You can check, but I don't think I have, not on third reading.

MR. DEPUTY SPEAKER: Okay. The Table indicates you're right. Please proceed.

11:10

MS LEIBOVICI: Mr. Speaker, we talk a lot in this Legislative Assembly about governmental bloat. I heard a story this morning that I thought was rather amusing and I think has reference with regards to this particular Bill. It comes from the *Yes, Minister* series. I guess the minister said to his bureaucrats, "Well, we'd like to make sure that government departments are reduced in size," and the bureaucrat ran away and came back with a typeface a lot smaller than what it originally was. In fact, they had not changed the bureaucracy at all, and they had not changed much of what had worked. They just made it look different.

When you look at what this particular Bill provides, what we're looking at is setting up another level of bureaucracy. You've heard some of the hon. members talk about quangos. For those who are uninitiated to that term, that means quasi-autonomous nongovernmental organizations. Now, in fact, we have talked at length about the ability of Bills 41 and 57 to privatize. We have not talked very much, and given the fact that we are in closure at this point in time, it's unlikely that we will continue. It's unfortunate because I think when you look at the fact that what we are setting up are quangos, what we are setting up is smaller typeface.

What we are doing in essence is the third option with having to go through all the legislative procedures. When it would be a lot easier to contract out services, there's a question as to why this legislation is in front of us at this point in time. I think the ministers need to go back to their bureaucrats and ask: "Why is this legislation in this particular form?" Because the ability is there right now to contract out services, there is not the need for this particular wording.

When you look at the way the legislation is set up as well, you look at schedule 10, which conveniently is the Labour Statutes Delegation. Again, that does not talk about the Department of Labour. It allows the ability for any minister to use this particular statute. When you look at that, you have schedule 10, the Labour Statutes Delegation, then you have Bill 57, which allows for the same thing. Then you have – well, where it originated from, you actually have to probably go back before the Safety Codes Act, where this whole idea of the delegated regulatory organizations and the delegation of power originated from. Actually you need to go back to consumer and corporate affairs. But if you go back to where that comes from, the concept is very different than what we see in here now.

Now, the Member for Calgary-Currie talked at length last night about A Better Way, the document that the government has put out, and indicated that we have in fact efficient, open, and accountable government in front of us. Well, my argument there is that if we're looking at closure, we don't have very much that's efficient and open.

I think when we look at what the member from – the parliamentary secretary, when he talked this afternoon about the fact that we're rowing and steering, and there was lovely poetry that was involved in that. I think what we're seeing by these three different Bills and the principles invoked in these Bills is that we're all rowing in a different direction, that the government is rowing in a different direction.

I think when you look at some of the comments from the Minister of Labour, he says that the private sector will not gain any profits. Then my question is: why would the private sector want to be involved? Is this in fact a Bill that's only geared towards the private sector, or is this in fact a Bill that will set up these quangos?

We talk about streamlining the process, or at least the government does, facilitating services, enabling legislation . . . [interjections]

### Speaker's Ruling Decorum

MR. DEPUTY SPEAKER: Order.

MR. SMITH: He's got no shoes on, Mr. Speaker.

AN HON. MEMBER: Murray, your jacket.

MR. DEPUTY SPEAKER: Hon. Member for Calgary-Varsity, this is the Assembly.

MR. SMITH: Oh, sorry.

SOME HON. MEMBERS: Out, out.

MR. N. TAYLOR: Off with his head.

MR. DEPUTY SPEAKER: Thank you for your assistance.  
The hon. Member for Edmonton-Meadowlark.

### Debate Continued

MS LEIBOVICI: When we look at what this Act in fact does do, it provides for the government to be able to continue to collect all the fees it now collects and also empowers new agencies, these quangos, to collect all the additional fees and levies necessary to actually pay for the service. What the Bill provides for is an abuse of authority, limitless patronage in areas, and there is no coherent implementation of policy through this.

We see in 7(1), where we talk about administrative, that in fact administrative is a carryover from old legislation that does not have any bearing on this particular legislation. We look at section 9(1), talking about a corporation. If you look at schedule 10, section 5, you see that corporations are not agents of the Crown. Originally they were defined to be Crown agents. Then in 9(2) there is the ability to delegate everything. I wonder, again, if ministers were to go back to the drafters of the legislation and ask whether that indeed was the intent, to be able to delegate everything, what the answer would be. Section 13(1): you look at the ability of a minister to make grants through the cabinet. This is

patronage incorporated, and you wonder which of the Three Stooges is in actual fact going to be making those patronage and those grant appointments.

You look at 16(1) and 16(4) where it allows the Lieutenant Governor – and this is where you have the greatest problem with this Act, because what it does is it allows for more than one minister to be responsible for a function or an Act, not for a department. When you take 16(1) and (4) in conjunction with 18(1) and (2), what you in fact see is that though the appropriations do come to the Legislative Assembly in the budget process, what can then happen is that the Lieutenant Governor in Council, using these sections of 16 and 17, can in fact transfer moneys around without the Legislative Assembly being able to look at that transfer of dollars, and that transfer of dollars again is not tied to a particular department. These are very, very important issues that need to be clarified. The issues are not set up.

What's even more interesting is when you look at – let me just find it here for you – part 7.1 on page 14. It's under the transportation safety branch, and it looks pretty innocuous, but what in fact that particular section can do is set up a new highway patrol and what you can do is have peace officers as part of the RCMP. So here we are contracted to the RCMP, and we have this ability within here to establish a highway patrol once more. This is again an indication of bloat. This is not an indication of government streamlining; it's just the opposite.

Schedule 10, which talks about labour delegation, is a real problem area as well. What we have within this particular section is an offender of the worst kind in terms of lacking specificity. There's no definition of labour statutes nor of jurisdiction purposes, et cetera. In effect what we're looking at is the Safety Codes Act, which has one type of corporation, Bill 41 creating another corporation and legal persons, and Bill 57 having a different type again. All of these different delegations, in a sense, have the ability to collect money.

Now, what is the government doing? Does the government know what the right hand and the left hand are doing? Do you in reality have an idea as to what some of these provisions, that may seem innocuous on the face of it, are in fact requiring? What they're doing is they're breaking not only the accountability within the Legislative Assembly, but they're also breaking the accountability of ministers to their departments.

These are very, very serious concerns that we cannot talk lightly about. We've heard, you know, wonderful things in terms, again, of some of the debate, that we're entering a new way right now, that industry is going to be funding some of these areas. Well, in fact, it's not industry but it's the user that's funding. The Member for Calgary-Currie said that we have "a harmonious labour relations environment with high standards in the workplace." I guess she hasn't gone to a hospital recently or to a school, where I think the stress levels of the teachers are incredibly high.

11:20

This Bill needs to look at what the implications are with regards to accountability. It needs to look at what the implications are with regards to the setting up of these quasi-autonomous organizations. It needs to look at what the implications are for double taxation. [interjections] I'm nearly done.

#### **Speaker's Ruling Decorum**

MR. DEPUTY SPEAKER: There is no known point of order for people attempting to signal surrender or give up. However, it is appreciated in the sense that at least they're not heckling the

speaker. But we would indicate that demonstrations of that nature are not really part of the decorum, and we invite the hon. Member for Edmonton-Meadowlark to continue on in her third reading of Bill 41.

#### **Debate Continued**

MS LEIBOVICI: Thank you, Mr. Speaker. I was just summarizing my comments.

There is the issue in terms of the double payment, where you've got revenue generation for the government still happening at the same time that you've got user fees. Double taxation is what that basically is. You can call it whatever you want, you can give it another name, but in fact the user is paying twice. They're paying through the revenue generation by the government for the government. They're also paying through their user fees. I think the issue again is in terms of ministerial responsibility when there's a delegation that occurs within a particular area. If there happens to be conflicts within that, because the Lieutenant Governor can delegate to two or more ministers a "common responsibility for the same Act," who is the ultimate decision-maker in that case? Where does the buck stop? There's no indication in this Act where the buck finally stops and who takes responsibility. There's a lot of talk in here about how we can get around our accountability and responsibility, but there isn't anything in here that talks about what happens when the buck actually stops.

With those comments, I'd like to conclude. Thank you.

MR. DAY: Well, Mr. Speaker, under the sponsorship of the Member for Calgary-Varsity we have listened, and debate has been long, prolonged as a matter of fact, on this particular Bill, a Bill which allows government to do some reorganizing and deliver services in a way that Albertans want them delivered. It is challenging to members opposite because it requires a new way of thinking. It's not status quo. It's not centralized Liberal-style government. It's government by the people and for the people.

Mr. Speaker, the only thing that is curious about the opposition's approach to this Bill is that they informed the government very early on that in fact they would do everything they could to stop the Bill from proceeding. Well, before we ever even approached the committee stage, where amendments can happen, they were boldly stating that they would not let this Bill go forward under any condition. Now, when an opposition party does that, when they say that the Bill is not going to go, when they say that they will do everything they can to stop it, when they bring in first an amendment and then, before members have even had the chance to address the amendment, they bring in the subamendment, there is a responsibility by a responsible government to say that the taxpayers have an expectation that business will be done.

Debate was not abbreviated. There was no shortening of debate. This has gone on for hours. By the time we're done, it'll be over 10 hours of debate. Even when the debate was in its embryonic stage, they were saying: we're not listening to you. They were saying: we don't care about amendments; we don't care; we are not going to let this go ahead under any circumstance. Under those conditions – and I want to make it very clear: only under those conditions – does a responsible government then say that there is a responsibility to the taxpayers. We will still allow hours and hours of debate, but there will indeed be a limit. And the limit comes with the closure motion on the particular Bill, but only after it's been clearly stated, whether we're in second reading, committee, or now in third reading. That's what has brought us to this sorry state of affairs as far as input from the opposition goes.



### Point of Order Relevance

DR. PERCY: A point of order, Mr. Speaker. *Beauchesne*, relevance.

MR. DEPUTY SPEAKER: The hon. Member for Edmonton-Whitemud is rising on a point of order and will share that with us. The point of order is relevance?

DR. PERCY: Yes.

MR. DEPUTY SPEAKER: Would you care to . . .

DR. PERCY: Well, the hon. minister is speaking to the issue of closure, but I actually understood that we were speaking to the principle of the Bill in third reading. The hon. minister has reminded us of that a number of times, so I think it is appropriate that he, too, play by the same rules and speak to third reading of this Bill and the principles embodied. We don't like closure, it's obvious, but we've spoken about the issues at stake in third reading.

MR. DEPUTY SPEAKER: Government House Leader, are you wishing to speak to this point of order?

MR. DAY: Yes, on the point of order, Mr. Speaker. The principles involved in this Bill are principles of a different and new and better way of delivering government to the people. Involved in those principles is a refusal on the part of the opposition to even want to discuss that possibility. That's where closure is used. I'm using that as an example to show that they are opposed to the very principles of this Bill. That's why I was using that particular item.

MR. SMITH: I'd like to speak to the point of order.

MR. DEPUTY SPEAKER: This invites a whole bunch of points of order. We'll overlook it for the moment, but thank you so kindly for helping.

The issue of relevancy is probably not the appropriate point of order. The Chair would direct the hon. Member for Edmonton-Whitemud to *Beauchesne* 640, and there you'll find a rundown of the stages of a Bill. That's 640(5), where it says:

Third Reading - The purpose of the third reading is to review the bill in its final form after the shaping it has received in its earlier stages.

I guess one could characterize some of the comments being made by the hon. Government House Leader as reviewing that shaping and reviewing the third reading. It was in this spirit when earlier calls were made that were looking at third readings having a little different climate on them than second reading, but if that's not satisfying, then we'd invite Edmonton-Whitemud to speak further on it.

DR. PERCY: No. I thank you for your direction, Mr. Speaker.

MR. DEPUTY SPEAKER: With that in mind, then we'd invite the hon. Government House Leader to keep his comments as relevant as possible to third reading of Bill 41.

MR. DAY: Thank you, Mr. Speaker. It's always a challenge before us.

### Debate Continued

MR. DAY: Well, time is going to tell, because, Mr. Speaker, if you recall debates in this House last spring, last fall, déjà vu is the operative word. How many *Hansards* do you want to go through to hear the exact same speeches on so many Bills? Civilization is going to end. There's an assault on the pillars of democracy. Albertans will be dying in the streets. There'll be no more education in the province. I even remember one dire prediction of 50,000 jobs lost if a certain Bill was enacted. Forty thousand have been gained. Time will tell. Time will tell, Mr. Speaker.

11:30

It's one thing to have clear debate, and we'll go on record and we have gone on record even as having accepted amendments from time to time from members of the opposition when they have been good amendments. The irrational fears that we hear on this Bill, as we have heard on so many others: time will tell. We've heard the dire predictions: "Pass this Bill, and the world will end at 9 o'clock tomorrow, 9:30 in Newfoundland." That's what we hear time after time after time. Time will tell. I believe we'll be here next year, Lord willing. I believe the economy will continue to be in an improved state. I believe the services being delivered and being freed up by this Bill will be appreciated by the clients receiving them, and I hope at that point there will be some integrity from members opposite and they'll stand and say, "I was wrong." I'm quoting them. They will say that they were wrong in their estimation of this Bill.

Thank you Mr. Speaker. I call for the question.

### Speaker's Ruling Calling the Question

MR. DEPUTY SPEAKER: The hon. Government House Leader has called the question. I'll just explain. Normally when a question is called, then you go to it, but if we are under the rules of the standing order that had been properly dealt with earlier this evening, then we would go until no one is rising to speak. I have observed several members making those kinds of motions, so we'd invite Lethbridge-East on Bill 41, third reading.

### Debate Continued

DR. NICOL: Thank you, Mr. Speaker. I just want to reflect on some of the principles involved in this Bill and deal with it in the perspective of the kind of change it's going to make in the government and dealing with this as to whether or not it's an acceptable piece of legislation for the mandate that was given by the Alberta people a year ago.

We've heard comments this evening that this is a means of reflecting government by the people. I question that, Mr. Speaker, because if we look at this piece of legislation, all we see is reference to the Lieutenant Governor in Council, the Lieutenant Governor in Council, the Lieutenant Governor in Council. The people are not mentioned in there in any place. There's no such thing as consultations in terms of the creation of departments, the creation of any of the boards. There's no discussion or consultation with the people in terms of the process of setting grants, the dealing with the sale of lands, dealing with any of the fees that are being charged. So it seems that it's very difficult to believe that this piece of legislation can be given to the people of Alberta and say that this is going to create government by the people of Alberta. It's government by the Lieutenant Governor and Executive Council and that's it. It doesn't deal with the people.

Another issue that I find in terms of . . .

MR. DAY: Have you read the whole Bill?

DR. NICOL: Yes, I've read the whole Bill. Yes, all of it, right to the end, from the front. [interjection] Good enough.

The issue has to come out that this Bill also provides open-ended authorization for creation of different agencies within the government, and I would suggest that that again is also not part of what the people of Alberta would like to see. It doesn't deal with the issues of specific problems that arise and the type of organization the people of Alberta would like to see set up as the structure under which that type of program would be authorized. So what we end up with then is basically a process set up by this Bill where there is very little reference to the input and process that can be provided from the people. So I don't see how they can call this a Bill that promotes government by the people.

We've also heard reference to basically the process that this has gone through in terms of shaping the Bill, the principles that this Bill reflects. This is one of the processes that we go through normally in committee when we start dealing with amendments to it. We've heard reference that we need to have this shaping process put in place. Well, Mr. Speaker, I question whether or not we really do have the opportunity to shape the Bill, as was implied by the previous speaker, when we do not have the opportunity to effectively have debated the amendments that are put forth, to effectively have the amendments we suggest evaluated critically in terms of the approach to the Bill. I would like to see the member opposite go through the *Hansard* that he seems to be so familiar with and show where equal consideration has been given to the suggestions and amendments put forth by the members on this side of the House. So the shaping process is very restricted, it's very limited, and we don't deal with that kind of input effectively in this format. They only deal with the Bill and the principle of the Bill and the challenge of the Bill in terms of the context we are provided with in the first form, and we have to debate it from that perspective.

In connection with that, Mr. Speaker, I look at this Bill, and I see that essentially it gives an open-ended authorization to the government. In section 7 it basically extends the Executive Council powers of creating the structure of government beyond the departmental level to boards, committees, and councils. Here what we end up with is essentially an open-ended type of proliferation of organization within the government. It seems that if the government can't deal with the process of implementing and putting in place the Bills and programs they have passed within the structure of the current authorized business format for the government, then what we have is a situation where they're not very innovative in terms of looking at how these can be implemented and in terms of the administration of their departments if they can't get the programs put in place effectively with the current powers they have. So it seems to be that they're just looking for another way to pass around the authorization and the proposals to deal with putting their programs in place.

Section 7(4) deals with the delegation of authority. Here basically what we're doing is passing down to the delegated substructures they've created the authority to make the decisions and the authority to deal with issues in terms of the process of the Bill and the process of government. We also see some very abstractly defined processes when it deals with the funding authorization and the structure of that Bill.

The problem we end up with, then, is basically that the whole process comes out to give us a structure here that doesn't work very well. When we look back into the schedules that are

attached to this Bill, there are a lot of inconsistencies given in terms of the detail and the format provided for the different current ministerial and departmental structures. Agriculture, for example, deals with agriculture. It doesn't go on to all the other mandates that are included under that, like food and rural development. So what we need is a better description of that kind of perspective.

#### Point of Order Questioning a Member

MR. DINNING: On a point of order, Mr. Speaker.

MR. DEPUTY SPEAKER: The hon. Provincial Treasurer is rising on a point of order. Would you care to share it with us?

MR. DINNING: Would the hon. member entertain a question?

MR. DEPUTY SPEAKER: Under *Beauchesne* 482 the hon. member may ask if you wish to entertain a question. All the Chair would ask is that you either say yes or no, and we don't need . . .

DR. NICOL: No.

MR. DEPUTY SPEAKER: All right; no is fine.  
The hon. Member for Lethbridge-East.

#### Debate Continued

DR. NICOL: Mr. Speaker, what basically we end up with, then, is this kind of variation in the description of the powers and the delegated authorities of the different departments and ministers that at the end basically gives us a situation where we don't have consistency in terms of the application of those types of powers.

Mr. Speaker, that's basically the extent of the comments I have on it.

11:40

MR. DEPUTY SPEAKER: The hon. Provincial Treasurer.

MR. DINNING: Yes, Mr. Speaker. I rise – it won't come as any surprise to you – to support Bill 41, not the least reason for which is that it is sponsored by my colleague the MLA for Calgary-Varsity.

It's been an interesting and rather exciting process to pull together a Bill of this kind after lengthy debate within the government caucus leading to even lengthier debate here in the Legislative Assembly.

MR. WOLOSHYN: By a long shot.

MR. DINNING: Indeed by a long shot, as my colleague from Stony Plain reminds me.

There are parts of the Bill – and I know that my colleagues have said this several times – that are simply a duplication of existing legislation, but it instead embodies in one Bill the basic organization of the government. I think one of the attractive features of this Bill is that it does – and I'm sorry Edmonton-Whitemud isn't within visible ear range to hear my comments, because he talked about the philosophy of this Bill. Clearly, the philosophy that lies behind this Bill is that we as a government are reflecting what Albertans expect of their government, which is that there be less of it, that it cost less, and that it be a whole lot more effective than it has been heretofore.

When I think about the approach that we've taken in the A Better Way document, in the three budgets that we've had the

good fortune to bring down in May of 1993, September of 1993, and February of 1994, clearly this is a government whose objective is to be in the business of setting standards, setting high standards that reflect the expectations of Albertans, and then not being so wedded, as the Liberals clearly would want us to be, that we know what's best, we know how to do it, we'll hire all the people or rehire all the people, and we'll deliver the service because we know what's best for Albertans; Albertans don't know what's best for them.

The view of the Liberals is that government ought to do absolutely everything on God's green Earth, and we simply don't take that approach, Mr. Speaker. The tragedy is that the Liberals' philosophical commentary on this Bill is that Liberals don't trust Albertans. The fact is they don't trust Albertans to manage their own affairs. Instead, the government is expected to look after Albertans and overregulate, overspend, and sort of set the rules.

### Point of Order Imputing Motives

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

MR. DEPUTY SPEAKER: The hon. Member for Edmonton-Glenora is rising on a point of order. Would you share it with us?

MR. SAPERS: Yes. Standing Order 23(h), (i), (j). The hon. Treasurer in one of his full flights of oratory is once again casting aspersions on members of the Liberal caucus, accusing us of being big spenders, and accusing us of not trusting Albertans. Mr. Speaker, this is very irresponsible. I know that the Treasurer wouldn't speak untruths in this Assembly or anywhere else, so I would hope that he would do the right thing, retract his words, and apologize for misrepresenting the views and policies of the Liberal opposition. More importantly, I would hope that the hon. Treasurer would stick to the Bill, would get back to the Bill that we're debating.

MR. DEPUTY SPEAKER: The hon. Government House Leader is going to reply on the point of order? [interjections] Twenty-three (h), (i), and (j) were cited.

MR. DAY: Right. Mr. Speaker, the Member for Edmonton-Meadowlark rising just shows . . .

SOME HON. MEMBERS: Glenora.

MR. DAY: Glenora. Same difference.

Mr. Speaker, what was said here was that Liberals don't trust Albertans. They opposed Bill 41. They oppose any kind of government moving out of service because, they're saying, then the Albertans that will take over that service will rape and pillage other Albertans. That's exactly what they've said. It's not a matter of an allegation. It's a matter of statement, and members opposite can't take it.

MR. DEPUTY SPEAKER: The Chair would get the general tenor of your point. I just wondered whether or not you were in fact attempting to enter into debate, which I'm sure you weren't trying to do.

The hon. Provincial Treasurer wishes to add to this, or should the Chair make its rule at this point?

MR. DINNING: Mr. Speaker, I would add to the point of order, because the gentleman across the way from Edmonton-Glenora made a point of saying . . .

MS LEIBOVICI: Point of order.

MR. DINNING: We're in the middle of a point order.

The hon. Member for Edmonton-Glenora, Mr. Speaker . . .

MR. DEPUTY SPEAKER: You can't have a point of order on a point of order, hon. Member for Edmonton-Meadowlark. We'll just deal with one at a time, as challenging as it might be.

Provincial Treasurer.

MR. DINNING: The hon. Member for Edmonton-Glenora suggested that I was casting aspersions and talking about spending. He didn't like my talking about spending. I would submit evidence, Mr. Speaker, of their tendency to extra spend. I have three press releases in front of me dated October 18, October 19, and October 19. Within two minutes this group of spenders spent a billion dollars – a billion dollars.

MR. DEPUTY SPEAKER: As interesting as that may be, hon. Provincial Treasurer, I'm not sure that *Beauchesne* 459 would smile upon your comments relative to our Standing Orders, which supersede of course *Beauchesne*. Standing Order 23(h), "makes allegations against another member;" and 23(i), "imputes false or unavowed motives to another member." Hon. member, this has been something that the Chair has been asked on ever so many occasions, tending be from both sides of the House when the other speakers characterize the intent and nature and perhaps motives of a party, an opposition or a government. These are Standing Orders for specific mentions of an individual rather than general ones, unless the allegation is of an inflammatory nature that uses impassioned words and so on.

The other subsection of 23 quoted by Edmonton-Glenora does come a little closer, hon. Provincial Treasurer: "uses abusive or insulting language of a nature likely to create disorder." [interjections] Now, you've got me here. I'm here.

The Chair would observe that the remarks of the Provincial Treasurer were obviously in the nature of speculation and didn't reflect on a specific individual. The minister will be cautioned, implored by the Chair to continue his remarks without inflaming passions.

MR. DINNING: Mr. Speaker, I appreciate your admonition, Your Honour, and I will take it to heart.

### 11:50 Debate Continued

MR. DINNING: I would simply say, to finish my remarks about where this government is coming from in setting standards, requiring performance, and then requiring measurement of that performance and measurement against the standard, Mr. Speaker, that that is the role that this side of the House sees for the provincial government.

It was interesting, you know, in Red Deer because the Member for Edmonton-Whitemud was there joined by the Member for Edmonton-Manning. It was interesting to see the response – and I'm doing my best to keep my comments low and temperate – where the government business plan in the various budget roundtable groups said: the government will do this, or the government will follow through and do this and take this action. Well, it was interesting – and I know Edmonton-Whitemud and Edmonton-Manning would agree – the backs in the audience went up. People more often than not said, "That isn't government's role." And speaking to the Government Organization Act, they

said: "That isn't the government's role. Let Albertans do that. Allow Albertans to be trusted, because Albertans also know what is best. In fact, they know even better than government how to spend the money and how to effectively meet the standards, that you as this Legislature and you as the government have the responsibility, have the authority, in fact are bound in duty to set down those standards."

What I heard the hon. member say when he was talking about the philosophy behind this Bill, what I heard him doing, Mr. Speaker, was defending and wanting us to protect and maintain the status quo, that the status quo was good enough and that the needs of Albertans could be met with the notion of good enough is good enough. Now, for perhaps just a sort of part-time former faculty member from the political studies area good enough might be good enough, but I know my colleague from Edmonton-Whitemud better than that. He has done some excellent work, some work that is about to be published which he has shared with me privately. I will not steal his thunder, but it fully supports the kind of approach, I believe, that our Minister of Environmental Protection and the Minister of Energy – who are part of the Government Organization Act and are in Bathurst, New Brunswick, defending this province and defending others in the carrying out of their duties.

#### **Point of Order Speaking Time**

MR. DEPUTY SPEAKER: The hon. Member for Redwater is rising on a point of order. Would you share it with us?

MR. N. TAYLOR: Mr. Speaker, I've been timing the speaker. I don't know what's happened. As far as I can see, he's reached his – I would like to know his time. I think he's run out of time. I've been timing the speaker, and he's running out of time or awfully close.

MR. DEPUTY SPEAKER: The hon. Member for Redwater raises a good point and one that I think all members need to be aware of so that we don't get into points of order as a filibuster in itself to take away from a member's time. We've seen it, I believe, on both sides of the House where members were under the understanding that they only had 20 minutes from beginning to end, and that is not so. The clock is a stoppable clock. When a point of order is called, the clock is stopped. The member's time for 20 minutes is not in any way taken away by points of order and so on. So the hon. member's point, although well taken, does indicate that we do have a considerable amount of time, in excess indeed of 10 minutes, that the hon. Provincial Treasurer can tell us why he supports Bill 41.

#### **Debate Continued**

MR. DINNING: Well, Mr. Speaker, I would be delighted to do just that, and I'll tell you that the other attractive feature of this Bill is the fact that some . . . [interjections]

#### **Point of Order Referring to the Absence of Members**

MR. DEPUTY SPEAKER: Order. The hon. Member for Edmonton-Mayfield is rising on a point of order. Would you cite.

MR. WHITE: Seven forty-three, speaking of members that are not in the Chamber at the present time, sir. It's quite obvious that the two ministers you spoke of are not in the Chamber, and you

spoke of them being somewhere else. Therefore, they are not able to speak for themselves. Surely, sir, under 743 they certainly couldn't be spoken of. I mean, to carry on this disastrous combination of arrogance and ignorance that we see tonight and passage of this Bill is just throwing . . . [interjections]

MR. DEPUTY SPEAKER: Order. Fictitious, irrelevant points of order are not helpful. We do not have a Senate. Citation 743 deals with the Senate. However, I suppose one can always hope, now that a certain party is in government, that maybe members here could aspire to such.

#### **Point of Order Relevance**

MR. N. TAYLOR: Mr. Speaker . . .

MR. DEPUTY SPEAKER: Are you rising to speak on the point of order?

MR. DINNING: May I continue with my remarks, Mr. Speaker? Knowing your desire, and in view of the importance of the important principles behind this Bill, Mr. Speaker, I stand before you and say . . .

MR. DEPUTY SPEAKER: The Chair apologizes for having to stand so frequently, but we must deal with the point of order. The point of order of Edmonton-Mayfield has been dispensed with, I think, but Redwater . . .

MR. N. TAYLOR: I have one on 459, entirely different. Mr. Speaker, 459 is relevance. We've heard this man carry on, and he's not answering anything. The Bill does not cut the size of government. The Bill transfers governing to another area. The Bill does not allow for any examination of the expenses by the other side, and he doesn't bring that up. The hon. member has not covered at least . . .

MR. DEPUTY SPEAKER: Thank you, hon. Member for Redwater. I think your point of relevancy can be easily reflected by listening to your discourse or that of the Provincial Treasurer, who officially has the floor. So we would invite the Provincial Treasurer to continue, with the admonition of Redwater as to relevance.

#### **Debate Continued**

MR. DINNING: Mr. Speaker, the Member for Edmonton-Whitemud talked about section 13 of Bill 41 when he talked about the minister making grants and cabinet making regulations applicable to a minister making grants. I want to make it clear, because the hon. member does agree with me – he's now smiling; his beaming, cherubic smile says that he does – that every single dollar that would be provided by way of grants would be appropriated by this Assembly, by this legislative Chamber, through the appropriation Bills, and no money could flow without that money properly appropriated.

I think of somebody talking about open-ended authorization of agencies. Well, I'll tell you, Mr. Speaker, it was the members across the way who stood in support when I had a chance this time last year to present a Bill under the Financial Administration Act, which is very similar in nature to this – it's parallel legislation to this – that made sure that in fact we properly authorized . . .

**Point of Order****Questioning a Member**

MR. DEPUTY SPEAKER: The hon. Member for Edmonton-Meadowlark is rising on a point of order. Would you share it with us?

MS LEIBOVICI: Well, I would just like to ask the minister a question if he's willing to entertain one.

MR. DEPUTY SPEAKER: Under 482 all the minister has to say is yes or no.

MR. DINNING: No, Mr. Speaker, I won't entertain one just because I know that it's so important that we have a chance to debate this Bill.

**Debate Continued**

MR. DINNING: You know, I couldn't help but think, Mr. Speaker, what kind of government organization Bill might the Liberal Party bring before this Legislative Assembly.

**Point of Order****Relevance**

SOME HON. MEMBERS: Point of order.

MR. DEPUTY SPEAKER: Hon. members, the Chair has already ruled on this point, which I think is in the minds of the several members that got up, and that was that the speculation of what other people might be doing is not really relevant to third reading of Bill 41. So we would ask the Provincial Treasurer to continue on without speculating.

**Debate Continued**

MR. DINNING: Well, Mr. Speaker, I do appreciate that, but this is Bill 41; this is the Government Organization Act. We've heard debate in criticism to this Bill from members across the way. Nothing has been said that I have heard that would convince us that this Bill could be replaced with something better.

Mr. Speaker, I only had to wonder. As this gang, as the Liberals across the way are – when I think about them someday, goodness knows, if things go . . .

12:00

MRS. McCLELLAN: Oh, oh.

MR. DINNING: Yeah, I know. Isn't that a dreadful thought? . . . that they might write a government organization Act, how might they do it? As we did before we wrote the Government Organization Act, Mr. Speaker, we went through a leadership and we went through an election, and now we see the members across the way organizing a leadership campaign.

I can't help but think that here the chief electoral officer of the Liberal Party is saying that a substantial breach of convention rules has taken place . . .

**Point of Order****Relevance**

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

MR. DEPUTY SPEAKER: The hon. Member for Sherwood Park is rising on a point of order. Would you share it with us?

MR. COLLINGWOOD: Yes, thank you, Mr. Speaker. *Beauchesne* 459, relevance. The hon. Provincial Treasurer has once again swayed rather drastically from the debate on Bill 41 after about 30 seconds of debate. While it may be necessary to continue to call the Provincial Treasurer to order, we need him to of course stick to the debate because of the importance of the closure motion that faces the Assembly.

Thank you, Mr. Speaker.

MR. DINNING: May I carry on and finish my remarks?

MR. DEPUTY SPEAKER: The point is made, and the Chair did try to make it again, that you're straying into speculation. We were wanting to stay with the . . .

MR. DINNING: Mr. Speaker, I apologize to you, sir, that I did.

**Debate Continued**

MR. DINNING: I simply would say that this Government Organization Act gives the authority that Albertans have conferred upon their elected government to make the kinds of decisions that are behind the A Better Way document. Mr. Speaker, the Government Organization Act . . .

**Point of Order****Questioning a Member**

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

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

MR. SAPERS: Yes, Mr. Speaker.

MR. DEPUTY SPEAKER: I hesitate to ask which the citation is, but I have to.

MR. SAPERS: *Beauchesne* 482. I'm wondering if the Treasurer would entertain a question during debate.

MR. DEPUTY SPEAKER: I would think we could answer that one. Once it's been asked during a debate and the answer is no, then we assume that the answer is no for all subsequent. Otherwise, we could literally have 30 or 31 questions.

MR. SAPERS: I'm sorry, Mr. Speaker. I was just hoping that the Treasurer would . . .

MR. DEPUTY SPEAKER: We'll invite the hon. Provincial Treasurer to continue.

**Point of Order****Interrupting a Member**

MR. DAY: On a point of order, Mr. Speaker.

MR. DEPUTY SPEAKER: I'm sorry. The Chair would not accept the point of order to ask the question. The Provincial Treasurer had declined an earlier one, and we assumed that that would go for all of them.

MR. DAY: It's a point of order that has arisen because of the interruption opposite, Mr. Speaker.

MR. DEPUTY SPEAKER: The Chair would be moved to say two things. One, I did not hear what your point of order was, hon. Government House Leader, and two, a point of order on a point of order . . .

MR. DAY: It's a brand-new point of order, Mr. Speaker.

MR. DEPUTY SPEAKER: To the point of order on 482?

MR. SMITH: No. It's just a new point of order.

MR. DEPUTY SPEAKER: A new point of order?

MR. DAY: Mr. Speaker, in all seriousness and sincerity, *Beauchesne* is very clear in terms of interruptions of a speaker. Now let's be very honest. We do this; there's always thrust and parry on both sides. But it is clearly plain to anybody who either sits in the gallery or reads *Hansard* that when a member from this side gets up and begins to make points, the interruptions from the side opposite are absolutely uncalled for. They go far and beyond all state of reason. *Hansard* will show anybody who wants to read it tomorrow on the point of order and interruptions that the Treasurer has been constantly interrupted by heckling like we're hearing now and by ridiculous, unfounded points of order. It is nonstop against government members. They say they want us to debate. It is absolutely nonstop. [interjections] Even now they're shrieking at the top of their lungs, the Member for Edmonton-Glenora and his other cronies, shrieking. It has to come to an end. I would like you to rule a little more severely on interruptions, Mr. Speaker.

Thank you.

MR. DEPUTY SPEAKER: On this new point of order, which we have not yet received a citation for . . .

MR. DAY: I'll check it for you.

MR. DEPUTY SPEAKER: I presume maybe 483?

MR. BRUSEKER: On 483? Well, I would like to offer another citation, Mr. Speaker, which is *Beauchesne* 319: "Any Member is entitled, even bound, to bring to the Speaker's immediate [attention] any instance of a breach of order." Mr. Speaker, all that the learned hon. colleagues I have on my side of the House are doing at this time is attempting to draw and guide the Provincial Treasurer in his debate, which we know is carefully and cogently thought out ahead of time, but once in a while in his enthusiasm he tends to wander a little bit. The members on this side of the House are simply following the direction in *Beauchesne* 319. There's nothing wrong with the process at all.

MR. DEPUTY SPEAKER: Okay. But the Chair would hold the view that the words of the hon. Government House Leader are indeed cogent. I think we know in our hearts that points of order have been used to bring levity to a long evening. Although I am sure that they were more motivated by their eagerness to fulfill *Beauchesne* 319, it has resulted in extra time being spent, none of which counts against the hon. member's speaking time. So perhaps we could cease our zealous and scrupulous attention to the rules and let the Provincial Treasurer conclude his remarks, as I am sure he will so do soon.

### Debate Continued

MR. DINNING: Mr. Speaker, knowing how disappointed my colleagues will be that I have been unable to complete my speech, I would, however, ask that you now put the question.

MR. DEPUTY SPEAKER: Thank you, hon. Provincial Treasurer. Due notice having been given by the hon. Government House Leader under Standing Order 21 and pursuant to Government Motion 33 agreed to this evening under Standing Order 21(2), which states that no member shall rise to speak after the hour of midnight if the adjourned debate has not been concluded and that all questions must be decided in order to conclude debate, I now must put the following question.

On the motion from the hon. Member for Calgary-Varsity to move third reading of Bill 41, Government Organization Act, all those in favour, please say aye.

SOME HON. MEMBERS: Aye.

MR. DEPUTY SPEAKER: Opposed, please say no.

SOME HON. MEMBERS: No.

MR. DEPUTY SPEAKER: Carried. Call in the members.

[Several members rose calling for a division. The division bell was rung at 12:10 a.m.]

[Ten minutes having elapsed, the Assembly divided]

For the motion:

Ady	Dunford	McClellan
Amery	Fischer	McFarland
Brassard	Forsyth	Renner
Burgener	Fritz	Severtson
Calahasen	Gordon	Smith
Cardinal	Havelock	Sohal
Clegg	Hierath	Stelmach
Coutts	Hlady	Taylor, L.
Day	Jonson	Thurber
Dinning	Magnus	Woloshyn
Doerksen	Mar	

Against the motion:

Beniuk	Henry	Taylor, N.
Bracko	Leibovici	Vasseur
Bruseker	Massey	White
Carlson	Nicol	Wickman
Collingwood	Percy	Zariwny
Dalla-Longa	Sapers	Zwozdesky
Hanson	Sekulic	

Totals: For – 32 Against – 20

[Motion carried; Bill 41 read a third time]

[At 12:23 a.m. on Wednesday the Assembly adjourned to 1:30 p.m.]